

Work and Retirement Decisions in Israel: Demographic Background, Scientific Perspectives and Social Issues

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ABSTRACT

The inconsistency between individual preferences with regard to work and retirement and diminishing employment opportunities may be even more profound in Israel than in other countries as a result of residual work-centered values. Following a brief description of the Israeli scene, some of the antecedent social and demographic factors that affect labor-force participation of older age groups in Israel are reviewed. The paper's focus then moves to the empirical evidence relating to prevalent attitudes toward retirement and the determinants thereof. Some of the methodological difficulties in assessing these attitudes are indicated. While not accepting the inevitability of reduced paid-employment opportunities for the elderly, the paper concludes with a call for broad-based structural changes that will enable society to accommodate the emerging demands of the new age structure.

DISCUSSION

The question of employment of older workers (generally people approaching the normatively accepted retirement age or already past it) is usually framed around two competing sets of interests: the need to maintain a balance in the workforce under conditions of relatively high unemployment by replacing older workers with younger ones, and the need to provide more employment opportunities for older persons who want to continue working. The extent to which one of these sets of interests becomes the major influence on public and private policy at a specific period is determined by an interplay of often conflicting demographic, economic, sociological and psychological realities. However, for any given country, a better understanding of these realities requires that consideration be given first to the historical, cultural and socio-political background which contributed to the overall framework. In more than one way Israel is a somewhat special case in that respect. We therefore begin our survey of work and retirement decisions in Israel with a brief description of that background. We then touch upon some of the antecedent social and demographic factors. Next we focus on some of the "immediate" factors which help to explain individual variation in attitudes toward work and retirement in this country. This is followed by a few methodological comments relating to validity of the measures generally used. Finally, in the concluding section, we consider some general implications of these viewed trends.

This report will be relatively eclectic and atheoretical. The most important reason for this is that there is no single, well-articulated, logically organized, comprehensive theory of the work versus retirement decision-making process

which is sufficiently compelling to force an organization and interpretation of the evidence in relation to it. Certainly, insofar as the relevant Israeli evidence is concerned, I have not come across any empirical findings which can be only interpreted in conjunction with a particular theoretical position which generated them. Since the process under review here cuts across many disciplines, the approach that was adopted is essentially multi-disciplinary and the primary concern is with brief inferences from several socially significant viewpoints.

THE MACRO ENVIRONMENT

Jewish culture is an important factor to consider in the study of older Israelis' decision to work or to retire. Work and work ethics have been the focus of concern since the beginnings of Jewish history and tradition. Early Jewish philosophers dealt with issues which continue to be relevant today, *e.g.*, "What is work?" "What is the contribution of work to a society and its people?" The perceived functions of work in early Jewish society, which have been classified as social, moral-personal and ideological (Alon, 1967), are summed up in epigrams such as, "He who does not teach his son a craft teaches him brigandage" (Talmud, Kiddushim, 29a).

For the founders of the Jewish labor movement and the modern State of Israel, too, work had a special meaning. Work values are still being transmitted to the younger generation through both formal and informal education (*e.g.*, in youth movements), and are thus well integrated into the Israeli socialization process. In more practical terms, this also explains why Israel had, by and large, been committed until as recently as the mid-1980s to the maintenance of high, nearly full, employment. This commitment was based on a widespread consensus and became both a major problem of the economy and a major strength of the society (on this point, see, for example, Fishelson, 1987 and Jacobson, 1990). The full employment policy was achieved largely through the country's willingness and ability to effectively subsidize employment on a large scale aided by massive economic support from abroad and at the expense of a runaway inflation and a national debt which grew at an alarming pace. As indicated, this policy had strong historical roots. Prior to independence, in 1948, work, and especially hard, physical labor, was viewed as a crucial ideological component in the struggle of the "state in the making." The Zionist-Socialist parties which have formed the ruling elite of the Jewish community's political system followed a future-oriented collectivistic ideology which glorified youth and its pioneering spirit (Horowitz and Lissak, 1985). This ideology emphasized the return to productive labor of Jews immigrating to Israel and stressed the need to provide employment as a necessary means for encouraging them to make Israel their home. It envisaged work as the basis for national and social renaissance; economic objectives, such as growth, attained prominence only after the country's independence.

