EFFECT OF RETIREMENT MANAGEMENT STRATEGIES ON QUALITY OF RETIREE'S LIFE IN NIGERIA

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KEYWORDS
Retirement Management Strategies, Quality of Retiree's Life

ABSTRACT
The study is to examine the effect of retirement management strategies on quality of retiree's life in Nigeria. The specific objectives of the study are to; determine the effect of early retirement plaining on quality of retiree's life in Benue state in Nigeria and examine the effect of pension optimization on quality of retiree's life of Benue state in Nigeria. The population of the study comprised of seven thousand7000 pensionaries in Makurdi, Benue State from 2020 to 2023 from civil service. Used a representative sample, a multi-stage random sampling design was used in selecting the required sample for the study. The study's findings have shown that early retirement planning and pension optimisation are reliable and significant indicators of quality of retiree's life in Benue state in Nigeria. The study concludes that retirement management strategies has significant effect on quality of retiree's life in Benue state in Nigeria. The study recommended among others the government of Benue State to provide comprehensive financial education programs to employees well before retirement age to promote savings and investment habits to aid their early retirement planning. Encourage the use of financial advisors or counsellors to help retirees manage their finances effectively.

1.0 INTRODUCTION

1.1 Background to the Study

Drawing comparisons with global retirement management practices and identifying best practices can offer insights for improving strategies in Nigeria. Understanding how other countries address retirement challenges contributes to the development of context-specific interventions. Nigeria is experiencing demographic shifts characterized by an aging population. As life expectancy increases and the proportion of elderly individuals rises, understanding and enhancing the quality of life for retirees become imperative for social and economic well-being.

Retirement is a fluid concept because it connotes different things and is fraught with different experiencesfor different people. While some individuals view it positively and anticipate it with nostalgia others dreadits

eventuality with great anxiety. Thus, it could be said that it is not a homogenous experience foreveryone. Retirement is a time of significant transition as far as the use of time is concerned. However, theimportance of retirement is made more glaring by the fact that the retired person is made to face somechallenges because of his/her new status (as a retired person). It has been noted that retirement is a stressfulexperience to many because of its associated life decision change in the matter of life arrangementgenerally. It has been postulated by Elezua (2020) that the moment retirement comes knocking on the door(of an employee) it enters with challenges and expectations. Retirement is typically associated withattendant stress for the average employee especially in a country like Nigeria with austere economicpolicies.

Retirement has been defined as a state of being withdrawn from business, public life or active service. According to the Industrial Training Fund, Centre for Excellence (2021), retirement is a real transition. Inthe views of Kemps and Buttle (2018) cited in Ubangba and Akinyemi (2019), retirement is a transfer fromone way of life to another; they noted that many people suffer from retirement shock such as a sense ofdeprivation during the early period of their retirement. In the opinion of Olusakin (2019), retirementinvolves a lot of change in values, monetary involvements and social aspects of life. Olusakin further notedthat for some retirees, it leads to termination of a pattern of life and a transition to a new one. However, Billings (2019) described retirement as the transition from first adulthood to second adulthood which isoften a jarring and unsettling experience. It follows from these descriptions/definitions of retirement that aretired person or retiree is any person who performs no gainful employment during a given year or anyperson who is receiving a retirement pension benefit and any person not employed on full time, all yearround after his/her disengagement from a previous work schedule. It is deducible; therefore, that retirement implies a transition from active working life at youthful age with adequate financial capacity to less rigorous work schedule or lack of any tangible work schedule at old age.

1.2 Statement of the Problem

In Nigeria, the management of retirement poses a significant challenge, and the effectiveness of retirement management strategies has a direct impact on the quality of life experienced by retirees. Many retirees in Nigeria face financial insecurity due to inadequate pension benefits, delayed payments, and the absence of robust retirement savings. This financial vulnerability hampers their ability to meet basic needs, healthcare expenses, and maintain a comfortable standard of living. Retirees often lack access to comprehensive information about retirement planning, investment options, and financial literacy. This lack of knowledge hinders their ability to make informed decisions, potentially leading to suboptimal retirement management.

