

# The Influence of Retirement Counselling on Retirement Plan Among Civil Servants in Ekiti State

Author(s), ONIJIGIN E. O. (PH. D)

## Abstract:

The study investigated the influence of retirement counselling on retirement plan among civil servants in Ekiti State. The study specifically examined the level of retirement counselling among civil servants; the level of retirement plan among civil servants; and the relationship between retirement counselling and retirement plan among civil servants. The study also examined whether retirement counselling predicted retirement plan among civil servants and gender difference in retirement plan among civil servants. The descriptive research design of the survey type was used in this study. The population for this study consisted of all civil servants in Ekiti State, Nigeria. The sample for this study consisted of 300 civil servants selected from 10 Government Ministries in Ekiti State, Nigeria. The sample was selected using multistage sampling procedure. A self-designed research instrument tagged "Retirement Counselling and Plan Questionnaire (RCPQ)" was used to collect relevant data for the study. The data collected through the instrument was analyzed using descriptive and inferential statistics. The findings of the study revealed that levels of retirement counselling and retirement plan were low. It was also revealed that retirement counselling is related to retirement plan. It was further revealed that male and female civil servants have the same plan towards retirement. Based on the findings of the study, it was recommended among others that the government should organize

**EASIJ**

Accepted 27 February 2020  
Published 29 February 2020  
DOI: 10.5281/zenodo.3700207



pre-retirement counselling at intervals for civil servants in the course of their service years. This might be an avenue for civil servants to learn how to plan for retirement.

**Keywords:** Retirement Counselling, Retirement Plan, Civil Servant,

About Author

**Author(s)**, Department of Guidance and Counselling,  
Faculty of Education  
Ekiti State University, Ado – Ekiti  
**(Corresponding Author)** Email: [onijiginemmanuel@gmail.com](mailto:onijiginemmanuel@gmail.com)



## Introduction:

Garba and Mamman (2014) defined retirement as a transition from the world of work into a world of less rigorous work activity and rest especially in respect of retirement due to old age or long years of service. In the case of civil servants, retirement simply refers to exiting government job after several years of service (Ali, 2014; Garba & Mamman, 2014). According to Shultz and Wang (2011), retirement is seen as the exit of an individual person from employment, which is associated with reduced mental commitment and attitudinal withdrawal from the workplace. Inaja and Rose (2013) see it as a stoppage or withdrawal from working simply due to the fact that one has attained a specific age, possibly via chronology or by an exact number of years exerted in service. Defining retirement as the stage in life when one is entitled to and collecting pension depicts the picture of civil service retirement in Nigeria and some other parts of the world. Retirement by its nature appears to involve fears and worries about the future of the individual as a result of the cessation in active working life.

Reports from our dailies and publications depict a depressed picture of retirees in the state of abject poverty (Fapohunda, 2013; Fisher, Chaffee & Sonnega, 2016; Ibrahim, Isah & Ali, 2012; Onoyas, 2013; Wilson, & Aggrey, 2012). Most retirees manifest instability in various forms. Some even beg in the streets while there are cases of some retirees who died for lack of their physiological needs. Despite the realities on ground, many young working population are still not making adequate plan for their retirement.

It appears that the present economy is becoming increasingly difficult for average civil servants to make ends meet because of the inadequate wages and high inflation. So most of the civil servants appear to be afraid of retirement because of the belief that gratuity and pension are not usually paid as when due. It is a good idea for a civil servant to plan for retirement early enough and may occur as early as 15 years or more before retirement (Orhungur, 2005). The researcher further observed that civil servants seem not to adequately plan for retirement which may be due to inadequate retirement counselling.

The worry of this research therefore is; whether retirement counselling could predict and influence retirement plan among civil servants. However, not much has been empirically reported on level of retirement counselling, retirement plan and how retirement counselling influenced retirement plan among civil servant. The problem of this study is therefore to investigate the influence of retirement counselling on retirement plan among civil servants in Ekiti State. The study specifically:

- 1) examined the level of retirement counselling among civil servants;
- 2) investigated the level of retirement plan among civil servants;

- 3) examined the relationship between retirement counselling and retirement plan among civil servants;
- 4) determined whether retirement counselling predicted retirement plan among civil servants; and
- 5) determined gender difference in retirement plan among civil servants.

