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Early Retirement among Public Employees in Bahrain: Exploring Its Reasons and Impact on Retirees

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Abstract:

The phenomena of early retirement among public sector employees of the Kingdom of Bahrain has increased since 2012. Recognizing the impact of early retirement on productivity in the public sector and individual lifestyles has promoted this researcher's interest in underlining the main reasons of early retirement in the public sector within the kingdom. Thus, the first objective of this study is to identify the reasons for early retirement in the public sector in Bahrain in relation to the demographic variables of retirees. The second objective is to underline the impact of early retirement on the retirees of the public sectors in relation to the demographic variables. This researcher reviewed the retirement law in Bahrain following an intensive literature review of empirical studies, which has thus contributed to the understanding of the study's theoretical framework, as well as its major constructs and selection of the appropriate research methodology. A quantitative research approach was adopted and data were collected through a questionnaire distributed to a convenient sample of 70 participants selected on the basis general retirees from different levels and positions of the public sectors. A descriptive analysis, a Cronbach Alpha test, a correlation analysis, a T- test, ANOVA, and regression analysis was all employed in this study. The result in relation to the first objective shows that for men, the reasons for early retirement in the public sector in the Kingdom of Bahrain, are as follows: 1) poor working environment, as represented by 22.2%, and 2) better opportunities/own business, as represented by 25.9%. For women, the reasons for early retirement are stated as thus: 1) health reasons, as represented by 58.1%, and 2) social reasons, which are also represented by 58.1%. In regard to the second objective, this researcher finds that the impact of early retirement is mostly positive. The test was conducted on two groups, with the first indicating that the positive impact was 78.3%, with the negative impact and neutral response recorded as 20.3 and 1.4, respectively. On the contrary, the other group indicated that the positive impact was 37.1, while the negative impact and neutral response notes as 56.5 and 3.2, respectively. Therefore, the impact is mostly positive, though at the same time, the negative impact is also quite significant.

1. Introduction

Each and every one of us has a dream, and ambition starts with studying at school and college where one acquires knowledge and skills in addition to having the opportunity to make the most of one's talents and gifts. However, people often to start to consider things more seriously once they start their career following graduation from college, where they implemented and used their knowledge, skills, and competencies to improve their employability level and career progression. Although many employees enjoy their work environment and continue to work until retirement age, some people tend to set priorities in their lives in accordance with their background, principles, beliefs, and reactions to the working environment. In some cases, future plans start to take different directions, especially when the pressure of responsibilities starts to become a burden, which in turn makes life seem difficult. For some people at that stage of life, one may start thinking about retirement, and often early retirement for whatever reason that could be of their choice (Beehr 2007).

To the contrary, numerous employees choose to retire early due to personal reasons, or perhaps because of boredom or tiredness (Schmähls 2003). In addition, it should also be noted herein that some companies/public organizations push older workers into early retirement as a means to circumvent strict employment protection legislation, or even as a way to reduce the liability of pensions, which fall on the government's shoulders. Notwithstanding the fact that early retirement is quite exceptional nowadays. It has recently been observed that the phenomenon of early retirement is increasing day by day. Recent literature indicates the fact that early retirement is increasing in several countries around the world. In the USA and in Denmark, for example, one out of ten early retirees are involuntarily moved into retirement. Furthermore, other countries, such as Canada, Japan, and Norway, have a considerable number of early retirees every year, with most of them voluntarily retiring early for one reason or another (Palmore 1971). Conversely, involuntary early retirement seems to be the rule rather

than the exception in some continental European countries, such as Germany, Portugal, and Hungary; however, in these countries, more than half of all early retirements are 'not by choice' (Dorn & Sousa-Poza 2007). In spite of the numerous studies and decisions that could be implemented in the kingdom, many people continue the trend of early retirement at ages of forty or forty-five ("Social Insurance Organization"), particularly if they have completed twenty years of civil service, as prescribed by the government of Bahrain's Social Insurance Organization Website Social Insurance Law No.: 13 of 1975. As some people start working at age of twenty or twenty-five, in this case, they are eligible to retire by the age of forty or forty-five, which is quite early according to the life cycle. On the one hand, the phenomenon of early retirement may have an economic impact as well as the social effect on both government and society.

Importantly, ignoring such phenomena could put governments under considerable pressure, which could lead to difficulties in controlling the problem. On the other hand, people will not be able to cover their liabilities and may fail to fulfill their responsibilities and other issues if they retire early without considering their future planning, irrespective of their age, gender, or position. In addition, the Social Insurance Organization (SIO) in Bahrain has complained of its low investment revenues due to pensions, as most of their subscribers retire at an early age and eventually live an average life touching seventy, while after their deaths, the pensions continue for their wives and unmarried and unemployed children (Khaleej Times Newspaper 2010). Recognizing the impact of early retirement on the public-sector productivity and individual lifestyles has promoted this researcher's interest in underlining the main reasons for early retirement in the public sector in the kingdom. Thus, this research is valuable in its study of the phenomenon of early retirement within the public sector in the Kingdom of Bahrain, and provides information, facts, and suggestions regarding the matter. Also, it could contribute to improving the awareness of people in that regard to limit the level of early retirement. This research will explore the reasons and impact of early retirement in the public sector in Bahrain through two main objectives; the first objective of this study is to identify the reasons for early retirement in the public sector in Bahrain in relation to the demographic variables of retirees. The second objective is to underline the impact of early retirement on the retirees of the public sectors in relation to demographic variables.

