

AN EMPIRICAL SURVEY OF THE RETIREMENT PROBLEMS IN ABIA STATE (NIGERIA) CIVIL SERVICE: A STUDY OF ABIA STATE LOCAL GOVERNMENT SERVICE COMMISSION

Kalu Idika Awa¹ (Corresponding), **Chidinma Rose Kalu²** and **Sunny Abimaje Ihiabe³**

1 Faculty of Management Sciences, National Open University of Nigeria, Abuja, Nigeria,

2 Umuahia North Local Government Area Council, Abia State, Nigeria

Email: nnaakalu@hotmail.com

ABSTRACT

Disengagement from employment is inevitable and must happen at a point in time of an employee's work-life. Planning for it is important. The study focused on retirement problems in Abia State Civil Service (A study of Abia State Local Government Service Commission). The objective sought to assess the impact of retirement planning in the Abia State Local Government Service Commission, ascertain the effect of retirement income in the Abia State Local Government Service Commission, and analyze the challenges facing retirement policies in Abia State Local Government Service Commission. This paper employed a survey research design using both primary and secondary data. The total number of Civil Servants in the state at the time of this study was 8,966 (Abia State Civil Service Commission). The sample size of 383 is derived from the Taro Yamane formula. The research adopted the purposive sampling technique and employed an ANOVA test and regression model to test the hypotheses of the study. The findings show that there is a significant impact of retirement planning on the Abia State Local Government Service Commission. Secondly, poor government benefits were identified as the challenges facing retirement policies in Abia State Local Government Service Commission. The study concluded that there is a significant effect on retirement income in Abia State Local Government Service Commission $p\text{-value} = 0.005 < 0.05\%$ significance level. The paper recommended that retirement counselling must be taken into cognizance, the challenges facing retirees helping them to increase personal control over their behaviour that could cause them health conditions that may lead to death.

Keywords: Retirement, Retirement planning, Retirement income, Abia State, Nigeria

Introduction

Over the last four decades, the average age at retirement has decreased despite increased life expectancy. The number of retirees from Nigeria's different civil services is growing by the day. Anger, anxiety, despair, and tension are likely to arise as a result of the transition from conventional work to private life. Leaving a job where one has become accustomed to the people and the work routine can cause one's behaviour to change as one pursues a different path in life. As a result of the retirement problems, Nigerian public servant retirees have psychosocial concerns (denial, anger, anxiety, disorder, depression, and substance misuse). Retired civil officials are typically characterized by psychological dispositions as a result of the functional discontinuance of the regular financial source of subsistence and the resulting loss in social status. However, the impact of retiring on an individual's mind and overall personality cannot be predicted until one has lived through retirement. Retirement shock is true for everyone and can be devastating, especially for those who have not planned ahead of time.

According to Atchley (2007), retirement is the act or state of retiring. That is, to leave a career, a public position, or active duty. As a result, as people transition from paid employment to retirement, the process of retiring entails a change in their experience. Retiring from work in later adulthood is an important life event since it represents the transition from pre-retirement midlife to a new life phase as a senior person (Ekerdt, 2010). Bukoye (2005) proposes that the federal government establish a retirement agency in each state to address retiree issues and prevent them from wasting away. A careful examination of many retirees in Nigerian culture and the issues they face draw global attention. These issues appear to range from a sudden loss of livelihood, loss of a regular monthly salary, fear about moving into a residential home, lack of employment, diminishing status, diminished strength, poor health, physical disabilities to ageing. Retirement, according to Harris and Cole (1980), can be

considered a transition from one vocation to another; it can be viewed as an opportunity to begin one's real-life career or to gather two incomes. The study discovered that some retirees are actively involved in politics, others in industries/private firms, and yet others are providing scholarly counsel in various institutions, particularly higher education institutions, in today's Nigerian society. According to Fadila and Alam (2016), retirement is more than a few years away from the grind before death. Pre-retirement (which includes both the far and near phases), the honeymoon period, disenchantment phase, reorientation phase, stability phase, and termination phase are six developmental stages that can span 30 or more years of a person's life.

