

Pre Retirement Anxieties among Civil Servants in Ebonyi State Nigeria on the Non-Contributory Pension Scheme

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Abstract

Pension is one of the structures designed by the society to whether the storms of old age especially on retirement from active service. The non-contributory pension scheme established in Nigeria by Act 102 in 1979 face enormous challenges like nonpayment of pensions on time, embezzlement of pension funds and too much screening exercises that is usually stressful on retirees. In this study, civil servants who are future retirees express their feelings over the non-contributory pension scheme and the challenges retirees face in the administration of the scheme especially in Ebonyi State Nigeria. The study utilized survey design. The study sampled 382 civil servants respondents out of a total population of 8606 through questionnaire administration while in-depth interviews (IDI) were conducted on 4 stakeholders of the non-contributory pension scheme. Civil servants perceived delay in the payment of pensions (69.1%) and lack of transparency (50.5%) as common features in the administration of non-contributory pension scheme. There was positive relationship between the perception of CS on NCPS and their strategies to overcome future retirement challenges ($R = .279$). Qualitative data showed that inadequate preparations for retirement, delay in the payment of retirement benefits, embezzlement of pension funds, corrupt practices among pension managers and governments' unwillingness to review pensions were challenges confronting the non-contributory pension scheme. The study recommends the adoption of the 2004 pension scheme in order to overcome the challenges inherent in the management of non-contributory pension scheme in Ebonyi State since it provides lump sums of money for retirees.

Key words: Challenges, Non-contributory, Anxiety Pension, Civil Servants, and Perception.

1. Background / Statement of the problem

The mismanagement of non-contributory pension scheme was the major problem confronting pension administration in Nigeria (Maina 2012). This pose serious challenge on the welfare of retirees and this has far reaching consequences on civil servants who are future retirees. The establishment of the 2004 contributory pension scheme in Nigeria became inevitable in order to overcome these challenges. This opened a new chapter in the management of pension funds in Nigeria (Oviomo 2007). The contributory pension scheme has a lot of promises (Adegoke 2006). Dike (2007) states that contributory pension scheme gives assurance of retirement income, increases employee productivity stemming from a better motivated workforce, reduces the tendency to embezzle funds because of uncertainty of pensions after retirement and provides funds for investment by Pension Fund Administrators. The scheme also provides finance for mortgage financing and sustainable financing of infrastructural projects.

It is certain that the income of civil servants is rarely adequate to enable them fend for themselves in the pre-retirement era. Uncertainties associated with retirement are usually tortuous. The deplorable social conditions of retirees tend to generate pre-retirement anxieties among civil servants (Chizueze, Nwosu and Ogaboh 2011). Cursory observations suggest that these situations may account for age falsification and other fraudulent practices among civil servants. The thought of facing life after retirement creates psychological and emotional abnormality among workers especially those who are approaching retirement age (Ogunbameru and Ramiwuye 2004). In this light, it is certain that previous studies have not paid attention on the pr-retirement anxieties of civil servants especially in Ebonyi state, hence this study.

While retirement remains a luxury in developed countries, in Nigeria, workers are always afraid of financial insecurity after retirement. The social insecurity associated with retirement in Nigeria makes retirement unattractive to workers (Jonathan 2009). This study therefore assessed the perception of civil servants over non-contributory pension scheme in Ebonyi State Nigeria. It specifically examined the pre-retirement anxieties expressed by civil servants regarding the effects of non-contributory pension scheme on their future welfare.

Hypothesis

1. Ho. There is no significant association between the perceptions of civil servants on the non-contributory pension scheme and their strategies to overcome future retirement challenges.

Viewpoints of scholars on the non contributory Pension Reform Act (PAYG) in Nigeria

The pre-2004 Pension Reform Act refers to Pension Act 102 (PAYG) which was signed into law in 1979. The scheme was a failure in the public sector because those in the private sector introduced a contributory scheme that empowered them economically far above their counterparts in the public sector (Nwalo 2007). World Bank (1994) reports that the system failed as a result of output contraction and rising system dependency ratio- the ratio between the population of age 65 and above to the population of age 15-64, reflecting both the decline in the number of contributors and the growth in the number of pensioners.

