

**SAVINGS, ENTITLEMENTS, BUSINESS/PROFESSIONAL PRACTICE BY UNIVERSITY WORKERS TOWARDS RETIREMENT IN SOUTH WEST, NIGERIA**

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**ABSTRACT**

Retirement is the act of retiring or the state of being retired, i.e. to withdraw oneself from business, public life or and to remove from active service. Data for this study were collected from primary and secondary sources. A total number of two thousand and two hundred (2,200) questionnaires were administered in this research work, out of which two thousand and one hundred (2,100) questionnaires were returned. The questionnaires were administered using multi-stage random sampling techniques. Frequency counts, percentages ranking and mean were used to answer the general questions, while correlation analysis, t-test, Analysis of Variance (ANOVA) and Multiple Regression analyses were used to test the stated hypotheses. Results from the study revealed that university workers have positive attitude towards preparation for retirement and some of the staff in the universities made sacrifices of saving towards retirement through exit scheme and investment in Treasury bill and shares. This study therefore recommends that university management should be encouraged to organize a regular retirement counselling for their workers to enable them prepare for the obvious eventuality.

**KEYWORDS:** Business/Professional Practice, Entitlements, Retirement, Savings and University Workers

**INTRODUCTION AND BACKGROUND TO THE STUDY**

Retirement which may be either voluntary or forced generally refers to that stage in life when full-time paid employment ceases. Retirement is not normative life transition but a complex social institution involving the interaction of the individual, the family, the society and the economy. The experiences of employees who have retired in most cases have not been a pleasant one according to the observation of the researcher; many workers most likely are oblivious about factors that influence negotiation of the transition process.

There is usually long notice given to every worker depending on the organization, yet there seems to be various traumatic and agonizing life styles of some retirees. According to the findings of Orhunger (2005), life after retirement is one of the dreaded periods of most workers in Nigeria. Retirement as viewed by Orhunger is a passage that resulted in psychological, physiological, and economic problems among some retirees. Attitude of workers towards retirement could affect preparation towards it. The society seems to appreciate people living in affluence not minding the source and the long run effect. It is not unlikely to see an individual who have once lived in abundance to eventually live a life of lack

and abject poverty, especially the public servants who enjoy the benefits of office without having the mind that it will end one day.

Awulor (2019) stated that retirement is a fluid concept because it connotes different things and it offers different experiences for different people while some individual feel it is something that would be worried about at a much later time, other view it positively and anticipate it while others dread it with great anxiety. Retirement is not a homogenous experience for everyone. He further said retirement life demands great managerial ability, and this would not be too early to begin as soon as the first employment is secured.

The pension scheme put in place by the employer of labour could also affect the attitude of workers towards preparation for retirement. In Nigeria, news that retirees do not collect their retirement benefits on time is quite common. This factor alone could affect the plan that such retirees might have put in place. The contributory pension seems to be a solution being proffered by the government. The contributory pension provides the opportunity for the benefits of workers after retirement to be managed by pension administrator which should promptly pay the entitlements. It is however not certain how many organizations and institutions have keyed into the programme. By the Pension Act of 2004 introduced by the Obasanjo led administration (National Pension Commission, 2008) there were still speculations among Nigerians about the success of the scheme. The reform is contributory in nature with the intent of ensuring that every person who has worked in either the public or private sectors receives his/her retirement benefit as and at when due. The reform was to serve as social welfare scheme for the aged, by ensuring that workers save to cater for their livelihood during old age. According to Prosser (2004) as corroborated by Kayode (2004) the problems of corruption, poor administration of pension fund, embezzlement, inadequate contribution to pension fund, poor monitoring, evaluation and supervision of pension fund, seem to be reasons why many workers lost faith in the scheme. Consequently, workers often ask whether they would have financial security after retirement. In effect, delay in payment of retirement benefits could be a major factor on workers' attitude towards preparation for retirement.