Nigeria's economic landscape is characterized by inflation and economic volatility, which can erode the purchasing power of retirees' savings. The lack of effective strategies to cope with these economic challenges exacerbates financial difficulties for retirees. Retirees in Nigeria may face healthcare challenges, including limited access to affordable healthcare services and rising medical costs. Inadequate healthcare provisions and management strategies can impact retirees' health and well-being, affecting their overall quality of life. Despite existing retirement policies, there is still gaps in implementation, enforcement, and oversight. Inconsistencies in policy execution has resulted in disparities in retirement benefits, leaving some retirees without adequate support. Some retirees may be heavily dependent on family support due to inadequate retirement benefits. This dependency can strain family resources and relationships, impacting both the retirees' quality of life and the well-being of their families.

1.3 Objectives of the paper

The broad objective of the study is to examine the effect of retirement management strategies on quality of retiree’s life in Nigeria. The specific objectives of the study are to;

Determine the effect of early retirement plaining on quality of retiree’s life in Benue state in Nigeria.

Examine the effect of pension optimization on quality of retiree’s life of Benue state in Nigeria.

2.0 LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 Concept of retirement management strategies

Retirement management strategies has been variously categorized depending on the orientation or perception of the classifier. For example, to many authorities on retirement literature (Akindade, 2018), retirement canbe broadly grouped into three namely; Compulsory/Involuntary retirement, Voluntary retirement and Mandatory/Regular retirement. Compulsory or forced retirement is often imposed on an employee for various reasons at times

on grounds of ill-health, mental or physical incapacity and so on. Voluntary retirement is associated with personal withdrawal from active service by an employee having put in the required years of service for eligibility for retirement. This in most cases may be due to personal dissatisfaction with work schedule or vocational life style. However, mandatory/regular retirement is said to occur when an employee is made to withdraw his/her service from a long-time work schedule having attained the mandatory retirement age/duration according to the organization's policy.

Retirement as a concept has both old and new definitions. The old definition of retirement was when a worker couldn't do something anymore. He or she is laid off. However, the new definition of retirement is when a worker does not have to do something any more. The concept of retirement that is associated with leisure, travel, family activities, hobbies and educational pursuits is a modern idea. The role of retiree and the stage of "retirement" we identify with, today is a socially construed concept that was created as a result of the passage of Social Security Act in 1935 (in America). According to Prize (2019), with the creation of social security, a financial incentive or pension was made available to older workers to encourage them retire from the workforce and to enable younger workers take their place; thus stimulating economic growth and progress.

Quality of Retirees': The quality of retirees' life in Nigeria is influenced by a variety of factors, including financial security, health, social connections, and overall well-being. The adequacy and reliability of pension benefits significantly impact retirees' financial security. Timely and sufficient pension payments contribute to a comfortable and stress-free retirement. Access to affordable and quality healthcare is crucial for retirees' well-being. Adequate healthcare services contribute to a higher quality of life by addressing medical needs and promoting overall health (Hangoir, 2021).

Eiechi (2023). Examined the effect of quality of life (QL) of retired academics reengaged in some Nigerian Universities was studied using physical health, subjective happiness, life satisfaction and psychological well-being domains and a measure based on control, autonomy, self-realization and pleasure (CASP) as indicators. Satisfactory QL was indicated all respondents (>50% maximum points), but physical health was poor (<30%). Compared to the preretirement period, respondents indicated satisfactory present condition. Significant differences (t test) due to gender, age, living with/without spouse, mandatory/voluntary retirement, and rank occurred in some QL indicators. Except for physical health, the QL indicators were positively associated ($r = .31–0.69$, $p < .05–0.01$). Satisfactory location was indicated and was positively related to subjective happiness ($r = .52–.76$). Thus, the QL of reengaged retired academics did not deteriorate because of continued activity.

