



## Socio-Economic Implications of Retirement on Retired Public Servants in Ekiti State, Nigeria

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### Abstract

This study examined the socio-economic implications of retirement on retired public servants in Ekiti State, Nigeria. Economic difficulty might be a principal factor for maladjustment among retirees in Ekiti State. Data for this study were collected from Primary source. Four hundred (400) questionnaires were administered in this study. Data for this study were analyzed with the aid of frequency count, percentage, mean and statistical methods. Results for this study showed that retirees in the study area had socio-economic problems resulting from poor pay, delay in payment of gratuity and pension, and hyper inflation on their meagre income. This study, therefore, recommended that, the management of pension fund should be given to private pension administrators with credible records in order to forestall mismanagement of pension funds. This study will be of immeasurable value to Government, Public Servants, Retirees, planners and researchers.

**Key words:** Implication; Recommendations; Retirement; Socio-Economic; Public servants

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### INTRODUCTION

Economic difficulty might be a principal factor for maladjustment among retirees. In the reality of Nigerian situation, inflation has eroded the value of the currency of Nigeria, that is, it could be safely stated that the amount being paid as pension is inadequate and it is not usually paid on time. The submission of Akinade (1993) that a retiree, who had enjoyed meaningful recreations would find it quite difficult adjusting to retirement gives credence to the fact that retirees need coping device to enable them adjust to life after retirement. This might be more serious, where a retiree retires into a lower socio-economic status, where there are no official privileges and enough financial support to continue with previous living standard. The bible corroborates this that "money answers all things" (Ecclesiastes 10:19).

According to Eghagha (2006), the Federal Government of Nigeria owed the University of Ibadan Pensioners 26 full months pension arrears (that is two years and two months) as at February, 2006. It seems that quite a lot of corrupt practices among the public servants could be traced to the fear of their economic status after retirement. The society itself appears not to be helpful in this regard, because in a materialistic society, the more wealth one acquires, the more one is respected. The pertinent situation about most retired public servants as personally observed by the researcher is that as soon as they leave the service, the respect given them seems to reduce, the congratulatory messages during their birthday drop and the number of invitation to ceremonies dwindles. In this type of situation, it requires a well-adjusted retiree to cope.

Another seemingly problem that a retiree could face is the bureaucracy involved in the payment of pension and gratuity. At times, it requires that the retirees present themselves at the capital town of the places they have worked. Such process might involve a long queue, which might be demoralizing to such retirees. In a pathetic

revelation by Adedeji (2010) as stated in the Nigerian Tribune, reported that some relieved staff of Union Bank took to the street and protested to the headquarters of the Bank in Marina over non payment of gratuity and retirement benefits. The retirees ought not to be exposed to hunger and deprivation before their entitlements are paid. In another development, Aborisade (2010) in the punch newspaper on screening exercise for pensioners, he stated that pensioners complained about complex procedure of screening, poor listing as well as the high-mindedness of the Federal Government Officers coordinating the service. The Chairman, Nigeria Union of Pensioners, Olorunda Local Government Area branch of Osogbo, Osun State, Mr. Joseph Akintayo observed that the programme revealed complacency of the government to the old people, who had served their fatherland meritoriously for many years. He further stated that, the situation they were subjected to was frustrating and demeaning. He cited the case of one of the pensioners, Adebayo Babatunde, who was alleged to have died while undergoing the verification process. In view of the above, can it be said that most retirees are faced with economic adjustment problem?

Closely related to economic adjustment problem is health adjustment. Most retirees retire at sixty years of age, and at this time, it is not unlikely that illnesses as a result of aging might be major problems of the retirees. They have to spend more on health because the various clinics and hospitals where their employers had provided for their well-being could no longer do that because they have left the service.

Health factor could therefore be a major problem in retirement. A retiree facing health problem might find adjustment in retirement difficult, since health they say is wealth. A retiree facing health problem might not likely enjoy retirement. Withdrawal from job could also boost the health of retirees and on the contrary idleness could also lead to deteriorating health conditions. Anyah (2000) observed that teachers in Ghana feared retirement and were refusing to go on retirement because of the boredom and loss of the sense of self worth and security that they observed among retirees. Anyah (2000) observed traces of idleness in some retired public servants., who have openly complained about not having enough to do after retirement.

If retirees are psychologically adjusted, it is assumed that it will make them withstand problems associated with post retirement. However, the type of retirement could play a prominent role in the adjustment of the retirees. Retirement can be voluntary, involuntary or mandatory. In case of involuntary retirement, the retirees are not prepared for it, it can come because the employer might want to downsize the staff strength.

Odu (1995), stated that in 1986 many able bodies principals of secondary schools were retired involuntarily not because they had put in the maximum number of years

expected of them, but they wanted to create spaces for the unemployed young graduates, that was in Ondo State then. It was said that the retirement led to crisis to the point that one of the retired principal committed suicide. This tragic situation is enough to create throbbing heart circumstance in which a research has to be carried out on adjustment in retirement. If a public servant retired voluntarily or mandatorily such retired public servant might find it easier to cope with retirement because he/she has prepared for it.