Activity after retirement, that is, what the retiree would be doing after retirement could also be a major determinant of attitude towards preparation for retirement. Retirement seems to be a threat to many workers who may not know what to do with their time and lives after retiring from active service. To the workers so attached to their works, it might pose a great challenge (Blunt, 1983). There might be difficulty in coping with the new ways of life after retirement especially for retirees whose central life interest is work. Work provides support on management of time. Those who are self disciplined might be able to organize their lives while the careless workers might be living a disorganized life. Workers whose life styles are dependent on their work places might show a negative attitude towards preparation for retirement and that would invariably affect the social integration of such workers.

Another important factor to be considered is the level of income of workers. The assumption that high income earners will make adequate preparation for retirement could be wrong. Workers with high income may be used to living in affluence which cannot be sustained in retirement, whereas the workers whose income is barely sufficient can learn others ways of generating income which will assist such workers to have financial adjustment in retirement. The workers that earn high income with the right attitude could have the right attitude towards investment and such workers could eventually be receiving passive income from such investment during retirement. This assumption is in consonance with the work of Omoniwa and Yemi-Peters (2012), the study focused on Librarian in tertiary institutions in Kogi State. The result of the study showed very clearly that Librarians in tertiary institutions in Kogi state are investors at the stock market against the assumption that Nigerian workers are weak in investment or savings. The level of exposure of the workers to investment opportunities could be a limiting factor towards investment, whether the workers are high or low income does not matter in this case. The Researcher observed that some members of staff in some universities do a special type of saving towards retirement which is branded exit scheme. The contribution towards exit scheme is only given to the staff when about to retire so that they would not have to suffer financial lack in retirement. The money of the scheme is managed by members of staff and not the management. It is similar to cooperative, but different because members are not allowed to borrow or withdraw from the money kept in the scheme until retirement. The fund is kept in banks to yield through fixed deposit and or Treasury bill. This scheme is good if well managed. The other means the Researcher discovered through interaction with financial intelligent people was mutual fund which can be managed by the worker through a reliable Bank which attracts interest every day. The fund is designed for investors with low risk appetite looking to maximize income in short tenured securities. It seeks to achieve competitive returns for investors whilst preserving capital by investing in a diversified portfolio of money market securities and aims to achieve its primary objective by utilizing the ‘bargaining power’ derived from pooling of funds to obtain higher levels of income. This seems to be a valid means of investing money that will provide a succor at retirement when and if the government fails to pay the final entitlement at retirement. If any or both schemes are embraced it could be a positive attitude towards retirement. A further investigation into influence of income on attitude towards preparation for retirement will therefore be desirable.

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## **STATEMENT OF THE RESEARCH PROBLEM**

Retirement in most cases is not an occurrence with a short notice. Many workers stay more than twenty years in service and at the end of the service year; and yet they seem not prepared for the inevitable end. There are challenges in the extant pension scheme of various organizations and establishments. Some of those problems include inadequate funding, mismanagement and various bottlenecks associated with the administration of pension fund. The various news in the media on nonpayment of retirement benefits to retirees should be sufficient signal for workers to adequately prepare for retirement. It seems most organizations are facing problems in payment of gratuity and pension of staff. The new contributing pension scheme which was established as supposed to be a panacea to the problems associated with the old scheme, however, seems not to be a solution to the myriad of problems being faced by disengaged workers. Pension administration appears to have been found to have mismanaged funds causing untold suffering to the retirees. Government on its own part appears not to be sincere in ensuring/g that their own contribution to the workers' pension are paid as at when due.

## **AIM AND OBJECTIVES OF THE STUDY**

The main purpose of the study includes the following:

- To investigate the attitude of university workers towards savings, retirement entitlements, business/professional practice by University workers towards retirement.

- It also aims at finding out whether university workers seek counselling in terms of how to effectively prepare for life after retirement.

## RESEARCH QUESTIONS

The following research questions were raised:

1. What is the attitude of university workers towards preparation for retirement?
2. What are the levels of attitude of university workers towards preparation for retirement?
3. What are the forms of preparation university workers make towards preparation for retirement?
4. What are the proposed activities of university workers after retirement?

## RESEARCH HYPOTHESES

The following hypotheses were tested at 0.05 level of significance.

1. Status of university workers will not significantly influence workers' attitude towards preparation for retirement.
2. There is no significant difference between teaching and non-teaching university workers' attitude towards preparation for retirement
3. None of the variables will significantly predict university workers' attitude towards preparation for retirement.