Retirement can be a bitter pill for some people, and it can be interpreted in a variety of ways. Retirement is a true transition, in the sense that it marks the end of one stage of development and the beginning of another. He also believed that the transition could imply a shift from one stage of life growth to the next, from an active business career to a passive one. Retirement is more than a phase of life; it is a major crisis, particularly in Nigeria, due to a lack of pre-retirement counselling provided by employers to employees, which would result in changes that would normally ease the transition from work to retirement but could be interpreted as a loss of status, particularly if the retiree is a breadwinner.

Retirement has become painful for retirees over time, as most workers retire and die due to lack of funds and health-related issues. Retirees in Nigeria are suffering from pain, sadness, and other psychological damages as a result of the failure to pay their statutory right as meritorious workers. Because of the circumstances they are in, the plight of retirees in our country is detestable and exceedingly disturbing. As a result, retirees died as a result of hardship and a lack of financial resources to address their age-related health issues. Because the government mistreats retirees, many of them die without receiving their pensions. As retired people, retirees have a lot of difficulties when it comes to document processing and filling out forms for authentication and confirmation.

This unequal treatment of retirees prompted this study to look into and propose if counselling before entering or joining the workforce would be of great assistance to retirees in overcoming the epidemic of inhumane treatment. Pensioners have been owed large sums of money as monthly pension arrears in the past. When only a portion of the monthly pension is received, pensioners face a major administrative bottleneck, to the point that some people die waiting in line to collect what is rightfully theirs. Already, a large number of people are languishing in rural and urban communities as a result of their failure to plan for retirement, and more people are being disengaged from this train of retirement every year.

Many studies have been undertaken in Nigeria in this area, but none has been conducted on the Abia State Local Government Service Commission, to the authors' knowledge. Nigeria's Abia State is one of the country's 36 states. As a result, there appears to be a study vacuum in determining whether income, cost, and retirement planning and policies are more helpful in addressing retirement issues. The purpose of this study was to look into retirement issues in the Abia State Civil Service in Nigeria.

The study set out to answer the following questions and test the listed hypotheses:

- i. To what extent does retirement planning impact the Abia State Local Government Service Commission?
 - ii. What are the challenges facing retirement policies in the Abia State Local Government Service Commission?
- i. H_{01} : There is no significant impact on retirement planning on Abia State Local Government Service Commission
 - ii. H_{02} : There is no significant effect on retirement income in Abia State Local Government Service Commission.

Following the Introduction, the study will review a few works of literature, then the Method and Results sections. The Conclusion will end the study.

Literature Review

Concept of Retirement

Retirement is a stage in life when a person chooses to leave the workforce and rely on passive income or savings instead of working. Based on personal preferences and financial planning, the age at which a person retires, their retirement lifestyle, and how they sustain that lifestyle will vary from one person to the next (Anspach, 2021). The retreat from one's position or occupation, or one's active working life, is defined by Merriam Webster. Retirement, according to Scherger (2021), is defined as the time at the end of one's life when one is no longer compelled to work since one or more old-age pensions have been paid.

Issues in Retirement in Nigeria

According to Denga (1996), the uncertainty that characterizes retirement life in Nigeria makes it difficult to serve workers, prompting some workers to modify their age and occupation records to postpone retirement. Furthermore, workers have no preparation or control over their post-retirement circumstances. As a result of their unpreparedness, many people have had a variety of psychological issues, with some even exhibiting psycho-phobic symptoms. In today's Nigeria, civil officials in all sectors regard retirement as a challenge (Abdullahi, 2002).

Many Nigerian employees dread the day when they would no longer be employed. According to Okorodudu (2008), severing oneself from a successful work-life is a challenging task. He went on to say that many people have suffered from psychological problems as a result of their lack of preparation and the various sorts of psycho-phobic reactions displayed by some Nigerian workers. Retirement in Nigeria, according to Ugochukwu (2008), has become a perpetual nightmare due to incompetent governance and thieving politicians.