### Research Questions

- 1) What is the level of retirement counselling among civil servants in Ekiti State?
- 2) What is the level of retirement plan among civil servants in Ekiti State?

### Research Hypotheses

- 1) There is no significant relationship between retirement counselling and retirement plan among civil servants in Ekiti State
- 2) Retirement counselling would not significantly predict retirement plan among civil servants in Ekiti State
- 3) There is no significant gender difference in retirement plan among civil servants in Ekiti State

### Methodology

The descriptive research design of the survey type was adopted in the study. A survey research studies a small sample from a large population from where inferences would be drawn about the characteristics of the defined population. The population consisted of all civil servants in Ekiti State, Nigeria. The sample for this study consisted of 300 civil servants selected from 10 Government Ministries in Ekiti State, Nigeria. The sample was selected using multistage sampling procedure. In stage one, 10 Government Ministries were selected using simple random sampling technique. In stage two, two departments were selected from each Government Ministry through simple random sampling technique. In stage three, 15 civil servants were selected from each of the departments through stratified random sampling technique.

An instrument titled "Retirement Counselling and Plan Questionnaire (RCPQ)" was used to collect relevant data for this study. The RCPQ consisted of three sections namely A and B. Section A sought information on bio-data of the respondents while Section B consisted of 10 items which sought for information on retirement counselling received by civil servants. Section C consisted of 10 items which sought for information on retirement plan made by civil servants. Section B and C were worded on four point rating such as Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The internal consistency of the instrument was determined using Cronbach's Alpha which yielded a co-efficient value of 0.81.

The data collected through the instruments were analyzed using descriptive and inferential statistics. The research questions were answered using frequency counts, means, standard deviation and percentages. Inferential statistics such as

Pearson's Product Moment Correlation (PPMC), linear regression and t-test were used to test the hypotheses at 0.05 level of significance

## Results

### Descriptive Analysis

**Research Question 1:** What is the level of retirement counselling among civil servants in Ekiti State?

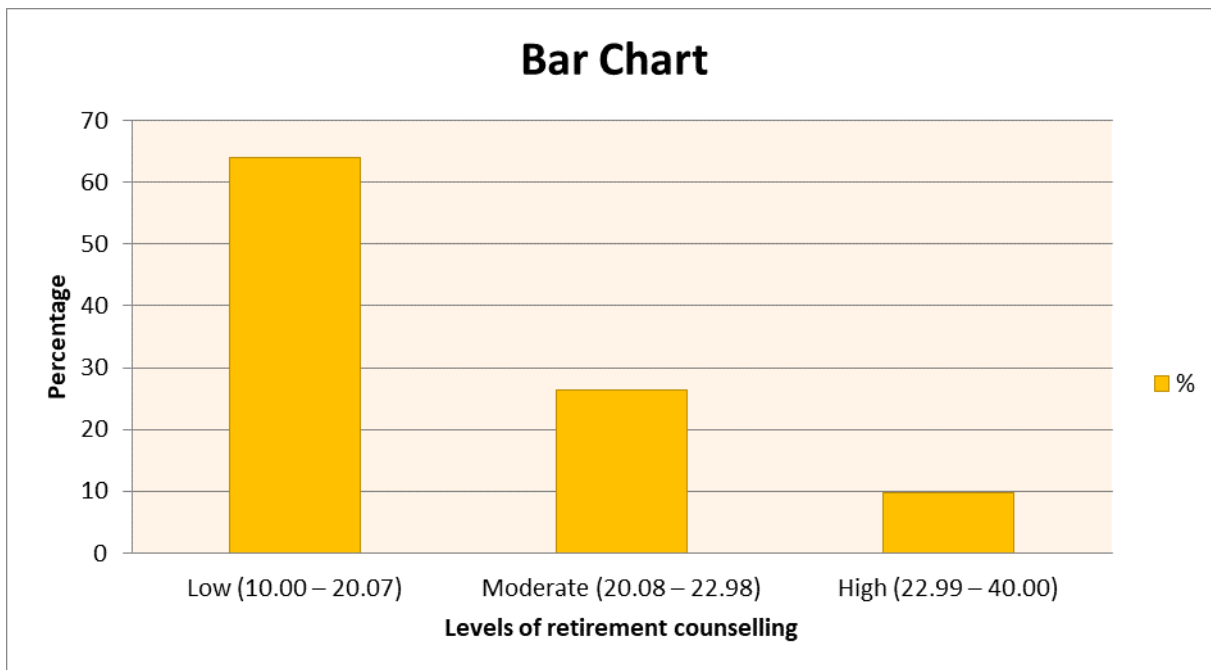
Frequency counts, percentages, mean and standard deviation score were used to illustrate the responses to items 1 – 10 in section B of Retirement Counselling and Plan Questionnaire (RCPQ). The low level was determined by subtracting the standard deviation from the mean score ( $21.53 - 1.46 = 20.07$ ). The moderate level was determined by the mean score (21.53) while the high level was determined by adding the mean score and standard deviation ( $21.53 + 1.46 = 22.99$ ). Therefore, low level of retirement counselling starts from 10.00 to 20.07, the moderate level starts from 20.08 to 22.98 and the high level of retirement counselling is from 22.99 to 40.00. The level of retirement counselling is presented in table 1 and figure i.