## SIGNIFICANCE OF THE STUDY

The outcome of this study could be beneficial to school administrators, lecturers, workers, prospective researchers, retirees, pension administrators and students (particularly postgraduate students) to have knowledge on attitude towards preparation for retirement. It will also help institutions, government agencies and pension administrators for better management of workers and retirees' entitlements. The workers and the retirees could be assisted to develop positive attitude towards preparation for retirement and consequent proper adjustment in retirement.

It is anticipated that managers of the universities and other organizations would take a challenge from the study and provide adequate preretirement education for their workers. The people at various levels of management would take a cue in ensuring effective monitoring of pension administrators.

The study would provide information to Guidance Counsellors and Curriculum Planners of the urgent need for pre-retirement education in higher institutions and retirement counselling and programmes to workers in the universities.

## CONCEPTUAL FRAMEWORK/LITERATURE REVIEW

The Concept of Retirement by Schuster and Ashburn (1980) is applicable to this study. Thus, retirement they said could be seen as an event that occur at the end of a specified work period. Secondly, those individuals (usually over the age of 45) who have experienced difficulty in obtaining employment may after a period of time considers them to be retired. The above assumptions implied

that the choice of meaning and interpretation of retirement vary, but all imply the concept of separation from regular / full time employment.

Akinboye (1998) in his own view has a dual perception on retirement. He describes retirement as a process of work role transition in which an individual withdraws from routine work performance due to old age, ill health or redundancy, other than withdrawal, retirement according to him may also be forced on the person if he has completed the official employable years in a particular working system or for reasons best known to the employers. This perception suggests that the whole concept of retirement is based upon person's voluntary or involuntary disengagement from active work.

The view of Orback (in Odumosu, 1991) is quite different from the earlier views, he perceives retirement as the creation of economically non-productive role for large number of people whose labour is not considered essential to or necessary for the funding of the economic order. Wollozin (1990) has a political view point of retirement, that retirement derived from pre-existing concept or theories about work, efficiency and manifested in part as a political device imposed by one group or the other. It was not meant to be a cultural rite or passage. According to him, retirement at its inception in the USA at about 1920 was a concept largely born of conflict, technological conflict, political conflict and ideological conflict.

Walker's (1996) view is partly in consonance with that of Wollozin (1990) except for his sociological orientation. He describes retirement as essentially a social institution implying transition out of another formally recognized social role, that of paid employment. She posits that it is very much a creation of western society where relationship to the means of production is primary organizing concept.

## **METHODOLOGY**

This section presents the research design, population, and sample, sampling techniques, research instrument, validity of the instrument and reliability of the instrument, administration of the instrument and data analyses.

### **Research Design**

Descriptive research design of the survey type was used in the study. The method was adopted for the study because it involved a large population of university workers. The design presents a description of events as they are, and facilitates easy collection of factual information about the research problem. The plan of the study described and interpreted the data that were collected on influence of variables such as gender, status of workers, age, religion, marital status, length of service and financial preparation on attitude towards preparation for retirement.

### **Population**

The population of the study consisted of federal and state university workers in Southwest, Nigeria. The age bracket of the workers ranges from 18 years to 70 years. The total number of workers in



universities in the Southwest Nigeria from records in the universities as at the time of this study was 31,114. From the total number 9,634 are teaching staff while 21,480 are non-teaching staff (Information collected by the Researcher from the universities in Southwest, Nigeria, 2017). These categories of staff are from the fourteen (14) federal and state universities in the Southwest, Nigeria.

## **Sample and Sampling Techniques**

The sample was 2,200 university workers in Southwest, Nigeria consisting of 690 academic and 1,510 non-teaching staff using multistage sampling technique. The first stage involved simple random sampling of three out of six states in the Southwest Nigeria. The second stage involved the use of purposive sampling techniques to select one federal university and one state university based on year of existence of the university. However, respondents were selected based on proportional sampling because there are variations in the number of academic and non-teaching staff in the various universities. Also, a stratified sampling technique was used to select respondents based on gender, income level, status, age, religion, marital status and length of service.

Finally, 2,200 university workers were selected from the various institutions based on the proportion of each staff in the university selected.