Gbenoba (2010) reported in the Nigerian Tribune that a retired headmistress stated that life after retirement was quite blissful. She added that she had more time for herself and could sleep and wake up when she likes. This individual had already prepared her mind towards retirement before she was retired.

## 1. OBJECTIVES OF THE STUDY

The general objective of this study was to examine the socio-economic impacts of retirement on the adjustment of retired Public Servants in Ekiti State, Nigeria.

The specific objectives of this study were to:

- i. Examine the differences between the level of economic adjustment of male and female retired public servants in Ekiti State, Nigeria.
- ii. Document the social implication of retirement on the adjustment of male and female retired Public Servants in Ekiti State, Nigeria.
- iii. Observe how the level of income influences the lives of retired public servants in Ekiti State, Nigeria.
- iv. Recommend possible control measures on the problems identified.

## 2. THE STUDY AREA

Ekiti State is located between latitude 70' 301 and 80 151 North of the equator, and longitude 40 471 and 50 401 of the Greenwich meridian. Ekiti State was created on the 1st of October, 1996 and its capital city of Ado-Ekiti has witnessed rapid population growth and urbanization (Awosusi and Jegede, 2010).

The estimated population figure of Ekiti State according to the National Population Commission stood at 2,353,082 (National Population Commission, July, 2006). The relief of Ekiti State consists of undulating plains. The highest contour line of 540m above sea level is found around the North Eastern limit of the state. The rocks are dominated by the basement complex geology of the Southwestern Nigeria.

Ekiti State has a total annual rainfall of about 1400mm with a low co-efficient variation of about 30% during the rainfall peak months, and with an average of about 112 rainy days per annum (Adebayo, 1993).

The development of Ekiti State spread towards the routes of communication. Put differently, the settlement evolutionary structure and growth is a replica of Homer

Hoyt's sector Theory of 1939, which posits the sprawl of physical development in the direction of transportation routes.

### 3. CONCEPTUAL FRAMEWORK/ LITERATURE REVIEW

The concept of retirement is applicable to this study and according to Schuster and Ashburn (1980), retirement has different meanings and interpretations. First, it could be seen as an event that occurs at the end of a specified work period. Secondly, those individuals (usually over age 45) who have experienced difficulty in obtaining employment may after a period of time considers themselves to be retired. The above assumptions implied that the choice of meaning and the interpretation of retirement vary, but all imply the concept of separation from regular/full time employment.

Updegrave (2003), however viewed retirement as a product of industrialization which came after the establishment of industries in 18th and 19th centuries. Osuala (1985) stated that retirement is an age-long practice in both the private and public service. He stressed, that it is a major stage in adult development and it essentially marks the split from middle years to old ages. He pointed out that at 65 years of age, our mental and physical exuberance dwindles, it, however, becomes rational to relieve the person of some strenuous and excruciating duties, that may weigh him down and consequently threaten his health.

Atchley (1977), opined that retirement is the act of retiring or the state of being retired. That is to withdraw oneself from business, public life or and to remove from active service.

Ogunbameru (1987), retirement had indeed been considered a crisis situation for most retired public servants in Nigeria. Ogunbameru (1987) further stressed that retirement is more than withdrawal; rather it is a major crisis especially in Nigeria because there is an absence of pre-retirement counselling. Counselling given by employers to employees could generate changes that normally facilitate the transition from work to retirement.

### 4. METHODOLOGY

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

#### 4.1 Research Design

Descriptive research of the survey type was used in this study. This method was adopted because; the study focuses on the socio-economic implications of retirement on public servants in Ekiti State. The design allows for information from the representative sample of the entire

population.

#### 4.2 Population

The population considered for his study consisted of all the retired public servants in Ekiti State. The total number of pensioners in Ekiti State as at the time of this study was 3962 (Ekiti State Pension Board, 2007). This consisted of pensioners from the 16 Local Government Areas of Ekiti State. The age bracket of the pensioners ranges from 50 years to 82 years.

#### 4.3 Sample and Sampling Techniques

The sample was 278 retired public servants (male: 207, Female 71) in Ekiti State selected from all the 16 Local Government Areas of Ekiti State based on purposive and stratified random sampling techniques.

#### 4.4 Administration of the Instrument

Four hundred copies of the questionnaire were administered on the identified retired. Public servants across the Sixteen Local Government Areas of Ekiti State, but 278 copies were duly completed and retrieved from the respondents for data analysis.

#### 4.5 Data Analysis

Frequency count, percentage and mean were used to answer the general questions. The variables were social, health, psychological, level of income, gender, nature of retirement, size of family and level of education to identify the socio-economic implications of retirement on public servants.