In line with the above statement, the research will review some of the facts and examples of early age retirement. Therefore, the research outcome could come up with suggestions and recommendations to prevent or rather delay the age of retirement. It can also serve to enlighten the public organizations in the Kingdom of Bahrain to be able to deal with such cases and advise respective individuals who wish to retire early to rethink their decisions, and to try to input greater effort and quality into their jobs. As a result, this will actually be beneficial to the public and society. The study hypothesis is formed in line with the study objectives and can be stated as: H1: 'there is no reason for early retirement in relation to demographic factors'.

H2: 'there is no impact on early retirement in relation to demographic factors'. The result is expected to differ from the proposed in these hypotheses, thus leading to a rejection of the hypotheses.

Two possible questions could thus be raised. The first question here is: what are the reasons that lead the employees of the public sector in the Kingdom of Bahrain to early retirement? This is followed by the second question: what are the impacts of early retirement on retirees from the public sector in the Kingdom of Bahrain?

In summary, this study highlights the reasons of early retirement, and in addition, the effect of the public sector on retirees in the Kingdom of Bahrain. Therefore, this study is meant to enlighten the people of Bahrain, especially the employees of the public organizations, to rethink early retirement and to construct a productive plan for the Kingdom of Bahrain to ensure that future employees are adequately prepared for retirement to ensure that society can adequately benefit from the productive years of service.

1.1. Retirement Law in Bahrain

Reflecting on the Retirement Law in Bahrain stating the resolution number (1) for the year 1982 to implement the provisions of the Decree number 16 of 1982 amending some provisions of Law number 13 of 1975 for regulating pension and retirement bonuses for government employees, Article (1):

"The employee inevitably is referred to retire on attaining the age of Sixty, whether man or woman, nevertheless, it may be the decision of the competent minister for reasons relating to the public interest to extend the service of the employee for a period of not more than five years, so as not to exceed the age of Sixty Five, and that should be based on the employee's request and after taking the opinion of the Employees' Bureau and so to start the procedure of extension prior to the end of the employee's service at least before three months, and in the case of extending the service the employee is considered to continue in his job and the General Authority for Pension Fund reserves the rights to pensions until the end of his service" (General Authority for Pension Fund 2014).

The above article of the revised law number 13 of 1975 has been in place since 1982 until the present day. The article clearly states that one must not work after the age of Sixty, unless otherwise decided by the employee, along with the consent of the minister and the employees' bureau. This is provided that one's employment is of public interest, with the condition that the extension does not exceed the period of five years, which means one's age would be sixty-five at the latest. However, in parallel to that law comes another law, which allows one to retire after the service of twenty years, which means that one may leave even by the age of forty or forty-five if one started working early, for example, at the age of twenty or twenty-five.

In considering these laws, one can understand that the government of Bahrain has given its citizens the liberty to choose whether they want to work for the compulsory period of twenty years or to continue to work thereafter until the age of sixty, which means that the total years of service would comprise about thirty-five to forty years at most. Civil retirement and social insurance schemes (pension schemes) in the Kingdom of Bahrain are the largest or unique structures that ensure pensions in the kingdom. Therefore, the kingdom enacted appropriate legislation to provide high benefits that are essentially based on religious and social aspects and to meet the objectives of social protection and social welfare for all citizens in all business sectors. However, in line with most pension schemes in the world, these schemes face demographic and financial challenges that threaten their sustainability over both the short- and long term. Given this, the kingdom of Bahrain gives priority in its social insurance policies to achieving sustainability and the continuity of pension schemes.

In relation to early retirement, one may also buy up to five years from his total years of services (i.e., twenty years as mentioned earlier), so if the total years spent in service are fifteen (15) years, with five years in hand, then the total count of years in service are considered to be twenty (20) years. Hence, the actual total years of service are only fifteen (15) years. According to Gulf Daily News (GDN), as stated by Bahrain Shura Council services committee chairman Abdul-Rahman Abdul-Salam on November 12, 2013:

"The government will see a big gap in its employment structures if seniors decide to retire halfway down the line".

"Allowing people to retire 15 years before their time for just an additional 5 per cent deduction (on top of the normal early retirement deduction) from their annual pensions, which is nothing, will encourage many to leave".

"The early retirement scheme proposed by parliament means the PFA will shoulder huge expenses, and this will certainly affect its status and commitments.

"Around 25 per cent (of civil servants) choose to take early retirement after the age of 50, receiving 80 per cent of their pension".