## **Research Instrument**

The research instrument used was a questionnaire titled “Attitude of University Workers towards Preparation for Retirement” (AUWPR) designed by the researcher. The instrument consisted of three sections: Sections A, B and C. Section A asks for personal data of the respondents on certain variables such as gender, marital status, town, local government area, educational qualifications, duration in service, type of institution, pension scheme adopted by the institution, position on assumption of duty, date of assumption of duty, present position, years to retirement, family size, number of children in school, and monthly salary. Section A also asks questions on the activity the worker intend to do after retirement. Section B sought information on preparation for retirement while section C sought information on attitude towards preparation for retirement. Section C has five subsections that is I to V. Subsection I was on attitude towards social preparation for retirement, subsection II was on knowledge of pre-retirement education, sub section III was on attitude towards reliability of Pension Scheme, subsection IV was on attitude towards proposed activities after retirement, subsection V was on attitude towards financial preparation towards retirement. A four point Likert-type scale of strongly agree, agree, disagree and strongly disagree was adopted in each of the subsections I to V. The responses were scored as follows: 4 points for strongly agree, 3 points for agree, 2 points for disagree and 1 point for strongly disagree. The high point was indicative of positive attitude towards preparation for retirement while the low point was negative attitude towards preparation for retirement.

## **Validity of the Instrument**

Face and content validity procedures were ensured by the Researcher’s Supervisor and experts in Guidance Counselling, Educational Psychology and Tests, and Measurement. The face and content

validity procedures were ensured through experts looking through the instrument to make sure the instrument actually elicit intended responses on attitude of university workers towards preparation for retirement. Experts looked at the adequacy of the items, grammatical ambiguous items were expunged and corrections were adequately made. The experts and the researcher's supervisor thereafter adjudged the instrument valid.

The construct validity was further ensured by using convergent validity which involves correlating the present instrument with the one already constructed and validated by Wata Lilian in 2015. Scores of the administration were correlated using Pearson Product Moment Correlation. A coefficient of 0.79 was obtained. This was considered positive and high. It indicates that the AUWPR measured approximately the same construct with Attitude towards Preparation for Retirement Rating Scale and therefore seen as measuring the proposed construct.

### **Reliability of the Instrument**

The instrument was subjected to spilt half procedure to ensure its internal consistency. Thirty copies of the questionnaire were administered on 30 university workers at the University of Ibadan in Oyo State. Oyo State was chosen because it is not one of the sampled states. Scores on odd and even items were correlated using Pearson Product Moment Correlation. The value after the correlation was 0.86. To obtain the length of the instrument Spearman Brown Prophecy formula was used and a reliability coefficient of 0.81 was obtained. It shows that the coefficient is positive and high which implies that the instrument is reliable.

### **Administration of the Instrument**

The copies of the questionnaire were administered on workers in public universities in the three selected states in southwest Nigeria namely Ekiti, Ondo, and Osun States.

The researcher trained three research assistants, one for each state, for the administration of the questionnaire. The copies of the questionnaire were administered on teaching and non-teaching staff in the selected universities. Out of the 2,200 copies of questionnaire administered only 2,100 copies were retrieved because some were not properly filled and some were not returned.

### **Data Analysis**

Frequency counts, percentages ranking and mean were used to answer the general questions while correlation analysis, t-test, Analysis of Variance (ANOVA) and multiple regression analyses were used to test the hypotheses.

T-test was used to test hypothesis 1 and 8 which compared the mean scores of two groups. Hypotheses 2, 3, 4, 5, 6 and 7 compared the mean scores of more than two groups and were tested using one way ANOVA, while multiple regression analysis was used to test hypothesis 9. All hypotheses were tested at 0.05 level of significance.