Fiiwe, James Leekaaga (2020) studied retirement benefits due retirees has been so clouded with emotion and morality that the empirical facts around it have been neglected or overlooked. Most of the time, the justification people give for benefit of retirees is that a labourer deserve his wages or that having served for years, they deserve to retire with good benefit package. Little have been done around the benefits of package of the retirees to the employer. This study has been geared towards that direction. The study aimed to find answers to: what are the welfare packages available for retirees in Nigeria? What are the limitations inherent in the old and new pension schemes in Nigeria? What are the effects of the 2004 Pension Reform Act on the benefit of retirees? And, are there other benefit options for retirees in Nigeria? Using the descriptive survey method of research with the questionnaire method of data collection, 90 respondents were drawn from three purposefully selected federal establishments in

Rivers State Nigeria. Data was presented in tables and analysed with percentage. The result of the study shows that the old welfare schemes is filled with many limitations which the new scheme have tried to cover: that the administrative process of the new pension scheme have given the pensioners hope and faith in the system: that both the old and new pension schemes could not be seen as containing enough benefit package for the retirees. since it does not cover health insurance, entrepreneurial roles of the retirees after retirement, creative and recreational facilities for retirees and housing scheme for retirees. The study also found that these packages lacking in both the old and new pension scheme will boost the welfare package of retirees in Nigeria if introduced into the new pension scheme, and the study so recommends.

Elia at al, (2020). Examined post service living conditions of the elderly has received increased attention in recent years and the retirement preparation has generated several public policy and academic concerns. There is a correlation between both, as a lot of problems arose out of inadequate preparation. Quantitative data was collected through individual-based questionnaire. Multi-stage sampling procedure was employed to select 300 respondents from selected LGAs in Lagos State. In all, 300 respondents were interviewed. Simple statistical tools like percentile and chi-square were used to determine the net effects of the explanatory factors on the post retirement living conditions. The study found that post retirement living conditions is largely a product of retirement preparation. Furthermore, the results from the test shows that there is a significant relationship between post retirement living conditions of retirees and their preparations toward retirement. The study concludes that there are both sex and educational differences in the perception of retirement stress by retired civil servants.

3.1Research Methodology

3 .2 Population of Study

The population of the study comprised of seven thousand7000pensionaries in Makurdi, Benue State from 2020 to 2023 from (Ministry of Trade and Investment).

3 .3 Determination of Sample size and Sampling techniques

To ensure a representative sample, a multi-stage random sampling design was used in selecting the required sample for the study. The sample size was determined using the sample size formula given by Naig, Winn, and Rusli (2020)as:

$$n = \frac{Nz^2p(1-p)}{e^2(N-1)+z^2p(1-p)}$$

Where:

N = Population of selected retirees = 1,151

p = Expected value of the indicator = 50%

e = Margin of error[36] = 5%

Z -score[37] = 2.33 at standard of 99% confidence interval.

The determined sample of 369.214 was further adjusted by rounding-up to 369 as the higher the sample the closer it is to the population. This will also cover for poor or non-response.

The proportion of the sample to each retiree in Makurdi town was determined using the Bo urley's proportional allocation formula:

$$n_h = \frac{N_h}{N} n$$

Where

n_h= The market sample.

N_h= The Population of the Retirees

N = The total population of the study

n= The total sample size of the Retirees in Benue

$$= \frac{N_h}{N} n = \frac{7000}{1151} \times 369 = 34.94 \cong 300$$

The study used simple random sample of probability technique to administer the questionnaire in the retirees to prevent bias that would negatively affect the reliability of the

result. The Retirees respondents were randomly chosen and given the questionnaire by the researcher.