"That's an enormous percentage that also requires attention in future as it costs the fund BD 2.4 million annually".

The bottom line is that, if many or most of government employees spend only fifteen or twenty years serving in the public sector, then there would certainly be unfavorable consequences.

2. Literature Review

Early retirement is an essential topic and a field of interest for many researchers, as well as students of many different universities from across the globe. Most of the previous studies about early retirement focused on reasons of retirement at an early age. In addition, a number of studies have been reviewed from different regions and countries, with the majority exploring social, economic, financial, and health or work-related issues. The factors that may have an influence on the decision of retirement can be divided into three groups: incentives of work, family circumstances, and financial incentives. Nevertheless, it is important to state whether the option of early retirement is not attractive so that alternatives will be sought by individuals (Heyma 2004; Beehr 1986).

Previous Studies: Each of the reviewed studies has also contributed to this study. The section below describes the studies individually in regard to their respective contributions to this particular study:

Naomi Toyoshi's study paper, *Zambian public-sector nurses' incentives and motivation in the context of migration: how to retain Zambian nurses?* was written in London (Toyoshi 2007). The contribution of this study concerns the reasons for early retirement as predominantly economic, financial, and work related. Also, the paper *'Voluntary' and 'Involuntary' Early Retirement: An International Analysis*, which was written in Germany, analyzes 'voluntary' and 'involuntary' early retirement based on international microdata covering 19 industrialized countries. The empirical results show that 'involuntary' early retirement is particularly widespread in Continental Europe. Countries facing economic recessions and having strict employment protection legislation have higher shares of 'involuntary' retirements among early retirees (Hutchens 1999).

The study *'The Early Retirement Age'*, which was written in the Netherlands states the factors that impact decision making regarding retirement. First, the researcher performed a literature review to explore the relevant influencing factors. In the data analysis, these factors were tested on their significance. Finally, a calculation was made on the expected early retirement age using the significant factors (Eefje de Bruin 2010).

Moreover, a study from Finland entitled *Intentions of Early Retirement and Continuing to Work among Middle-aged and Older Employees* by Monika E. von Bondorff (2009) states that the continuous absence of observations that are negative about work, in addition to satisfaction of reward, high job control, and job satisfaction, are significantly associated with the intentions of employees in order to continue working, instead of taking the option of early retirement.

A study from Amsterdam by Trudie Schils (2006) called *Early Retirement Patterns in Germany, the Netherlands and the United Kingdom*, indicates that disability benefits in the Dutch system are applicable to 15% of people who claim incapacity to work, in comparison to 66.67% in the British system. According to the Dutch schemes of unemployment, the job search for workers aged 57.5 years-old has declined as it used to be in effect, though this was changed some years ago; also, now the workers are older, they should search for a new job dynamically in order to keep their benefits of unemployment, excluding the ones who practice volunteer work or receive appropriate care responsibility at home.

In addition, a study from France entitled *Incentives and Disincentives to Early and Late Retirement* by Bernard Casey (1997), states that the people who are recruited at the age of fifty may be approaching the final stage of the sorting process and are presumed to remain, if possible, in their current job until they reach the stage of retirement. During a period of fast and continuous technical change, most or perhaps all employees are required to acquire training and new skills and leaving the unnecessary ones behind.

A study from the USA entitled *Early Retirement: Expectations of Middle-Aged Workers and Reports of Early Retirees* by Evelyn Page Edmunds (1978) states the psychological reasons that influence one to retire early. Although the study was carried out in the United States, it could be similar to the reasons given by retirees in the Kingdom of Bahrain—people are the same everywhere, only culture and background are different, in addition to the differences of the economical situations.

Again, in another study from the USA entitled *A three-part study on the relationship between retirement planning and health* by Linda Christine Albert (2006) asserts that finances and health are the most important factors as the researchers consistently conclude, and both are associated with the decision making of retirement for a successful retirement experience. Also, the planning of retirement is said to be a mechanism that individuals arrange for their phase of retirement.

The final study in this literature review from the USA is *Study on Early Retirement Decision* by Social Security Organization (1969), claims that the proportion of people who choose early retirement will increase gradually. During the last five or six years, evidence from a part of the national sample has led researchers to believe that the planning of early retirement will become more common. Thus, those who choose to retire early will mostly comprise people who have already prepared for early retirement, which also includes financial preparation (Trundie 2006).

Furthermore, an Asian study titled *Individual Retirement Savings Behaviour: Evidence from Malaysia* by Nurasykin Jamaludin (2012) claims that the effect of religion on individuals is absent and inconsequential in regard to convincing them to invest in unit trusts. In addition, the analysis discussed how religious affiliation, religious commitment, and Muslim religiosity had a significant impact on the individuals' choice of unit trust fund.

A study from India entitled *Has the Indian Retirement Fund Industry Come of Age? A Critical Analysis of NPS*, by V. Kishore Ayyadevara (2010) argues that some of the ways in which the pension fund industry and the New Pension Fund (NPS) can be improved by achieving a critical mass of workers, which would consequently ensure economies of scale and improvement in capital market regulations.