**FINDINGS AND DISCUSSIONS**

**Findings**

**Table 1: Attitude of University Workers towards Preparation for Retirement**

S/N	Attitudes towards:	SA		A		D		SD		Mean	Remark
		N	%	N	%	N	%	N	%		
1	Social preparation for retirement	1076	51.2	875	41.7	121	5.8	28	1.3	3.43	Positive attitude
2	Knowledge of pre-retirement education	899	42.8	1032	49.1	145	6.9	25	1.2	3.33	Positive attitude
3	Reliability of pension scheme	954	45.4	939	44.7	178	8.5	30	1.4	3.34	Positive attitude
4	Proposed activities after retirement	1079	51.4	859	40.9	145	6.9	17	0.8	3.43	Positive attitude
5	Financial preparation towards retirement	1110	52.9	841	40.1	123	5.9	26	1.2	3.45	Positive attitude

**SOURCE: Fieldwork Report (2019)**

Table 1 shows the attitudes of university workers towards preparation for retirement. The result reveals that 1075 representing 51.2% of the total sample which is 2,100 strongly agreed on the need for positive attitudes towards social preparation for retirement, 875 representing 41.7% agreed on the need for positive attitude towards preparation for retirement, 121 representing 5.8% disagreed and 28 representing 1.3% strongly disagreed. Regarding university workers' attitude towards knowledge of pre-retirement education, 899 representing 42.8% strongly agreed, 1032 representing 49.1% agreed, 145 representing 6.9% disagreed and 25 representing 1.2% strongly disagreed. 954 representing 45.4% respondents strongly agreed on the reliability of pension scheme, 939 representing 44.7% agreed, 178 representing 8.5% disagreed and 30 representing 1.4% strongly disagreed. Regarding university

workers' attitude towards proposed activities after retirement, 1079 representing 51.4% respondents strongly agreed, 859 representing 40.9% agreed, 145 representing 6.9% disagreed and 17 representing 0.8% respondents strongly disagreed. One thousand one hundred and ten (1110 representing 52.9% respondents strongly agreed on attitudes towards financial preparation towards retirement, 841 representing 40.1% agreed, 123 representing 5.9% disagreed and 26 representing 1.2% strongly disagreed.

Using a cutoff mean score of 2.50 for the rating scale, the result reveals that all the items had mean scores above the cutoff mean score. This implies that social preparation for retirement, knowledge of pre-retirement education, reliability of pension scheme, proposed activities after retirement and financial preparation towards retirement constitute the attitudes of university workers towards preparation for retirement. The implication of this is that university workers have positive attitude towards preparation for retirement.

## **DISCUSSIONS**

The results of the study were discussed based on the research questions and the hypotheses as follows: The findings of this study showed that university workers have positive attitude towards preparation for retirement. The university workers in the Southwest have learnt from the various experiences of retirees and they now have positive attitude towards retirement. The best way to learn from experience is through the experience of others, the positive attitude of workers in the Southwest; Nigeria was not unconnected with the experiences of retirees around them. This finding is at variance with the work of Denga (1996) that the certainty of retirement to workers is like death that bothers them especially after they have attained mid-career. The finding of the study is also different from the submission of Katona (1985) that the attitude of workers in Nigeria towards retirement was negative. His findings showed that the workers were not showing positive attitude regarding preparation for retirement socially, financially and planning towards activities after retirement. The finding of this study is however similar to the work of Havighust (1982), he maintained that some workers have favourable attitude towards retirement because they feel that retirement should be based on the individual's inability to continue working as suggested by Cohn (1979). The lively hope they have to be relevant to the society after retirement was the drive towards the positive attitude towards retirement.

## **CONCLUSION AND RECOMMENDATIONS**

It can be concluded from the findings of the study that regular savings, awareness of retirement entitlements, plan on post retirement activities, training of children and ownership of personal building were the forms of preparation being made by university workers towards retirement.

Based on the findings of this study, the following recommendations were made:

1. Government and management of universities should make adequate preparation and commitment towards immediate payment of workers entitlements after retirement
2. University workers should continue to make sacrifice for personal savings towards retirement

3. University workers should endeavour to save in mutual fund and exit scheme for easy access to immediate fund after retirement
4. The relevant university workers should embrace the contributive pension scheme as the available method of getting their entitlements after retirement.
5. The various unions in the universities should embrace the contributive pension scheme which can ameliorate delay in the payment of their final entitlements after retirement.
6. The workers in the universities should endeavour a stable marital relationship in order to enhance positive attitude towards preparation for retirement.
7. It was also recommended that university workers should commence preparation for retirement as soon as they are employed and the university management and unions should organize sensitization seminars towards the idea.

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