The creation and maintenance of employment opportunities took on even greater urgency in the process of absorption of the mass Jewish immigration into Israel during the first generations of statehood. Indeed, to this date it is a declared, albeit not always realized, cornerstone of institutional policy and activity. Given the continuous threat to its security and the numerous conflict areas within Israeli society, economic and class tensions due to a lack of employment opportunities

have traditionally been seen as dangerous additional burdens that Israeli society just can not bear (Jacobson, 1987).

It is against this background of the central position afforded to work, the near glorification of youth and the strong orientation toward the future that the resistance of many members of Israel's founding generation to retirement can be understood. For them, retirement means relinquishing not only their work role, but often very central positions in society. However, a degree of caution is called for at this point on the basis of some of the empirical evidence surveyed below. Although the commitment to work and the centrality of work apparently still constitute an important element of the work ethic of many older Israelis, its presence does not necessarily presuppose that of the second component of a work ethic - namely the motivation to perform well on a specific job, or the readiness to exert effort at work. Furthermore, the massive numbers of immigrants who arrived in Israel in the wake of the establishment of the State and thereafter were often forced into new and unfamiliar work, not by choice or ideology, but by the need to meet the demands of the absorbing society and to survive economically. Many older immigrants never fully integrated into the economy. Even those who did were hampered to different degrees by the need to cope with a new language and perhaps even more significantly, new and complex values. Their late entry into the workforce, the traumas suffered, all have considerable repercussions on the resources available to them in old age.

While the need to maintain an economic regime of close to full employment is still widely accepted, policies which encouraged subsidization of employment creation activities have changed dramatically in Israel since the summer of 1985 in direct consequence of the government's drastic anti-inflationary moves. These policies resulted in substantial cutbacks, a widespread trend toward retrenchment and a growing number of closures in most economic branches both in public and private sectors as well as in the large trade-union owned sector. During the second half of 1989, unemployment figures rose to an unprecedented 9.8% of the civilian workforce. Under these dire economic circumstances, the continued integration into the workforce of the elderly and retired population who desire it, and for whom it is likely to be a central factor in their personal and social well-being, is probably not perceived by policy makers as a priority, and certainly not within the realm of the practicable. Early retirement, rather than extended labor-force participation, has come to be recognized as a preferred means of lowering payroll costs. For instance, in Biber's (1988) study of retirement patterns in ten large Jerusalem organizations both in the public and the private sectors, the majority of managers at different hierarchical levels, while objecting, in principle, to a rigid retirement-age policy, favored compulsory retirement for older workers as a workforce reduction strategy in times of growing unemployment. Likewise, as pointed out by Jacobson (1987), the use of optional early retirement (OER) programs is presently winning popularity among many Israeli employers as an employment buffering strategy which has marked advantages over involuntary layoffs and dismissals. In fact, in the last few years, retirement for all at a set age is, to a degree, something of the past, the still comparatively high labor-force participation figures (see below) notwithstanding. In the national consciousness, although still less so than in some other countries (see, for example, Gaullier, 1988), career exit is beginning to be

spread over a 10 year period between the ages of 55 to 65 and is coupled with a variety of statuses sharing diverse implications. To name but a few: early retirement, unemployment, "discouraged worker," *etc.* In sum, in contemporary Israel the older worker problem is not generally perceived as one of authorizing employment after retirement, but rather to have a job and to hold on to it, if possible up to retirement age.

DEMOGRAPHICS AND THE OLDER WORKER'S LABOR-FORCE PARTICIPATION

The Impact of Immigration and The Aging of Society.