Finally, a study from the Middle East on the early retirement of school teachers, entitled *Trend of teachers towards early retirement in the city of Mecca* by Saeed Bin Ahmed Alshuwail Alghamdhhi (1421-1422) to identify the general trend for teachers towards early retirement, with this goal showing a relationship of this trend towards early retirement for each of the variables. Further, procedural steps are taken to prevent an aggravation of the phenomenon of early retirement to also take advantage of the solutions that have been developed in order to avoid the rise of negative effects.

In the retirement transition, the availability of economic resources could be dominant, but there can also be other dimensions that are critical to the decision of retirement and whatever is categorized as 'positive retirement'. The respondents who stated that they were completely retired in 2014 were questioned about four probable influences on their decisions to stop working: poor health, warning to do other things, not liking their work, and spending more time with family.

According to the Health and Retirement Study (HRS), it has been found that more than 1/3 of the retirees between the years of 2000 and 2002 reported that it was very important to spend more time with their families, which was a valid reason for retirement, while 1/4 coarsely mentioned 'warning to do other things'. For 35% of retirees in the category of the age group from 55-59, poor health was a very important factor, but the level of motivation factor of the importance of poor health has dropped steadily with increasing age (Gustman and Steinmeier 2002b).

Researchers have gradually become increasingly interested in retirement and how they interact in two earner families as more and more women enter the work force. Four waves of HRS were used to describe the joint retirement decisions of spouses. As it was found that the individuals were less likely to retire if their spouses were still working, it is likely to be the contrary if the spouse has already retired. If due to health problems, a spouse has stopped working involuntarily, the other spouse was less likely to retire, but if it was voluntarily then the other spouse might retire too (Johnson et al. 2000).

Using the data from HRS spanning from 1992 to 2000, in addition to relevant pension information, it is argued that women are highly influenced by their own economic incentives while making decisions in respect of retirement, and are not just simply following the leads of the respective husbands (Coile 2003b). The value of joint leisure time, as placed by the respondents, and for much of the household interdependence in the decisions of retirement, is measurably accounted for in that regard (Gustman and Steinmeier 2002b).

Involuntary job loss is another factor that may have an effect on people's decision to retire. To distinguish between 'normal' retirement and job displacement, this was difficult, as the past effects of job loss frequently excluded the consideration of older workers. The HRS data affords tracking the transitions into and out of the labor force. Such transitions among older employees, as a multi-wave study found, highlight the relevant and persistent effects of job loss upon the prospect of future employment. Looking at the retired people after two years of their retirement at the age of fifty-five (55), the rates of labour force participation were 55% for women and 60% for men, in comparison with more than 80% of people who had not suffered displacement in their working lives. After four years of job loss, there was a gap of about 20% between the displaced and non-displaced groups.

However, it is perceived that early retirement is an eventual consequence of occurrence of 'short-term', which is a real process that concerns growth and the management of slow employment. In many situations, a more complex age group is prioritized over the 'long-term' groups, as companies are concerned about managing the feasibility of the future as well as the reliability of early retirement at the time of aging gradually in the population parallel to the growing rate of early retirement. Table 1 shows a literature review and comparison matrix for the main studies under review.

3. Methodology

To perform the research, this paper applied a quantitative research approach. With respect to the research model, there are two sub-elements: 'Demographic Factors' and 'Reasons'. The outflow of the conceptual model starts with the 'Demographic Factors', which are considered to be of significant influence on the decision of retirement. This is then followed by 'Reasons', which are the key elements towards the next stage of the decision progress, as displayed in the model. These reasons are why the employees tend to retire early from the public sector in the kingdom of Bahrain. The conceptual model designed for this study signifies that the main stage of the whole concept of this research paper is 'Early retirement', as it is the main perspective, thereby indicating that it is the standpoint that is reviewed, analyzed, and discussed in this research paper, as it is an imperative phenomenon observed in the kingdom of Bahrain.

Henceforth, the model states that the choice of early retirement with the influence of the demographic factors, and based on the reasons, leads to the 'Impact on Retirees'. As a matter of fact, any impact may either be positive or negative, which is exactly what the model implies. Consequently, the impact of early retirement on retirees, whether positive or negative, leads to the 'Influence on Life Style' of the respective retirees. See Figure 1.