### 5. RESULTS AND DISCUSSIONS

**Table 1**  
**Economic Adjustment of Retired Public Servants**

S/N	ITEMS	NO		YES	
		N	%	N	%
1.	My monthly pension is adequate for my upkeep.	195	70.1	83	29.9
2.	Inflation in the country is not having effect on my pension.	209	75.2	69	24.8
3.	I own a car, I am using	136	48.9	142	51.1
4.	I live in my own house	91	32.7	187	67.3
5.	I eat three good meals daily after my retirement	115	41.4	163	58.6
6.	I am satisfied with the type of dress I wear after retirement.	106	38.1	172	61.9
7.	I receive my pension at the end of the month regularly.	157	56.5	121	43.5
8.	I meet the need of members of my immediate family.	157	56.1	122	43.9
9.	I can still met my financial obligation in church/mosque/society/club	120	43.2	158	56.8
10.	I have other means of income.	146	52.5	132	47.5
	Average Total	143	51.43	135	48.56

Table 1 shows that 51.44% of Ekiti state retired public servants might be having economic adjustment problem, while 48.56% seems not to have economic adjustment problem. Looking at the items from item 1, 70.1% responded that their monthly pension is inadequate. The percentages of those, who own cars and had already built houses, are 51.1% and 67.3% respectively. The percentage of the pensioners that complained about irregular payment of salary is 56.5% in the same way 56.1% were not able to meet the needs of the immediate members of their families. By and large, retired public servants in Ekiti State might be having economic adjustment problem.

**Table 2**  
**Social Adjustment of Retired Public Servants**

S/N	ITEMS	NO		YES	
		N	%	N	%
1.	I still keep most of my friends	95	34.2	183	65.8
2.	I still belong to social/religious groups	55	19.8	223	80.2
3.	I find it easy to relate with people after retirement	75	27.0	203	73.0
4.	I still find it easy to meet social responsibilities.	123	44.2	155	55.8
5.	I still visit recreation center for relaxation	166	59.7	112	40.3
6.	The rate at which I am being congratulated during my birthday is encouraging	94	33.8	184	66.2
7.	I still have good relationship with members of my former establishment	38	13.7	240	86.3
8.	I still have a lot to contribute to the society.	39	14.0	239	86.0
9.	Many people appreciate what I have contributed to their lives	45	16.2	233	83.8
10.	I have a sense of accomplishment as a retiree	57	20.5	221	83.8
	Average Total	79	28	199	72

The findings in table 2 revealed that 79 out of 278, which represents 28% might be having social adjustment problem, while 199 retired public servants representing 72% might not have social adjustment problem. In most of the items tested their responses showed that they might not be maladjusted socially. However, 59.7% do not visit relaxation centre, they seem to have cultural group/clubs, where they socialize with others. It could therefore be said that the Ekiti State Civil Servants are socially adjusted.

**Table 3**  
**Health Adjustment of Retired Public Servants**

S/N	ITEMS	NO		YES	
		N	%	N	%
1.	I seldom fall sick	89	32.0	189	68.0
2.	I do not have any terminal diseases	69	24.8	209	75.2
3.	I rarely use drug	78	28.1	200	71.9
4.	I rarely visit medical doctor after retirement	83	29.9	195	70.1
5.	I can still walk without working stick	31	11.2	24.7	88.8
6.	I can still use my hands and legs effectively	34	12.2	244	87.8
7.	I have not be hospitalized after retirement	57	20.5	221	79.5
8.	My blood pressure is normal	45	16.2	233	83.8
9.	My state of health can handle some task that can increase my income	67	24.1	211	75.9
10.	I still take time to do some physical exercise	60	21.6	218	78.4
	Average Total	61	22%	217	78%

The findings from table 3 revealed that out of 278 which represents 22% might be having health adjustment problem while 127 out of 278, which represents 78% are not likely to be having health adjustment problem. In all the items tested, the respondents indicated that they were well adjusted in the area of their health. The result showed that 71% indicated that they do not have terminal disease and also the blood pressure of 83.8% is normal. From this finding, there is the possibility that the health adjustment of retired public servants in Ekiti State is good.

## 6. RECOMMENDATIONS

On the basis of the findings in this study, the following recommendations were made:

The various establishments in Ekiti State should be encouraged to organize retirement counselling for their workers to enable them prepare for the obvious eventuality.

Workers should be encouraged through conferences and seminar on manageable number of children, they should have.

The management of Pension Fund should be given to Private Pension Administration with credible records in order to forestall mismanagement of pension fund.

The Government should minimize the bottlenecks that are usually involves in payment of gratuity. Gratuity should be paid within a month after leaving the service.

Government should endeavour to provide recreation centre for retired public servants in Ekiti State to enable them have the opportunity for social recreation.

## CONCLUSION

It can be concluded from the findings of this study,



that programmes should be organized in various establishments in Ekiti State to inform, educate and guide workers on retirement plans. There is obviously, the need for retirement counselling for the existing public servants, so as to prepare them towards retirement. Thus, the insufficient and delay in the payment of monthly pension contributed immensely to the adjustment problems of retired public servants.

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