3.4 Model specification

Guided by the nexus between the variables of the study, a functional relationship was established between them. As shown below, the implicit form of the model is shown as:

QRL= *f* (RMS) (3.1)

QRL =quality of retiree's life

RMS= Retirement management strategies

Thus,

QRL = *f* (ERP, POP) (3.2)

Where,

ERP = early retirement plaining

POP= pension optimization

QRL =quality of retiree's life

The explicit form of the model can be restated as follows:

$PER = b_0 + b_1ERP + b_2POP + U_t$ - (3.3)

b_0 =Regression Constant

b_1, b_2, andb_3 = Regression Coefficient

U_t= Error Term

4.0 Data presentation and Analysis

This section deals with the presentation of the results obtained from the field. It is made up of four subsections namely; data presentation, regression analysis, test of hypotheses and discussion of findings.

Table 1: Model Summary

Model	R	R^2	Adjusted R Square	Std. Error of the Estimate
1	0.810[a]	0.791	0.791	0.782

a. Dependent Variable: QRL

b. Predictors: (Constant), ERP, POP

Source: Author's Computation, using SPSS 23.0

The result in Table 1 showed that the regression coefficient, R = 0.810 which shows the relationship that exist between the retirement management strategieswhich is the independent variable and quality of retiree's life the dependent variable. The coefficient of determination (R^2) was 0.791. Coefficient of determination explains the extent to which changes in the dependent variable is explained by the change in the independent variables or the percentage of variation in the dependent variable (quality of retiree's life) that is explained by all independent variables. The coefficient of determination showed that 81 % of the variation in quality of retiree's life is explained by early retirement plaining (ERP) and pension optimization (POP). The fundamental assumption about error terms is not violated because the error term captured the remaining (21%) of order variable that affects the model outside the variables included in the regression model such as epidemics, earthquake, unquantifiable data, random behavior of human beings etc.

Table 2: ANOVA Result

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1027.721	4	255.930	81.586	.000[b]
	Residual	271.002	85	3.188		
	Total	1298.722	89			

a. Dependent Variable: QRL

b. Predictors: (Constant) ERP, POP,

Source: Author's Computation, using SPSS 22.0

Table 2 result reveals that the F-statistics was found to be positive ($F_{Tab,}$ 4.85) = F_{cal}81.586, P = 0.000) implying that the research model is fit and significant at 0.05 significant level. Also, the F value from the ANOVA Table is 81.586 and is significant because the significance level = .000 which is less than P ≤ 0.05. This implies that the overall regression model is statistically significant, valid and fit. The valid regression model implies that all independent variables early retirement plaining (ERP) and pension optimization (POP)are capable of explaining that a positive and significant relationship exist with the dependent variable (quality of retiree's life).

Table 3: Regression Results

Variable	B	Std. Error	Beta	t-value	p-value
(Constant)	.2899	0.333		.869	.000
ERP	9.251	5.744	.834	.331	.000
POP	2.570	5.950	.813	.640	.000

a. Dependent Variable: QRL

Source: SPSS Output, 2024

ERP, POP,

The Estimated Model Coefficients shows that the general form of the equation to predict QRL from RMS is: *Predicted QRL = 2.899+ 834ERP+0.813POP+ (ET*) (3.5)

The result in Table 3 showed that the regression coefficient of early retirement planning (ERP) = 834 and correctly signed, this depicts that a positive relationship exists between the independent variables and dependent variable such that a unit change

increases in early retirement planning (ERP) will increase quality of retiree's life (QRL)by 83.4% percent. The regression coefficient for pension optimization (β_2) = .813 is also positive and correctly signed, this implies that a positive relationship exists between pension optimization(POP) and quality of retiree's life (QRL)such that that a unit increase in of pension optimization(POP) will bring about 81.3% increase change in quality of retiree's life (QRL) if other variables are kept constant. The T value is 0.331 which is significant at .000.

The t-value is 0.640 which is significant at .000 level. At 5 % level of significance and 95 % level of confidence; early retirement planning (ERP) showed a beta value of 0.634 and 0.000 level of significance, pension optimization(POP) showed a beta value of 0. 813 and 0.000 level ofsignificance respectively. The regression coefficient clearly indicated that interest rate contributes more to quality of retiree's life (QRL)within the study area.