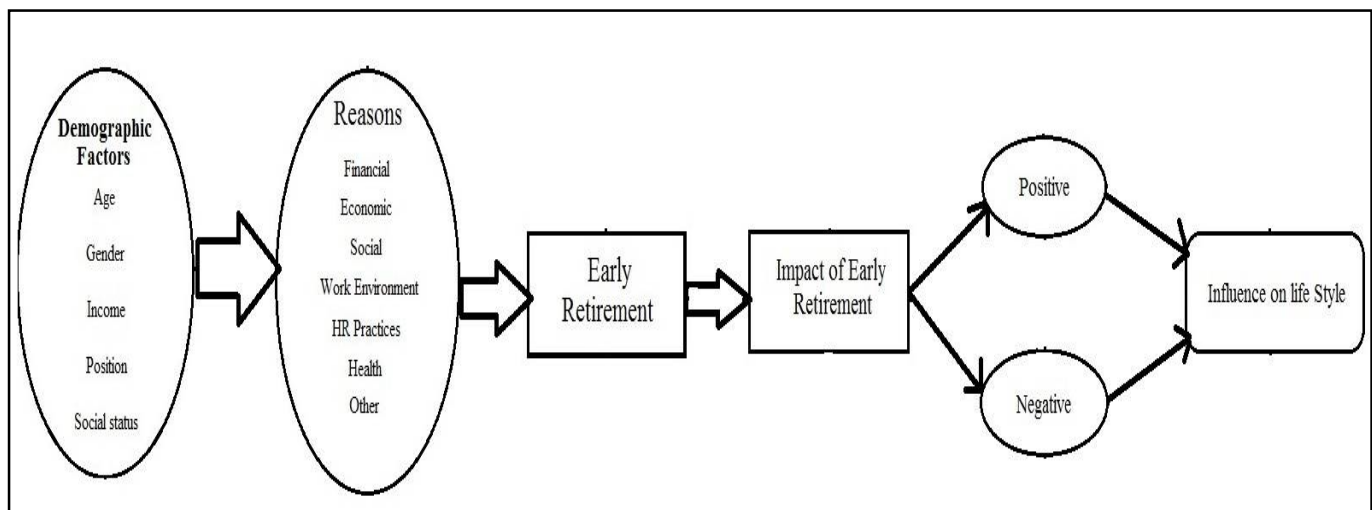


Figure 1: Conceptual Model of the Reasons and Impacts of Early Retirement

3.1. Research Methodology

The main source for the collection of primary data in this research comprised a survey questionnaire and personal interviews with selected individuals. Survey questions were related to the different issues, reasons and impacts of early retirement, as observed in the public sector in the Kingdom of Bahrain. Detailed observations will be accumulated by comparing the situations of the retirees and their proposed future plans.

On the other hand, the secondary data is gathered through the review of articles and previous studies related to early retirement published on the internet in addition to a number of relevant books, such as the government guide for retirement and pension law, as issued by Social Insurance Organization (SIO) of the kingdom of Bahrain, as well as e-books and other resources.

3.2. Framework and Research Sample

A structured questionnaire was constructed to collect the necessary data to answer the research questions. The survey questionnaire consists of two parts. The first part of the questionnaire focuses on the demographic information of the respondents, which includes gender, age, position, and income. The second part of the questionnaire deals with respondents' feedback regarding the topic of the study.

3.3. Population Size

The research population essentially comprised the number of public sector employees, which totaled 18,147 retirees up to the third quarter of the year 2015, as officially registered in the records of the government in the kingdom of Bahrain, based on the statistical report of Social Insurance Organization (SIO) (see Table 1). The sample was randomly chosen from the proposed population in order to complete the designed questionnaire of this research study, as the data was collected through

a random sample as well as a convenience sample. Table 3 shows the number of Pensioners up to the 3rd Quarter of 2015, as cited in (www.sio.gov.bh). According to the Social Insurance Organization (SIO), the number of retirees up to the third quarter of the year 2015 was 18,147, which actually forms the population size of this study.

متوسط المعاش الشهري Average Monthly Pension			عدد أصحاب المعاشات الأحياء Number of Alive Pensioners			الفئة العمرية Age Group	
المجموع Total	إناث Female	ذكور Male	النسبة المئوية %	المجموع Total	إناث Female		ذكور Male
363		363	0.01%	1		1	< 25
362	372	361	0.06%	10	1	9	25-29
379	377	381	0.1%	22	9	13	30-34
405	442	398	1%	102	18	84	35-39
512	612	462	2%	403	133	270	40-44
590	668	535	7%	1,325	551	774	45-49
692	732	656	13%	2,405	1,120	1,285	50-54
935	918	948	25%	4,518	1,951	2,567	55-59
993	944	1,017	23%	4,096	1,383	2,713	60-64
917	848	941	14%	2,502	629	1,873	65-69
875	827	887	8%	1,455	279	1,176	70-74
752	651	768	5%	820	111	709	75-79
766	649	786	2%	296	43	253	80-84
675	708	672	1%	192	19	173	85 +
856	841	864	100%	18,147	6,247	11,900	المجموع Total

Table 1: Number of Pensioners up to 3rd Quarter of 2015. (www.sio.gov.bh)

A convenient sample size of 70 respondents was found to be adequate for this study. Although the sample size was small in comparison to the actual population, the sample size was adequate for the study.