Retirement Planning

Retirement financial security is not something that just happens. It takes forethought, dedication, and, yes, money. Financial income, physical health, emotion, will-making, spirituality, housing or where to live, insurance, leisure, time use, and post-retirement activities are among the most important considerations in retirement planning (Ogunbameru, 2013). Planning makes retirement meaningful because the retiring officer will no longer rely on traditional family arrangements for livelihood, money, or other types of social security after retirement. In other words, workers should make every effort to have their pension plan in addition to the epileptic government pension plan.

Sule (2006) emphasized that retirement planning should begin as soon as a person joins the federal service. By implication, planning for retirement does not need waiting for ultimate retirement benefits. Agada (2006) also emphasized that prioritizing retirement preparation will ensure a smooth transition for seniors. The most important technique for good retirement preparation is financial planning. A pension program is mostly for people who retire from the formal sector, particularly the government; hence, for individuals in the informal sector, old age support is generally dependent on personal efforts (Ogunbameru, 2013). It's such a horrible idea to rely on the government.

Maintaining your health in retirement is a product of your lifestyle and habits, and physically preparing for retirement is crucial. Boredom caused by idleness in retirement, according to Ogunbameru (2011), might lead to mental and physical deterioration. Exercising the body, eating nutritious foods, drinking enough water, and travelling can help keep the body and mind in good shape, not just in retirement but in everyday life.

It's never too late to start thinking about retirement and enhancing one's life. According to Barnett (2011), there are ten strategies to attain happiness in retirement:

- Be open and attentive.
- Make a schedule of physical and mental activity.
- Have a good time and laugh.
- Be a little outgoing.

- Spend meaningful time with family and friends.
- Engage in activities that inspire you.
- Sharpen your intellect.
- Keep in mind that small gestures can make a big difference.
- Realize your ambitions.
- Maintain an optimistic frame of mind.

Retirement counselling

Retirement counselling can also help you plan for your retirement while you're still working. Retirement counselling, according to Akinade (1993), entails providing complete counselling and information on the social, emotional, financial, and other elements of retirement. The goal of retirement counselling is to make an employee aware of his or her future options. This is to assist would-be retirees in imbuing a persevering culture, as well as to assist an employee in developing an alternate career to prevent boredom after retirement. They say that all work and no play make Jack a dull boy. Retirement counselling assists an employee in preparing for a new career as well as a recreational activity. Retirement counselling assists an employee in deciding on a new career path that will allow him or her to stay healthy by engaging in physical or mental activity and avoiding boredom (Adeoye, 1996). Changes in everyday employment necessitate sufficient leisure time to maintain excellent health and adjust to the new emotional environment. Retirement counselling, according to Akinade (1993), supports retirees in acquiring recreational, hobby, or vocational interests. Because the new social and emotional environment assists retirees inefficiently working in the new environment with the retired but not exhausted, retirement counselling is designed to provide shock absorbers to potential retirees. This explains why, according to Akinboye (1991), work-life regulates living activities, sense of identity numbers, and self-concept, among other things.

Retirement counselling is to assist retirees in finding new occupations so that they can maintain their current work functions and avoid boredom. To keep excellent family ties, retirement counselling will also assist the family in accepting the retiree when he arrives and understanding the changes that will occur. Counselling families, according to Akinade (1993), can assist family members in "re-examine their stereotypes, assess their circumstances from a different viewpoint, acquire insight into their biased attitudes, and explore alternate ways of caring for ageing family members and improving family relationships." The goal of retirement counselling should also be to prepare retirees for the worries that come with retirement. Morakinyo (2002) outlines several worries linked with retirement, all of which have an impact on health, family difficulties, finances, and psychological adjustment. There are both financial and psychological requirements. Morakinyo, on the other hand, distinguishes four types of leisure group activities: economic, non-economic, community service, and games. Morakinyo (2001) classified 50 self-employment companies under economic activities and ten community service activities and seven recreational activities under non-economic activities.