4.1 Discussion of findings

The findings of this paper are discussed based on the specific objectives of the study as follows:

Objective One

Effect of early retirement plaining and quality of retiree's life in Benue state in Nigeria.

In examining the effect of early retirement plaining and quality of retiree's life in Benue state in Nigeria. Regression analysis t-test was used to test the hypothesis at 5 % level of significance and the t-value (0.331) was less than the significance level. This can be statistically given as t-value 0.333 < α =0.05. This implies that early retirement plaining has a significant effect on quality of retiree's life in Benue state in Nigeria. This finding agrees with the findings of Elia at al, (2020). who examined the effect post service living conditions of the elderly has received increased attention in recent years and the retirement preparation has generated several public policy and academic concernsusing correlation between both, as a lot of problems arose out of inadequate preparation and found that post retirement living conditions is largely a product of retirement preparation. Furthermore, the results from the test shows that there is a significant relationship between post retirement living conditions of retirees and their preparations toward retirement. The study concludes that there are both sex and educational differences in the perception of retirement stress by retired civil servants.

Objective Two

Effect of pension optimization and quality of retiree's life in Benue state in Nigeria.

In examining the effect of pension optimization and quality of retiree's life in Benue state in Nigeria. Regression analysis was used to students t-test to test the hypothesis at 5 % level of significance and the t-value (0.640) was less than the significance level. This can be statistically given as t-value 0.640 < α =0.05. This implies that pension optimization has a significant effect on quality of retiree's life in Benue state in Nigeria.This finding is in tandem with those ofEiechi (2023) who examined the effect of quality of life (QL) of retired academics reengaged in some Nigerian Universities was studied using physical health, subjective happiness, life satisfaction and psychological well-being domains and a measure based on control, autonomy, self-realization and pleasure (CASP) as indicators. Satisfactory QL was indicated all respondents (>50% maximum points), but physical health was poor (<30%). Compared to the preretirement period, respondents indicated satisfactory present condition. Significant differences (t test) due to gender, age, living with/without spouse, mandatory/voluntary retirement, and rank occurred in some QL indicators. Except for physical health, the QL indicators were positively associated (r = .31–0.69, p < .05–0.01). Satisfactory location was indicated and was positively related to subjective happiness (r = .52–.76). Thus, the QL of reengaged retired academics did not deteriorate because of continued activity.

5.1 Conclusion

The paper looks at how retirement management strategies affect quality of retiree's life in Benue state in Nigeria. The study's findings have shown that early retirement planning and pension optimisation are reliable and significant indicators of quality of retiree's life in Benue state in Nigeria. The study concludes that retirement management strategies has significant effect on quality of retiree's life in Benue state in Nigeria. To this

end, the study has found that retirement management strategies play a crucial role in determining the quality of life for retirees in Benue State, Nigeria. Effective management of retirement resources and planning can significantly impact retirees' financial stability, emotional well-being, and overall satisfaction during their post-employment years.The study however, concludes that early retirement planning and pension optimisationare important predictors of quality of retiree's life in Benue state in Nigeriain the study area.

5.2 Recommendations

Sequel to the findings and conclusions above, the following recommendations are made:

i. The study recommended the government of Benue State toprovide comprehensive financial education programs to employees well before retirement age to promote savings and investment habits to aid their early retirement planning. Encourage the use of financial advisors or counsellors to help retirees manage their finances effectively.

ii. The government should effectively provide optimizing pension plans that can ensure retirees receive adequate and consistent income throughout their retirement years, promoting financial stability and security. Implement regular reviews of pension plans to ensure they are aligned with retirees' needs and current economic conditions.

iii. The government should provide financial literacy programs to educate retirees on how to maximize their pension benefits and manage their finances wisely. Encourage retirees to consider options such as annuities or investment vehicles that offer steady income streams and protection against inflation.

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