4. Results, Data Analysis and Discussions

4.1. Data Analysis and Result

This part of the study will present the results of the collected data and explain it accordingly. By analyzing and showing the results, the researchers use the Statistical Package for Social Science (SPSS) to do so, as six main tests have been conducted to analyze the data and results: 1) Descriptive analysis, 2) Cronbach's Alpha Test, 3) T-Test, 4) ANOVA Test, 5) Correlation Analysis, and 6) Regression test. Regarding the Reliability Analysis, the Cronbach's alpha coefficient value for this study was 0.714, which is above 0.7. Therefore, the value indicated that the data are reliable.

4.2. Descriptive Statistical Analysis

After analyzing the collected quantitative data, females were found to account for 61.43%, while the percentage of males comprised 38.57% of the total respondents. The majority of the respondents (67%) were 45-55 years old, followed by 29% of the respondents from the group (35-45 years old), where the majority of the respondents are married and have a family number that is between 5 and 7. Five different job position levels were included in this study. The majority of the respondents belonged to the supervisory level (42%).

Furthermore, in part two of the study, the analysis covered the other questions of the questionnaire, such as: 'My retirement decision leads to a better lifestyle', to which the response was 'strongly agree (14.3%), Agree (51.4%), Neutral (17.1%), Disagree (5.7%) and strongly disagree (11.4%)'. The second question was 'Do you think that early retirement has an impact on Government Funds and productivity?', to which the answer was 'strongly agree (8.6%), Agree (47.1%), Neutral (41.4%), Disagree (NIL) and strongly disagree (2.9%)'. The third question asked 'Did you ever plan to retire at this age?', with responses of 'very frequently (5.7%), frequently (20.0%), rarely (35.7%), seldom (10.0%) and never (28.6%)'. The fourth question 'Do you think you have the qualifications to survive and do another job?' recorded the following answers: 'yes (41.4%), no (18.6%), and neutral (40.0%)'. Lastly, the fifth question 'Have you regretted your retirement decision?', recorded the following responses: 'yes (17.4%) and no (82.6%)'.

T-Test Analysis: A T-Test was used to assess the statistical significance of the following items: '**Reason for retirement**' for the descriptive variable '**Gender (Male, Female)**' testing '**H1**: There is no reason for early retirement in relation to demographic factors.'

	1 st reason	2 nd reason
Male	Poor working environment (22.2%)	Better opportunity/Own Business (25.9%)
Female	Health reasons (58.1%)	Social reasons (58.1%)

Table 2: Summary of the top reasons of Retirement indicated as follows: [as in paper]

As shown in Table 2, among males, the first reason given was 'poor working environment', while women primarily select 'health reason' as the cause of their retirement. For the second reason, and as the table shows, men state having better opportunity or owning a personal business as the second reason of leaving their job, while women select social reasons as the second cause of leaving their organization and retiring.

One Way ANOVA Test: ANOVA was used to assess the statistical significance of the following items: **'Reason for retirement'** for the descriptive variable **'Age groups'**, testing **'H1:** There is no reason for early retirement in relation to demographic factors.'

	<u>1st reason</u>	<u>2nd reason</u>	<u>3rd reason</u>
35-45 Years	Poor working environment (30%)	Social reasons (25%)	Health reasons (10%)
45-55 Years	Health reasons (44.7%)	Social reasons (42.6%)	HR Pressure (4.3%)
55-65 Years	HR Pressure (100%)	-	-

Table 3: Summary of top reasons of retirement: [as in paper]

As shown in Table 3, among the first group (35-45), the first reason was due to poor working environment, while the second group (45-55) selected health reasons as the cause of their retirement. The third group (55-56) stated that the first reasons of their retirement are due to HR pressure. For the second reason, and as table shows, respondents who are in the first and second group select the social reason as the second reason of leaving their job, which thus indicates why the P-value of the one-way ANOVA test is not significant. The third group result shows that respondents neither have secondary or tertiary reasons to retire. Lastly, for the third reason of retirement, the first group result shows that health reasons were the cause of their retirement, while the second group selected HR pressure as the third reason of leaving their organization and choosing to retire.

Impact After Retirement (1st & 2nd): This section comprises two groups. In each group there are two related questions and two results from the same group of respondents. For the first group, the first question is stated as: 'What kind of impact is there on you after retirement?' to which the answer was 'personal (56.5%), economical/financial (17.4%), social (24.6%), and career (1.4%)'. On the other hand, in the other question 'What kind of impact is there on you after retirement?', the response was 'positive (78.3%), negative (20.3%) and neutral (1.4%)'.