**Table 1: Level of retirement counselling**

Level of retirement counselling	No of Respondents	Percentage
Low (10.00 – 20.07)	192	64.0
Moderate (20.08 – 22.98)	79	26.3
High (22.99 – 40.00)	29	9.7
<b>Total</b>	<b>300</b>	<b>100</b>

Table 1 revealed the level of retirement counselling among civil servants in Ekiti State, Nigeria. The result showed that out of 300 respondents, 192 respondents representing 64.0% agreed that the level of retirement counselling is low. Those who agreed that the level of retirement counselling is moderate were 79 respondents representing 26.3% while 29 respondents representing 9.7% agreed that the level of retirement counselling is high. This showed that the level of retirement counselling among civil servants in Ekiti State was low. Figure i further revealed the level of retirement counselling.

**Figure i:** Bar Chart showing level of retirement counselling



**Research Question 2:** What is the level of retirement plan among civil servants in Ekiti State?

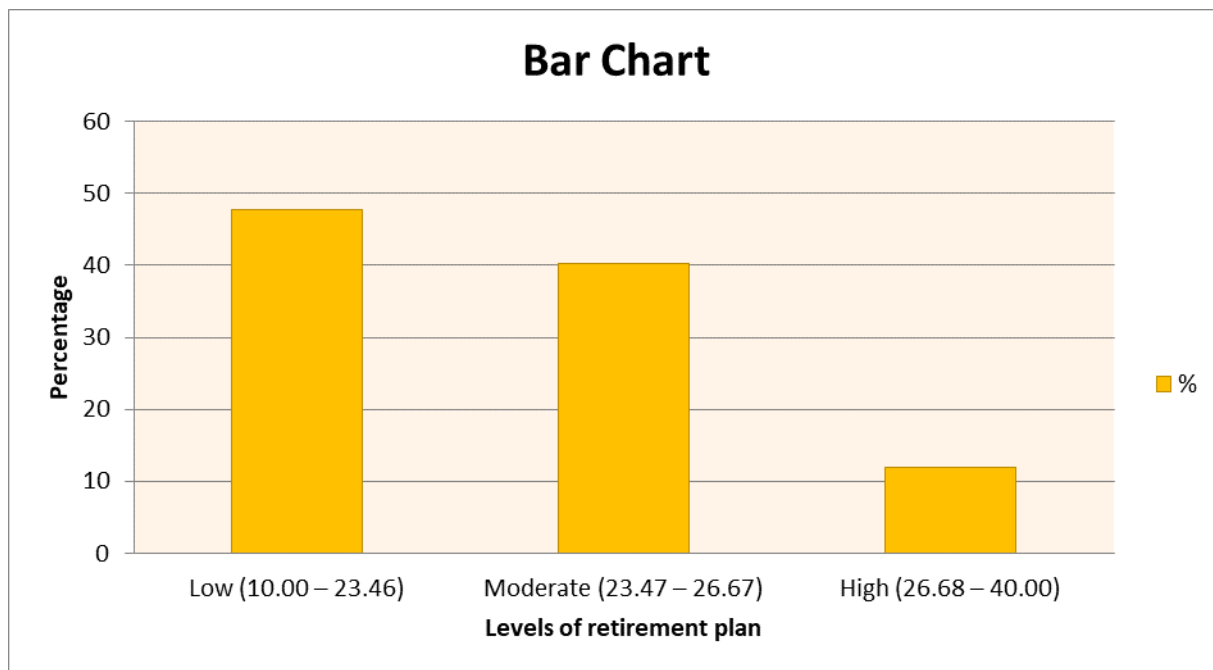
Frequency counts, percentages, mean and standard deviation score were used to illustrate the responses to items 1 – 10 in section C of Retirement Counselling and Plan Questionnaire (RCPQ). The low level was determined by subtracting the standard deviation from the mean score ( $25.07 - 1.61 = 23.46$ ). The moderate level was determined by the mean score (25.07) while the high level was determined by adding the mean score and standard deviation ( $25.07 + 1.61 = 26.68$ ). Therefore, low level of retirement plan starts from 10.00 to 23.46, the moderate level starts from 23.47 to 26.67 and the high level of retirement plan is from 26.68 to 40.00. The level of retirement plan is presented in table 2 and figure ii.