Olayiwola (2002), in his study, identifies several problems inherent in the Nigerian Pension Scheme. He states that the most critical problem confronting the Pension Schemes is demographic. A minimal increase in fertility rate of about 6.4 % in 1994 and rising adult life expectancy rate from 39.5years in the 1960s to 51 years in 1990s have combined to produce a rapid increase at the apex of the population pyramid. The proportion of persons entitled to pension is, thus, rising and so is the volume of total pensions required to support these older people who, for a complex mix of social, economic and psychological factors, can no longer support themselves through participation in the labour market.

The second issue is the trend towards pension system maturity. Public pension based on PAYG principles, tends to be cheap to operate when new, since they have few beneficiaries. Over time, these ratios change and the costs rise. Costs can be temporarily contained by incorporating new groups of workers into the pension system, thereby expanding the contribution base. Once most of the population is covered, the scope for further expansion becomes minimal.

The third issue is the economic and political consequences of a global slowdown in the rate of economic growth. The expansion of public pension provision, since the 1960s, has been financed by largely public revenues generated by a higher overall level of taxation. Ageing and pension system maturity are together creating further pressures for tax increases to cover rising pension costs. But tax increases are politically more difficult to sustain when overall incomes are stagnant or falling than when they are rising.

There are also the problems of high payroll taxes and tax evasion. Under PAYG systems, when the population is young, small contribution, from the large number of workers, allows for payment of generous benefits to a few pensioners. As the population ages and the systems mature, however, pension scheme must charge higher taxes to pay the same benefits to the growing number of retirees. Payroll taxes for pensions are already over 7 percent of gross wages in Nigeria. As the population ages, over the next 20 years, the contribution rates will have to rise dramatically if the PAYG system and current benefits are to be retained. This implies that high payroll taxes mean less take home pay for workers still in service or more unemployment. High payroll tax rates that are linked to benefits, also lead to evasion. In Nigeria, the private sector accounts for over 45 percent of modern sector wage employment (Fashoyin, 1990).

If this trend continues, higher payroll tax would be needed to cater for the public sector retirees. This high tax rate can lead to evasion. This may be in form of labour force being diverted to the informal sector like in many Latin American countries such as Argentina. Evasion undermines the system's ability to pay pensions. It also further makes it necessary to raise payroll taxes, and hurts the economy since people who work in the informal sector are often less productive (Riboud, and Chu, 1997). Misallocation of resources also constitutes problems to the Nigerian pension scheme. From 1990 to 1992, Nigeria's spending on recurrent expenditure on pensions and gratuities rose from 1.29% to 7.67%. Based on the 1991 National Population Census, these expenditures were being used to service the population that constituted the pensioners in these periods.

Using the same age structure of Nigerian population to project into the next 20 years; and given that the life expectancy of Nigerians will remain on the increase of an average of 37.6 per cent, this means that recurrent expenditure will be spent on pensions and gratuities to cater for 19.8% of the population that would constitute the old-age people (World Bank 1994). The problem is further compounded because, at the lower end, an increasing proportion of the population (32.4%) will not be workers but children in their schooling age. The burden of servicing the young and the pensionable old will definitely spill over to the general treasury as tax revenues earmarked for old-age pension will ultimately fail to cover the system's growing expenditure. High public pension-spending can hurt the economy if it squeezes out government spending on growth-promoting public goods such as infrastructure, education, and health services.

One other factor that led to the failure of the Scheme was systemic corruption (Bayo 2003). In confirmation of this, record reveals that the Military Pension Board (MPB) diverted over N1.25 billion of military pension funds to fixed deposit accounts with various commercial banks between 1999 and 2003. From this investment, an interest of more than N18 million was generated. Out of this sum, only N3.9 million was paid into the treasury, others went into pension officers' private account (Tell Magazine, 2004). This resulted in the non-settlement of pension and accrued arrears for military personnel. Some of them became beggars on the streets (Olori 2008).

Unlike some countries in Africa, Nigeria has since 2004 been ranked among the top corrupt countries of the world (Transparency International 2008 and 2009). This is also an evidence of the country's weak institutional capacity – an issue that is germane to the success of the new pension scheme.