First and foremost among the demographic and social trends that have to be taken into account when considering work and retirement patterns in Israel is the phenomenon of mass immigration. As has already been mentioned, this phenomenon had some far-reaching effects. Among them, since the establishment of the State, have been the dramatic changes in the age structure of the population; particularly, an unusually rapid increase in the number and in the proportion of older people. Both because early immigration was selective toward the young, and because later immigration "imported" large numbers of middle-aged and older people, the population currently reaching retirement age is exceptionally large in comparison to the past. Thus, while in the pre-State period of 1928-1948 only 3.1 percent of Jewish immigrants were aged 65 and over, while 64.3 percent of the immigrants were under 30 years of age, in the 1970s, for example, no fewer than 19.6 percent of the immigrants were aged 45-64, and 10.1 percent were aged 65 or over (Habib and Matras, 1987). This shift has greatly affected the overall increase of those aged 65 +, from approximately 4 percent in 1948 to above 10 percent of the total population recently. Obviously, other influences not necessarily unique to Israel (such as increased longevity and a declining fertility rate) have also greatly influenced the rapid aging of the Israeli society (for a recent review of these trends, see Matras and Noam, 1989).

These growing numbers of older Israelis constitute the first large-scale generations faced with retirement in an institutionalized manner, that is according to more or less definite rules or norms. Previously, Israel has had relatively little experience with the retirement process, either on the societal or the individual level. Few members of the older cohorts have been exposed to a process of "anticipatory socialization" (Merton, 1968) to advanced-age role expectations. Many have no "role models" to emulate -- either because, as immigrants, they came on their own and grew up without the nearness of an older generation, or because the past ideological emphasis on youth (see above) has made existing models irrelevant.

Overall Participation of the Elderly in the Labor-Force

Sicron (1986) has shown that employment of elderly (65 +) and late middle-aged (55-64) men has been more widespread in Israel in the recent past than in other highly industrialized countries, but has declined in the last two decades. Similarly, Kop (1987) reports that by 1983 (the year the last National Census was taken) the rate of labor-force participation of Jewish men in Israel aged 55-64 declined to 80 percent (compared to 91.5 percent in 1964) and the percentage of men aged 65 or over in the labor-force was down to 38 percent (compared to 44

percent in 1964). A further breakdown reveals that the latter figure is an average of a 43.5 percent participation rate among men aged 65-74, and 18 percent among those aged 75 and above (Kop, 1987). According to recent figures published by the Israel Central Bureau of Statistics (Israel-CBS, 1989), labor-force participation in the age groups under consideration here has declined further in 1988, probably as a concomitant of rising unemployment, (to 71.5 percent among males aged 55-64 and to 36.0 percent in the 65-69 group). Among women, labor-force participation in 1988 was 51.3 percent in the 45-54 age group, 37.8 percent in the 55-59 group, 18.4 in the 60-64 group and a mere 9.3 percent in the 65-69 age group (Israel-CBS, 1989). Moreover, these figures may exaggerate the actual extent to which older people work, since they include those working part-time. Nearly half of the men aged 65 and over who were active members of the labor-force, and almost two-thirds of the "active" women aged 60 and over, generally worked less than 35 hours per week (compared to 16 percent of working men aged 60-64 and 36 percent of women aged 55-60).

Nonetheless, Habib and Matras (1987) have shown that the labor-force participation rate for Israeli Jewish males within the 55-64 age group remains higher than that for males in that group in the US and most Western countries with the exception of the UK and Japan. As for males aged 65 and over, the only Western industrialized country with a labor-force participation rate higher than that in Israel is Japan. It stands to reason, as argued by Habib (1984), that the relatively low level of unemployment in Israel until the mid 1980s and the lack, until fairly recently, of ready access to adequate pensions and income support systems, or the incompatibility between them and the aging workers' material expectations, have all worked in the direction of these comparatively high rates of labor force participation.

Intra-Group Differences in Labor-Force Participation

A number of reports point to a considerable differentiation in labor-force participation among the elderly by education, geo-cultural origin, marital status, and occupational group. Citing several studies, Griffel (1984) shows higher participation rates among the better-educated, those of European-American origin, those who are relative old-timers in Israel, and among married men and non-married women. Statistical evidence presented by Habib and Matras (1987) clearly suggests a dramatic and positive relationship between levels of educational attainment and rates of participation. Among men aged 55-64, less than two-thirds of those with no or with very little formal schooling, but more than nine-tenths of those with post-secondary level schooling, were in the labor-force in the early 1980s. Similarly, among those aged 65 and over, only 11 percent of those with 0-4 school years, and less than 24 percent of those with 5-8 school years, were in the labor-force, compared to more than one-third in the labor-force among those with at least some post-primary (9 years or more) schooling. Likewise among women, in 1988, the labor-force participation rate in the 55-59 age group was 10.8 percent of those with 0-4 school years and 19.5 percent of those with 5-8 school years, compared to 39.1 percent in the labor force among those with 9 years or more of schooling (54.9 percent and 67.9 percent for women with 13-15 and 16+ years of schooling respectively). Among women above the conventional retirement age (the 60-64 age

group), only about 2 percent of women with little or no schooling participated in the labor-force, compared to approximately 15 percent of the women with more than 13 years of schooling (Israel-CBS, 1989).