Empirical Review

The psychological impacts of retirement on retirees: implications for counselling were investigated by Abdulkadir, Rasaq, and Isaka (2018). The number of retirees from various governments and non-governmental organizations is growing every day. Anger, anxiety, despair, and tension are likely to arise as a result of the transition from conventional work to private life. This study defined the three categories of retirement: voluntary, compulsory, and mandatory, as well as the different types of retirees. Pre-retirement planning was also examined, as well as the implications for pre-retirement counselling, which aims to provide comprehensive guidance and information about the social, emotional, financial, and other elements of retirement. Pre-retirement talks on finance, sufficient use of leisure time, and social engagement are all advised in the article for effective pre-retirement counselling.

Otakpo, John-Nelson, and Wike (2020) did research to educate retirees and government officials about their duties in administration and management. Pains, suffering, ill-thought, and other effects of retirees following active duty were identified in the paper. The paper emphasized the need for an effective counselling program as well as policy statements related to it. The report went on to examine issues

like finances, loneliness, and ill health that come with retirement. The study was designed as a descriptive survey. According to the statistics, retirees have a positive attitude regarding retirement. Both males and females had beneficial outcomes, according to the implications. It also indicated that pensioners face loneliness and financial difficulties as they approach retirement, with the proposal that the government makes living pleasant after active duty for retirees to enjoy a long life.

Using a survey study approach, Olatunde and Onyinye (2013) investigated the challenges and prospects of retirement adjustment in families of retirees among civil officials in Ekiti State, Nigeria. Purposive and stratified random sample procedures were used to administer the questionnaires. In the analysis of the data acquired, descriptive and frequency tables with percentages were used. The study's findings found that delayed pension payments, maladjustment, and psychological adjustment were among the issues faced by retired federal officials in the study area. As a result of this research, it is suggested that various enterprises in Ekiti State be encouraged to offer retirement counselling for their employees to help them prepare for the inevitable.

The consequences of retirement on physical and mental health outcomes were studied by Dave, Rashad, and Spasojevic (2016), who looked at indications of physical and functional limits, disease conditions, and depression. The findings are based on data from the Health and Retirement Study's seven longitudinal waves, which span the years 1992 to 2005. Panel data approaches are used to account for biases related to unobserved selection and endogeneity. Counterfactual and specification tests are included to assess the estimates' robustness and believability. Over six years, complete retirement is connected with a 5-16 per cent rise in mobility and daily activities, a 5-6 per cent increase in medical conditions, and a 6-9 per cent reduction in mental health. According to models, the effects are mediated by changes in lifestyle, such as decreased physical activity and social connections. If the individual is married and has social support, continues to engage in physical exercise after retirement, or continues to work part-time after retirement, the negative health impacts are lessened. According to some data, the negative consequences of retiring on health may be greater in the case of involuntary retirement.

Review of extant literature have shown that the number of retirees from various governments and non-governmental organizations is growing every day with its attendant psychological and physical consequences on them. Pre-retirement talks on finance, sufficient use of leisure time, and social engagement are all advised for effective pre-retirement counselling. If the individual is married and has social support, continues to engage in physical exercise after retirement, or continues to work part-time after retirement, the negative health impacts are lessened. According to some data, the negative consequences of retiring on health may be greater in the case of involuntary retirement. In view of the foregoing, this study intends to use data from Abia State to test for possible generalization.

Method

A survey research design was used in this study. This study might benefit from a survey design because questionnaires can be used to collect data for both independent and dependent variables. Both primary and secondary data were used in this investigation. The researchers gathered primary data from respondents' responses to a questionnaire and group-focused interviews. Secondary data was gathered from the institutions' online publications on their respective websites' institution profiles. Journals, internet materials, journals, seminar papers, and textbooks are some of the resources available. All retired civil officials in Abia State, Nigeria, were included in this study's population. At the time of this study, the total number of civil servants in the state was 8,966. (Abia State Civil Service Commission). Civil servants from Abia State's 17 Local Government Areas make up this group.