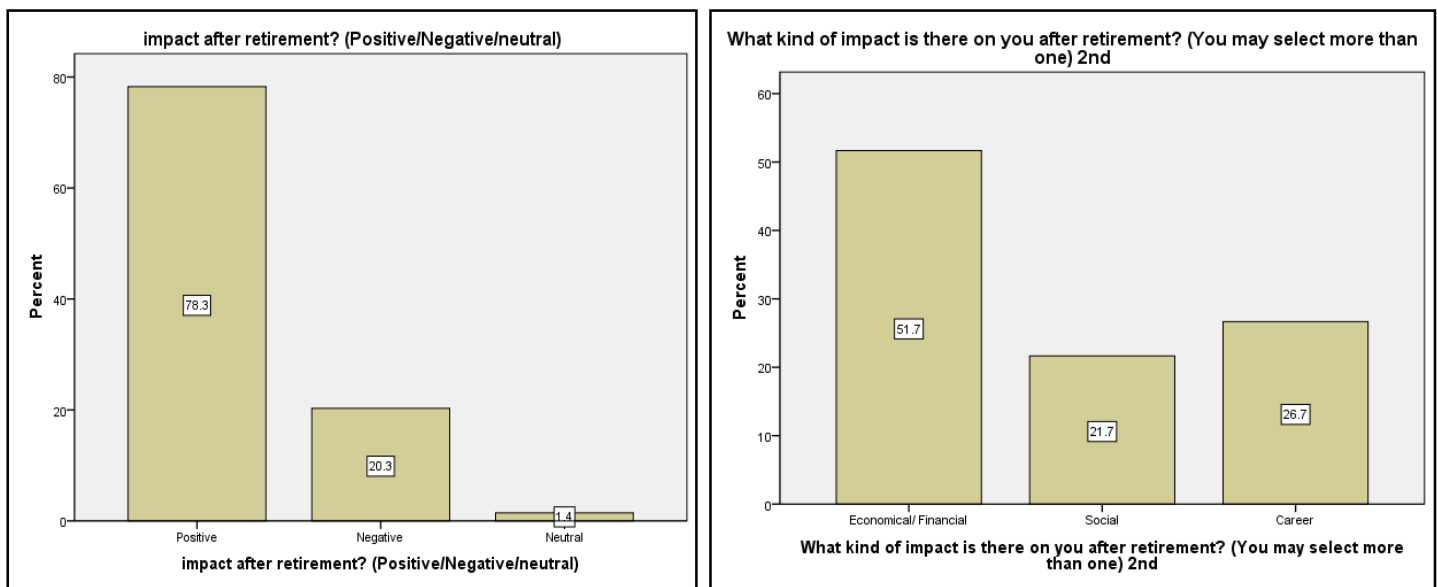


Figure 2 and 3: Impact after retirement

On the contrary, the second group were asked the same questions but showed different results. The first question was: 'What kind of impact is there on you after retirement?' to which the answer was 'economical/financial (51.7%), social (21.7%), and career (26.7%)'. The other question asked 'What kind of impact is there on you after retirement?', to which the response was 'positive (37.1%), negative (56.5%), and neutral (3.2%)'.

4.3. Correlation Coefficient Analysis

This research applied a correlation analysis to test the hypothesis by assessing the relationship between reasons for early retirement in relation to demographic factors and the impact of early retirement on Retirees.

- H1: There is no reason for early retirement in relation to demographic factors.

The result on the Pearson product-moment correlation between early retirement and its relationship with the given reasons for retirement shows that there is a positive and significant correlation, which was statistically moderate and significant as $R = .258, p < .05$

- This result supports hypothesis 1 in that H_a is accepted and H_0 is rejected.

- H2: there is no impact for early retirement in relation to demographic factors.

The result on the Pearson product-moment correlation between early retirement and impact on retirees' lives shows that there is a positive and significant correlation, which was statistically strong as well as significant as $r = .794, p < .05$

- This result support hypothesis 2, in that H_a is accepted and H_0 is rejected.

Regression Analysis: H1: There is no reason for early retirement in relation to demographic factors.

The coefficient of correlation Beta "R" value of (.258) shows a moderate and significant correlation between the independent and the dependent variables. The regression (Beta) coefficient of (.504) shows that the independent variable has a positive relationship with the dependent variable.

- Hence, this result supports that hypothesis 1, H_a is accepted and H_0 is rejected.
- H2: there is no impact for early retirement in relation to the demographic factors.

The coefficient of correlation Beta "R" value of .794 shows a strong and significant correlation between the independent and dependent variables. The regression (Beta) coefficient of .739 shows that the independent variable has a positive relationship with the dependent variable.

- Hence, this result supports hypothesis 2, as we accept H_a and reject H_0 .

No.	Description	Result of this study	Result of previous studies	Remarks
1	Reasons for early retirement. (Male)	Poor working environment, better opportunities for owning a personal business.	Government departmental policy, poor working environment, HR pressure, owning a business, or personal reasons.	The results of this description, in comparison with the previous studies, have some reasons in common.
2	Reasons for early retirement. (Females)	Health reasons and social reasons.	Offers of Pension Fund Organization, Health reasons and social reasons.	Most of the results are either similar or the same in this description.
3	Results in relation to the age factor.	Targeted age groups in this study start with 35-45 years-of-age and end with 65 and above. Highest percentage of this study in this description is (67%) & was from the age group (45-55).	The age groups in several previous studies started with 40 and ended with 70 years-of-age. The highest results in the previous studies were of the age group (50-60) and in other studies (55-65).	The result in this description is completely different.
4	Type of impact on retirees.	This study indicates impacts on social, financial, and career aspects.	Previous studies indicated impacts on lifestyle, social, financial, and career.	The result in this description is quite similar.
5	Impact after retirement. (positive/negative)	Positive impact represented by (78.3%) and negative impact represented by (56.7%).	Most results were negative.	The result here is partially different and partially similar because this study has higher positive result, while other studies had mostly negative results.