The overwhelming majority (about 93 percent) of Israeli Jewish males aged 55 and over are still men who had been born abroad and immigrated to Israel. While it is possible to foresee a gradual increase in the proportion of Israeli born elderly, the recent immigration wave from the Soviet Union on the one hand, and diverse countries such as Argentina and Ethiopia on the other, guarantees a continued impact of geo-cultural background factors for years to come. Indeed, according to Habib and Matras (1987), labor force participation rates of men in that age category who were born in Western countries (Europe and America) or in Israel is substantially higher than those born in Asia or Africa. The same geo-cultural origin variation exists among elderly Israeli women (for recent figures, see Israel-CBS, 1989). These differences remain evident even when controlling for other demographic factors such as differences in age subgroup, educational attainment, occupational group, and differences in period of immigration or duration of residence in Israel. In all subgroups, late middle-aged and elderly men and women born in Asian or African countries have lower labor-force participation rates than do those born in Europe, America or Israel itself, though the differences are smallest among those who immigrated prior to 1948.

As in other countries, occupational differentiation appears to be another important determinant of labor-force participation in Israel. In their analysis of data from a National Mobility Survey carried out as part of the Labor Force Survey in 1974, Matras, Noam and Bar-Haim (1979) found that the percentages retiring among men under 60 in unskilled manual or service occupations were somewhat higher than in other occupations. But among those aged 60-64 the occupational differences in the percentages retiring became much more pronounced, with those employed in service and unskilled occupations withdrawing from the labor-force in substantially greater percentages than others in that age-group. Similar occupational differentiation in the rate of retirement from the labor-force was found for the 65-69-year-old men. The differential retirement rates among different occupational groups have been replicated and updated in large measure in a more recent investigation (Israel-CBS, 1984). On the whole, then, continued labor-force participation beyond normal retirement age in Israel, as in most Western countries, is characteristic of those with higher educational and occupational status (particularly managers and professionals), farmers (including in large numbers members of Kibbutzim), and self-employed individuals. The latter are more likely to continue working since they are not restricted by mandatory retirement rules and are more easily able to adjust their work-role to their needs. Scientists and scholars, whether or not they are officially listed as being in the labor-force, tend to continue engaging in professional activities after retirement age. On the other hand, those employed in service and unskilled occupations are the least likely to remain in the labor force.

Confirmation of these trends is received in studies of smaller samples of elderly target-populations in specific settings. Generally, these studies show greater participation in the labor-force for men who immigrated from Western countries, with a higher level of education, and especially for those who were married and had positive self-evaluations of their health (e.g., Griffel, 1984). The tendency to

continue work among members of these groups is often attributed to a relatively high degree of work centrality and commitment, the intrinsic satisfaction derived from their line of work, the nonphysical nature of their jobs, as well as the greater demand for their skills in the labor-market (Mannheim and Rein, 1981). Professionals who are not subjected to rigid retirement rules, such as physicians, are particularly unlikely to retire (Jacobson and Eran, 1980). However, these studies also show a sizable group who continue to work mainly to supplement inadequate income. The majority of this group consists of relative newcomers to the country who did not accumulate sufficient pension rights and possess no alternative sources of income. The financially motivated comprised 45 percent of those working in Bergman's (1981) sample of clerical and administrative older workers, and 31 percent of workers studied by Kremer and Weiner (1977). These tended to be men of Asian-African origin who were employed on a part-time and irregular basis on blue-collar or low-level service jobs.