One major weakness of the PAYG scheme is lack of transparency by the managers. In their study, Chizueze, Nwosu & Ogaboh (2011) argue that prior to the introduction of contributory pension scheme in the Nigerian civil service, workers leave their jobs in the civil service to other well-paid jobs or to places where their retirement benefits are guaranteed. Corroborating this view, Akingbade (2006) observes that the high labour turn over in the civil service, especially among medical personnel, is not unconnected with payment of benefits including retirement entitlements to workers. In the same vein, Onwe (2011) argues that the non-contributory pension scheme suffered inherent systemic problems which include funding, coverage, supervision, transparency, sometimes no budgetary allocations, mismanagement of funds, evasion of the scheme by most private sector employers and many more. In line with this position, Onyeme (2001) posits that poor conditions of service and poor retirement benefits in the teaching profession are jointly responsible for the exodus of teachers to other juicy occupations.

Theoretical Framework

Social exchange theory is adopted in this study. Social exchange theory is linked to the works of George Homans (Ritzer 2008). The theory envisages social behaviour as an exchange of activity, tangible or intangible, and less rewarding or costly between at least two persons (Homans 1961). It deals with the anticipated rewards associated with interpersonal relationships arising from the micro approach adopted by Homans to the theory. Blau (1964) took off from the micro perspective of Homans. He had a shift from this micro point of analysis (informal group relationship) to a complex organizational study (formal group). According to him, the main sociological purpose of studying processes of face-to-face interactions is to lay the foundation for an understanding of the social structures that evolve and the emergent social forces that characterize their development.

The two major ways in which social exchange has been conceptualized in organizational literature are a global exchange relationship between employees and the organization and a more focused dyadic relationship between subordinates and their superiors (Settoon, Bennett and Liden 1996). At the global level, employees form a global belief concerning the extent to which their organizations value their well-being. High levels of perceived organizational support are thought to create obligations within individuals to repay the organization and employees can do this by exhibiting several positive job attitudes. To further strengthen this, perceived organizational support is associated with the trust that the organization will fulfill its exchange obligations. This is usually demonstrated when trade unions enter into social contracts with their employers through collective bargaining and collective agreements. Each party holds the other on trust to the fulfillment of their agreements/social contracts. Breach of this social contract leads to labour unrest or strike in formal work organizations like the Nigerian civil service.

Mullins (1996) observes that the relationships between employees and their employers (work organizations) are built on the psychological contract.

Psychological contract covers range of expectations of rights, privileges, duties, and obligations which do not form part of a formal agreement but still have an important influence on people's behaviour at work and outside work place.

The implications of this contract are that: employees have needs that they depend on their employers or organizations to service. Employers, on their part, have target goals that demand the role of the employees to accomplish. This implies that both organizations and employees need each other to survive. It is unlikely that all expectations of the individual or of the organization will be fully met. There is a continual process of balancing explicit and implicit bargaining. The nature of these expectations is not defined formally and, although, the individual and the organization may not be curiously aware of them, they still affect relationships between them which have influence on their behaviour (French, Kast and Rosenzweig 1985).

Ritzer (2008) states that, Blau believes that people are attracted to each other when they feel that their relationships offer them more rewards. Therefore, the more rewarding the civil service is, the more it will attract people in the labour market. The less rewarding it is, the less it will attract people.

Rewards that are exchanged can either be intrinsic (love, affection, respect, among others) or extrinsic (money and physical labour). Civil servants have the options of either to stay in their jobs on the basis that they have satisfaction on the rewards they receive from their employers or quit their jobs for another perhaps in other sectors that are more appealing and beneficial if they are dissatisfied with the rewards. It goes to suggest that the civil service may experience brain drain if workers anticipated rewards do not come as often as they are needed to compliment their inputs. It also means that the productivity of the serving civil servants is dependent on the degree of rewards awaiting them while in service and when they retire from service. In other words the rewards that compliment the value of the inputs of civil servants could be factors that motivate them to increase their productivity. These could be factors of attraction to those in the labour market. Government's inability to compliment the value of civil servants inputs, with good remunerations while in service and good pensions and gratuities as well as while they have retired may be the push factors. These are factors of repulsion to intending members in the labour market. This means that the stability of the civil service sector is dependent on the degree of efforts made by employers to reciprocate the value of employees inputs with good welfare packages in which pension is among. Thus, it is as a result of the anticipated unjust relations that the psychological and social contracts were established to help cement the relationship between employers and employees. This is the strands of this theory.