**Table 2: Level of retirement plan**

Level of retirement plan	No of Respondents	Percentage
Low (10.00 – 23.46)	143	47.7
Moderate (23.47 – 26.67)	121	40.3
High (26.68 – 40.00)	36	12.0
<b>Total</b>	<b>300</b>	<b>100</b>

Table 2 revealed the level of retirement plan among civil servants in Ekiti State, Nigeria. The result showed that out of 300 respondents, 143 respondents representing 47.7% agreed that the level of retirement plan is low. Those who agreed that the level of retirement plan is moderate were 121 respondents representing 40.3% while 36 respondents representing 12.0% agreed that the level of retirement plan is high. This showed that the level of retirement plan among civil servants in Ekiti State was low. Figure ii further revealed the level of retirement plan.

**Figure ii:** Bar Chart showing level of retirement plan



## Test of Hypotheses

**Hypothesis 1:** There is no significant relationship between retirement counselling and retirement plan among civil servants in Ekiti State

In testing this hypothesis, data on retirement counselling were collected from the responses of the respondents to items under Section B of RCPQ (item 1 – 10) in the questionnaire. Data on retirement plan were collected from the responses of the respondents to items under Section C of RCPQ (item 1 – 10) in the questionnaire. Both were compared for statistical significance using Pearson's Product Moment Correlation at 0.05 level of significance. The result is presented in table 3.

**Table 3: Relationship between retirement counselling and retirement plan**

Variables	N	Mean	Stand Dev	r-cal	p	Remark
Retirement Counselling	300	21.53	1.46	0.625*	0.000	Significant
Retirement Plan	300	25.07	1.61			

\*P<0.05

Table 3 showed that r-cal (0.625) is significant because the p-value of 0.000<0.05 at 0.05 level of significance. The null hypothesis is rejected. This implies that there is significant relationship between retirement counselling and retirement plan among civil servants in Ekiti State. Hence, retirement counselling is positively and moderately related to retirement plan.

**Hypothesis 2:** Retirement counselling would not significantly predict retirement plan among civil servants in Ekiti State.

In testing this hypothesis, data on retirement counselling were collected from the responses of the respondents to items under Section B of RCPQ (item 1 – 10) in the questionnaire. Data on retirement plan were collected from the responses of the respondents to items under Section C of RCPQ (item 1 – 10) in the questionnaire. Both were compared for statistical significance using Simple Regression Analysis at 0.05 level of significance. The result is presented in table 4.