FACTORS AFFECTING THE DECISION TO CONTINUE WORKING OR TO RETIRE

The Empirical Evidence

The decision to leave the labor force is an important life cycle choice that affects a person's well-being for the remainder of his/her life. This section briefly describes variables related to this decision and reports some of the evidence accumulated in Israel on their significance. It must be pointed out, however, that most of this evidence comes from studies that have been devoted to correlational or causal analyses of individual variation in attitudes toward work and retirement. Relatively few studies have focused specifically on the retirement "decision" per se or on the timing of retirement. The reason for that is that for most employed Israelis retirement at a given age is mandatory and not conditional on the individual's own decision. Furthermore, all of the relevant Israeli studies that came to our attention dealt with, as yet, employed respondents in the "young-old" age groups (55-68 and 50-63 for men and women respectively). None was carried out on already retired respondents.

Kasl (1980) cites a number of American studies which demonstrate that the norms and values that both directly and indirectly affect the decision to retire have undergone a change in the United States in the last 40 years. He points to two major reasons for this: (1) changing attitudes toward work, and (2) increased availability of adequate pensions which supply the financial security which enable the person to retire. In Israel, as noted earlier, the emerging *Zeitgeist* also puts less emphasis on work in comparison to earlier periods. However, this decline in the subjective centrality of work is much more typical among younger age-groups than among older ones (Mannheim and Rein, 1981). Proof for the relatively higher work centrality among older workers has been provided by Harpaz (1988). This investigator compared response structures in the early 1970s to those in 1981 using the hypothetical "lottery question" methodology involving intentions to continue working given an adequate alternative source of income. Harpaz's (1988) analysis revealed an increase of 150 percent (from 6.3 percent to 15.4 percent) in young people's desire to stop working between the two points of time that were compared.

Conversely, among older respondents (aged 60 and over) a decline of more than 100 percent was actually observed (26.5 percent to 12.9 percent) in the desire to stop working in the absence of economic needs. The persistence of older workers' work orientation and their lack of awareness of alternative social roles has also been reported in other studies (e.g., Kremer and Harpaz, 1982).

As for the second underlying determinant of a more positive predisposition toward retirement in the US pointed out by Kasl (1980), that of the increased availability of adequate retirement income, this too fails to emerge as such in Israeli studies. Most of these studies (see reviews in Bergman, 1980; Griffel, 1984) point to financial anxieties and pressures as major factors affecting the preference not to give up work, particularly among blue-collar and low level white-collar older workers. Pensions are perceived as semi-adequate at best, and their direct influence in supplying the financial means that facilitate a more positive retirement predisposition is limited (Avner, 1975). Rather, they may be thought of as having an indirect influence in serving to legitimize the status of the retired, especially for those who are not forced to retire because of poor health and whose formative years have imbued them with the collectivistic work orientation of earlier times discussed above.

Most of the data on retirement intentions and on preretirement attitudes and their correlates in Israel come from studies conducted in the 1970s in specific industrial settings (for instance, Eran and Jacobson, 1976; Handeles, 1982; Kremer and Wiener, 1977; Mannheim and Jacobson, 1972). These studies suggest that those older workers who prefer to retire (usually less than 50 percent of the investigated samples) are primarily in jobs with low substantive complexity and low social skills. Frequently these are dull, routine jobs involving mechanized line operations. They are also likely to be heavy, physically demanding and fatigue-producing jobs. Not surprisingly, therefore, perceptions of declining health and reduced ability to keep up with job demands are also involved. For example, in Jacobson's (1972) study of semi-skilled factory operatives, jobs were classified into three levels of strain (light, moderate and heavy) on the basis of objective job analysis indicators. The direction of the retirement predisposition among the respondents in that study has been shown to covary with other variables. Thus, older workers on heavy jobs not only opted for as early a retirement age as possible; they also were more likely to view themselves as elderly or old, to appraise their health as poor, and to believe that retirement would have a positive effect on their health. At the same time, retirement retained an external attribution in the sense that it was normatively acceptable in a situation manipulated by forces beyond the individual's control. The major conclusion emerging from this and Jacobson's other earlier studies was that the decision to retire among industrial workers reflected, first and foremost, an attempt to seek a legitimate release from a negative reality involving fatigue, psychological or physical strain, and interpersonal conflict. In other words, the demands of a stressful work environment encouraged retirement. Only relatively rarely was retirement perceived as intrinsically attractive in its own right. The situation is not dramatically different among lower skilled industrial workers who preferred to continue work. Usually their attachment to their specific job (as opposed to their general commitment to the work-role) was found to be rather tenuous as well. As reported by Mannheim and Jacobson (1972),