Table 4: Comparison of Results between This Study and Previous Studies. [as in paper]

Lastly, in the descriptive results list, the last question asked whether the respondents regretted their decision regarding early retirement, with the results showing that the majority of the respondents did not regret their decision (82.6%) at all, whereas just (17.4%) of the respondents regretted theirs.

5. Conclusion and Recommendations

The aim of this study was to find out the reasons for early retirement in the public sector in the kingdom of Bahrain and the impact on retirees due to their decision to retire early, in relation to the demographic factors, such as age, gender, and position. In light of this statement, the study is designed to reach certain results based on two major objectives in order to form a relevant conclusion, which are stated as follows: **Objective One:** To find out the reasons for early retirement in the public sector in Bahrain in relation to the demographic factors of retirees.

Regarding the aforementioned objective, it is concluded that the most common reasons for early retirement within the public sector in the Kingdom of Bahrain concern gender, in specific terms of 'Poor working environment' and 'Better opportunity/Own Business', as stated by male participants who form (38.57%) of the total number of the survey sample. On the other hand, 'Health reasons' and 'Social reasons' are most frequently stated by female participants, who form (61.43%) of the total number of the survey sample. Furthermore, in terms of the age factor, the result was divided into three age groups with three descriptive options: the first group, which is between the age of 35-45 years old and selected 1) Poor working environment, 2) Social reasons, and 3) Health reasons. The second group is between the age 45-55 years-old and selected 1) Health reasons, 2) Social reasons, and 3) HR Pressure. Finally, the third group is between the ages of 55-65 years-old and selected only one descriptive option: 1) HR Pressure. **Objective two:** To find out the impact of early retirement on retirees in the public sector in Bahrain who retired early.

In relation to objective two, we can conclude that there is an impact on the retirees from the public sector in the kingdom of Bahrain, but it differs respectively from one retiree to another. The study analysis shows that the result in terms of the aspect of impact on retirees is positive, whereby it indicates that the objective is reached. Based on the result related to the aspect of impact, the correlation between early retirement and impact on retirees indicates that there is a positive and significant correlation which was statistically significant as $r = .794$, $p < .05$.

However, as the analysis proved that there is an impact on the retirees from the public sector in the kingdom of Bahrain, the result was divided into two groups, whereby the most descriptive options chosen in regard to the aspect of impact were found to be: the first group, which chose 1) personal impact – forming (56.5%), 2) economical/financial impact – forming (17.4%), 3) social impact – forming (24.6%), and 4) impact on career – forming (1.4%), and from the same result related to the same group, the impact on the retirees was positive by (78.3%), negative by (20.3%), and neutral by (1.4%). On the other hand, the result related to the second group, 1) economical/financial impact – forming (51.7%), 2) social impact – forming (21.7%), and 3) impact on career – forming (26.7%), and from the same result related to the same group, the impact on the retirees was positive (37.1%), negative (56.5%), neutral (3.2%), and don't know if there is an impact or not (3.2%).

Finally, the overall prominent result of the study analysis is positive in relation to the research objectives specified above in this research paper. The result is comparatively positive in terms of finding unique figures in the analysis, which proved that early retirement predominantly happened based on one or more of the reasons given in the survey; however, at the same time, the study suggested that such reasons can be resolved, or can at least be tackled to reduce the level of the phenomenon of early retirement. The overall objective of this study is to suggest solutions in order to limit the choice of early retirement among the employees of the public sector in the kingdom of Bahrain. Since the civil service is all about serving the public in order to make sure that one makes the most of one's capacity to serve the public.

5.1. Recommendations

The interested parties in this study are assumed to be the government of the kingdom of Bahrain, government directorates, senior employees, supervisors, and government employees. The recommendation to the government is aimed at placing a greater emphasis on the phenomenon of the early retirement of its employees in order to stop or limit such practices. The public employees are civil servants, which is why they should spare no effort to serve the public in the best way and for the longest time possible. In the same way, government directorates should take proper procedures and set systematic plans for the employees to delay their retirement time. Further, the government should take more caution regarding early retirement and create a firm and comprehensive program regarding retirement in order to control the human resources of the public sector as well as the public budgets.

Herein, the study provides recommendations for the public employees to think and plan well before taking the decision of early retirement, as this decision is one of the most important decisions in one's life.

Similarly, this study is meant to provide the necessary information that may be useful for other researchers and interested parties to carry out new research studies, starting from the point where this study has reached. Therefore, the above information and explanation have been given to provide guidance and direction towards the path of researching into the topic of early retirement within the public sector in the kingdom of Bahrain.

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