**Table 4: Simple regression analysis of retirement counselling on retirement plan**

Variables	Unstandardized Coefficients		Stand. Coefficients	t- Stat.	R	R <sup>2</sup>	F
	(B)	Std Error	(Beta)				
Constant	10.161	1.081	-	9.399	0.625	0.391	190.976
Retirement Counselling	.692	.050	.625	13.819			

In table 4, the calculated F-value of 190.976 is significant at P<0.05, therefore the null hypothesis is rejected. It implies that retirement counselling significantly predicted retirement plan among civil servants in Ekiti State. The result of the analysis shown in Table 4 indicated the predictors accounted for 39.1 percent of the retirement plan among civil servants (R<sup>2</sup> = 0.321). It contributed 62.5% to the criterion variable in predicting retirement plan among civil servants.

The regression equation derivable from table 4 is  $Y = 10.161 + 0.692X$

where:

Y = Retirement Plan

X = Retirement Counselling

**Hypothesis 3:** There is no significant gender difference in retirement plan among civil servants in Ekiti State



**Table 5:** t-test analysis for gender difference in retirement plan among civil servants

Variations	N	Mean	SD	df	t-cal	P
Male	190	25.11	1.45	298	0.544	0.587
Female	110	25.00	1.87			

P>0.05

Table 5 shows that the t-cal value of 0.544 is not significant because the p-value of 0.587 is greater than 0.05 level of significant, this implies that the null hypothesis is not rejected at  $\alpha = 0.05$ . Hence, there is no significant gender difference in retirement plan among civil servants in Ekiti State.

## Discussion

The study revealed that the level of retirement counselling among civil servants in Ekiti State is low. The implication of this finding is that retirement counselling service provided for civil servants is very low. The study revealed that the level of retirement plan among civil servants in Ekiti State is low. The implication of this finding is that retirement plan among civil servants is very low. The probable reason for this finding could be because of the low retirement counselling provided for civil servants in Ekiti State. This finding is in consonance with the submission of Orhungur (2005) who concluded that a good number of potential retirees say they had not been adequately prepared for retirement. This according to him was manifested in the fact that many did not own a personal car, home nor established any income yielding venture. Ali (2014) concluded that most civil servants do not make adequate plan for retirement. He concluded that most civil servants feel very uncomfortable when getting close to retirement because of inadequate planning.

The findings revealed that there was significant relationship between retirement counselling and retirement plan among civil servants in Ekiti State. This implies that the more retirement counselling are provided for workers, the more workers make adequate plan for their retirement. Hence, high level of retirement counselling will transform to high retirement plan among workers. The study also revealed that retirement counselling significantly predicted retirement plan among civil servants in Ekiti State. This implies that retirement plan among civil servants depends on retirement counselling available for civil servants. This finding supports the contention of Fisher, Chaffee and Sonnega (2016), Inaja and Rose (2013) and Wilson and Aggrey (2012) who emphasised on the importance of retirement

counselling. They concluded that retirement counselling influenced retirement plan among workers.

There is no significant gender difference in retirement plan among civil servants in Ekiti State. This implies that both male and female civil servants have the same retirement plan. Both findings are in agreement with the finding of Silver (2007) who concluded that both male and female civil servants have the same attitude towards retirement planning.

### **Conclusion**

Sequel to the findings of this study, it was concluded that the levels of retirement counselling and retirement plan were low. It was also concluded that retirement counselling is related to retirement plan. It was further concluded that that both male and female civil servants have the same plan towards retirement.

### **Recommendations**

The following recommendations were made based on the findings of the study.

- 1) The government should organize pre-retirement counselling at intervals for civil servants in the course of their service years. This might be an avenue for civil servants to learn how to plan for retirement.
- 2) Counsellors should move out of the classroom and school settings to provide pre-retirement counselling to civil servants so as to help them see the importance of retirement plan.

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### Cite this article:

**Author(s)**, ONIJIGIN E. O. (PH.D) (2020). “The Influence of Retirement Counselling on Retirement Plan Among Civil Servants in Ekiti State”, **Name of the Journal:** Euro Afro Studies International Journal, ([EASIJ.COM](http://EASIJ.COM)), P, 1 - 12. DOI: [www.doi.org/10.5281/zenodo.3700207](http://www.doi.org/10.5281/zenodo.3700207) , Issue: 2, Vol.: 1, Article: 1, Month: February, Year: 2020. Retrieved from <https://www.easij.com/all-issues/>

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