they would continue working either due to financial needs and the negative image of retirement, or because society has not provided any meaningful alternatives, not because of any intrinsic satisfaction in work. These workers tended to "accept the necessity of work but expected little fulfillment from their specific job" (Mannheim and Jacobson, 1972, p. 261).

Given that pre-retirement planning courses are relatively new on the Israeli scene, the literature has not reported a consistent relationship between retirement planning and an effective decrease in the psychological resistance to retirement (Harpaz and Kremer, 1981; Kremer and Harpaz, 1982). It is as yet unclear whether or not such a causal relationship exists. In fact, Kremer and Harpaz (1982) suggest on the basis of their study that the relative strong work orientation among older Israeli workers, and the desire of many to continue working after their formal retirement, is reflected in their reluctance to plan for alternatives for work and to appreciate the importance of counselling.

Analyses of sex differences in Israeli studies reveal that poor health is the most important predictor of a positive retirement attitude for men, while marital status is for women; women who have never been married are particularly less likely to want to retire. The majority of female respondents aged 55+ in Biber's (1988) study objected to the practice of an earlier retirement age for women than for men. Only a third of the former, and less than a half of the latter were inclined to retire at the conventional retirement age. Two-thirds of the 348 men and women alike in Biber's (1988) study expressed interest in employment after retirement. However, this tendency was particularly marked among respondents in white collar occupations and considerably less so among men and women in blue-collar occupations. Biber's (1988) results support Mannheim and Jacobson's (1974) study of industrial workers in their 50's and 60's in which women were significantly less favorably oriented toward retirement than men. While elderly men in that study were exceedingly worried about economic deprivation in retirement, among women the location of highly valued interpersonal relationships within the workplace emerged as the predominant concomitant of the wish to remain employed past the pensionable age. In interpreting these findings, Jacobson (1974) suggests that they reflect a re-assessment of middle-aged and elderly roles, both in their own eyes and on the normative and institutional level. Finally, for both men and women there is some evidence regarding the influence of psychographic variables on the retirement predisposition. Specifically, locus of control and death anxiety (i.e., the belief that retirement signals death) have been reported to have some influence, but much less so than the income and health variables.

The overall picture emerging from these studies, then, is of financial and health considerations being paramount, with attitudes toward leisure activities coming in as a distant third influence on retirement attitudes. Job satisfaction or, alternatively, factors relating directly to the nature of the retirement situation have relatively little bearing on these attitudes. Still, it is important to note that this general conclusion is based on studies of subjects from middle and lower occupational strata. Evidence on subjects specifically from upper occupational strata does challenge that conclusion somewhat. A case in point, for example, is Eden and Jacobson's (1976) study of 179 older (55+) senior executives, all men, in 13 leading Israeli organizations. This study suggested that the decision to withdraw from work

tended to be influenced by the executive's acceptance of retirement as an appropriate stage in his life cycle, his perception of retirement as an opportunity for self-fulfillment in other fields or, significantly, by his loyalty to the norms of his organization which obligated him to facilitate the advancement of younger colleagues by his own withdrawal. Of course, the latter factor may have expressed some degree of internalized peer pressure. Paradoxically, therefore, among the executives studied, even if themselves not bound by a mandatory retirement age, high job satisfaction and organizational commitment were often linked to a declared intention to retire once they reached the compulsory age normally stipulated by their organizations. Similarly, in a study of 317 older physicians employed in public clinics in which no compulsory retirement was imposed, the decision to retire or to continue working past the normal retirement age depended, first and foremost, on the perceived instrumentalities of continued employment, and of retirement, for the attainment of professionally desired outcomes (Jacobson and Eran, 1980).