Sampling and Sample Techniques

The Taro Yamane formula yielded a sample size of 383 people. Purposive sampling was used in this research. Purposive sampling, on the other hand, was based on respondents who had relevant information about the study. Because only a small percentage of the personnel is aware of the nature of the commission's retirement issues, the local government regions chosen are close to the researchers' location.

In gathering primary data, a well-structured questionnaire of the close-ended type was designed on a 5-point Likert scale of strongly agree (5), agree (4), neutral (3) disagree (2), and strongly disagree (1), with A to D, which capture all the research objectives and hypotheses which was administered to the respondents in the study area.

Method of Data Analysis

To assess the demographic features of the respondents, such as sex, age, marital status, educational background, and experience, the researchers used both descriptive and inferential statistics. The hypotheses were tested using the ANOVA (analysis of variance) test. The questionnaire was pre-tested to ensure its validity before the data was collected. The researchers' pretested the questionnaire by having respondents fill it out, examining the phrasing, grammatical content, and questions, as well as determining ways to improve the quality of the data under examination. Based on the consistency and precision of the measurement procedure, reliability implies trustworthiness. However, to ensure the instrument's reliability, 45 questionnaires were distributed and re-administered to the same respondents in the study area after two weeks, and the Cronbach Alpha for the reliability of the co-efficient result was computed using Statistical Package for Social Science (SPSS) version 2.0. The choice rule was based on a coefficient correlation of 0.5 or higher.

Results

The research looked into retirement issues in the Abia State Civil Service (A Study Abia State Local Government Service Commission). The majority of the respondents (56.5 per cent) were males, according to the demographic characteristics of the respondents. 76.7 per cent of those polled were married. (52.3%) have a B.Sc. or HND (37.4%) and are between the ages of 40 and 49, while (33.8%) are between the ages of 21 and 30 in their respective businesses. The findings revealed that retirement planning has a major impact on the Abia State Local Government Service Commission. Tax-Diversification increases organizational performance, Long-Term Investment Strategy promotes organizational growth, Calculate Your Retirement Costs improves organizational survival, and Set Defined Goals improves organizational growth. According to the majority of respondents study also discovered that the Abia State Local Government Service Commission's retirement programs face issues due to insufficient government benefits. Unfilled income gaps improve organizational performance, market risk improves organizational growth, rising health-care costs boost organizational effectiveness, taxes improve organizational performance, and long-term care expenses improve organizational performance, according to the majority of respondents. The study supports Ayodeji and Theresa's (2011) findings, which found that delayed pension payments, maladjustment, and psychological adjustment were among the issues faced by retired Civil Servants in the study area.

Conclusion

In the life of any public servant, retirement from active civil service is unavoidable. Many people look forward to retirement but fail to plan for it, even though retirement is a stage that all workers must eventually reach whether they are prepared or not. Many people who gain access to the organization are unaware that they will be leaving at some point in the future. As the report shows, relying on the government to assure proper, effective, and efficient retirement planning has failed in the past. The study discovered that there is a considerable impact on retirement planning at the Abia State Local Government Service Commission based on this concept. The study concluded that having a good retirement income in Nigeria depends not only on the government but also on diligent planning by those concerned so that they do not become a burden to themselves and society at large at the end of the day. As a result, the study indicated that the Abia State Local Government Service Commission has a considerable impact on retirement income.

Recommendations

- i. Early planning is necessary, and workers who retire due to age should be honoured and regarded as war veterans by society and government.
- ii. To address retirees' concerns, the federal government and private investors should work together to establish an agency that will boost retirement income in each state.

iii. Retirement counselling must take into account the issues that retirees face to assist them in gaining personal control over their behaviours that may result in health problems that lead to mortality.

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