Some Methodological Considerations and Refinements

In summarizing the relevant studies it must be realized that apparently similar measures of dependent variables can actually represent different constructs, which in turn may have different correlates or determinants. For example, preference or desire to retire is not necessarily the same as plans or intentions for retirement; the former represents a desire or wish which may be unrelated to financial considerations, while the latter may be heavily influenced by adequacy of prospective post-retirement income. Similarly, anticipatory attitudes toward retirement may tap different processes depending on whether they reflect attitudes toward the giving up of one's work-role or the anticipated quality of life in retirement. Persons in poor subjective health prior to retirement tend to have negative anticipatory attitudes toward retirement, the same as persons in good health and strong job involvement (Biber, 1988). But since two different processes are being tapped, one may find that negative attitudes are related to a preference for early retirement in the first group and for delayed retirement in the second.

To overcome this potential conceptual and methodological confusion, an attempt has been made to integrate the variables involved in the work versus retirement decision making process into an articulated formulation of the original (Vroom, 1964) expectancy theory framework. The validity of this formulation was empirically tested in a series of Israeli studies based on samples of blue-collar industrial workers (Eran and Jacobson, 1976), executives (Eden and Jacobson, 1976) and physicians (Jacobson and Eran, 1980). The samples included older workers who did have a measure of control over the timing of their withdrawal from their respective employing organizations, that is workers who were in position to determine their actual behavior in the light of their cognitive decisions. The results of these studies suggested that the choice between continued employment or retirement was indeed guided, in part at least, by a cognitive calculus conducted by the individual who was faced with the choice. This calculus involved the subjective valence of each life-situation feature that could be affected by the choice, and the subjective probability of enhancing (or losing) that feature. In other words, the individual's decision tended to reflect the degree to which either continued employ-

ment or retirement was perceived as potentially enhancing or harming his/her chances for achieving, obtaining, or maintaining important values, resources or objectives.

Symbolically: $VE = F\{ \gg [VK(IEK - IRK)]\}$

where VE = the valence of continued employment

VK = the valence of outcome K

IEK = cognized instrumentality of employment for
the attainment of outcome K

IRK = cognized instrumentality of retirement for
the attainment of outcome K

CONCLUDING REMARKS

The striking phenomenon which emerged from most of the relevant Israeli studies is the reluctance of a majority of respondents to relinquish their role as workers. By and large, even workers who accepted the necessity of ceasing to work failed to possess a positive image of retirement. However, the desire to continue working after the formal retirement age, which is also reflected in the comparatively large proportions of older people who are still active in the labor-force, is clearly inconsistent with the current social and economic realities prevailing in Israel, as in many other countries in Europe and North America. Not only is retirement in this country mandatory for most employees at a given age, but in the future, if the labor market retains its present structure, there are likely to be fewer opportunities for retirees to obtain suitable employment. Several factors contribute to this situation: The absence of agencies whose task it is to find alternative employment for retirees; the lack of special training, professional updating and career counselling facilities for older people; the reluctance of organizations to re-employ their retirees on a part-time basis; and, of course, the growing general rate of unemployment. In addition, common stereotypes about the old, held by both the old and the young, are excluding many older people from society. Income maintenance at a sufficient level, it is often argued, should be guaranteed for the elderly since their potential contribution to society has ended. At best, both public and private policies reflect the goals of the past -- a secure retirement, free from work. By implication older people are thus seen as unproductive, dependent, and not needed for maintaining a functioning society.

For many older Israelis this situation has all the makings of a conflict between the individual's wishes or needs which, among old-timers, are often backed up by a work-centered value system, and society's expectations concerning the post-retirement period. While policies reflecting this conflict may be prevalent today, they will hardly be acceptable in Israel (and other countries) when 13-15 percent of the population are aged 65 and older. The problem confronting us may be even more social than economic. Clearly many older people would prefer a more flexible system that permits more choice about when and how they will retire. If progress is to be made, we must begin to think about how older people can be better integrated into social and economic life through such means as alternative employment, volunteer work, education, self-help and public service. This challenge is as great as that of the more usual problems of improving and expanding social and health services, increasing pension levels, and seeking ways to allow more older

people to remain in their own homes. The challenge before us, then, is to alter the social objectives related to retirement and to promote public policies that will be adjusted to reflect these changing social goals.

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