From the position of this theory, the welfare of civil service retirees should be of great interest to government their employer. Retirees' inputs, during their periods of active service, are to be reciprocated by providing them with their due pensions and other retirement benefits. Thus, the survival of government, at all levels, is a product of the activities of civil servants. On the other hand, the survival of civil servants depends solely on their employer. It, therefore, means that there is mutual dependency between the two which must be maintained.

Population of study

The population of this study is made up of all the civil servants in all ministries and non ministerial departments, agencies, boards and commissions in Ebonyi State. The population strength of civil servants as at 2012 is eight thousand, six hundred and six (**8606**) (Sources: Statistics and Planning Department, Ebonyi State Civil Service Commission).

Sample size

The sample size was drawn from the study population of 8606 using Yaro (1967) formular of:

$$N \frac{1}{1+N(e)^2}$$

Where N = total population, 1 = constant and e = error margin.

The sample size therefore was determined as $8606 / 1 + 8606 (0.05 \times 0.05) = 382$ approximately (4% of civil servants total population).

Sampling techniques

The sample of the civil servants was drawn using a multi-stage sampling technique. First, was the selection of all the ministries and non ministerial departments, units, agencies, boards and commissions in Ebonyi State.

This was done in order to give a true representation of civil servants who were potential retirees. The second stage was the random selection of the civil servants. A total of three hundred and eighty two (382) civil servants were used for this study. Details are in table 1.

Table 1: Selected sample of the civil servants

S/NO	MINISTRY / UNIT, COMMISSION PARASTATAL ETC	POPULATION	% OF POPULATION	SAMPLE SIZE
1.	Ministry of Works and Transport	180	2.1	9
2.	Ministry of Land, Survey and Housing	131	1.5	6
3.	Ministry of Environment	23	0.2	1
4.	Ministry of Culture and Tourism	39	0.4	2
5.	Ministry of Agric and Natural Resources	521	6.0	23
6.	Ministry of Health	340	4.0	15
7.	Ministry of Education	117	1.3	5
8.	Ministry of Finance and Economic Planning	141	1.6	6
9.	Ministry of Local Govt. and Chieftaincy Affairs	83	1.0	4
10.	Ministry of Justice	64	0.7	3
11.	Ministry of Public Utility	120	1.4	5
12.	Ministry of Border Security and Conflict Resolution	20	0.2	1
13.	Ministry of Women Affairs	85	1.0	4
14.	Ministry of Commerce and Industries	121	1.4	5
15.	Ministry of Youths and Sports	82	0.9	4
16.	Ministry of Information and State Orientation	159	1.8	7
17.	Ministry of Economic Dev. and Poverty Reduction	17	0.2	1
18.	Women Development Center Ebonyi State	35	0.4	2
19.	Ebonyi State Civil Service Commission	49	0.6	2
20.	Head of service Ebonyi State	47	0.5	2
21.	Ebonyi State House of Assembly	230	2.7	10
22.	Secretary to Ebonyi State Government	174	2.0	8
23.	Board of Internal Revenue Ebonyi State	139	1.6	6
24.	Ebonyi State Newspapers and Publishing Company	60	0.7	2
25.	Principal Secretary to the Governor Ebonyi State	247	2.9	11
26.	Ebonyi State Local Government Audit	104	1.2	5
27.	Judicial service commission	24	0.2	1
28.	Office of the Deputy Governor Ebonyi State	43	0.5	2
29.	Auditor General Ebonyi State	162	1.9	7
30.	Ebonyi state Planning Commission	90	1.0	4
31.	Customary Court of Appeal Ebonyi State	438	5.1	19
32.	Ebonyi State Independent Electoral Commission	103	1.1	5
33.	Ebonyi State Sports Council	45	0.5	2
34.	Ebonyi Hotels Ltd, Abakaliki	55	0.6	2
35.	Ebonyi State Hospital Management Board	469	5.4	21
36.	Ebonyi State Broadcasting Service	82	0.9	4
37.	Office of the Surveyor General Ebonyi State	58	0.6	3
38.	Ebonyi State Rural Electrification Board	104	1.2	5
39.	Ebonyi State Council for Arts and Culture	62	0.7	3
40.	Ebonyi State Water Co-operation	170	2.0	8
41.	Ebonyi State Housing Dev. Co-operation	26	0.3	1
42.	Ebonyi State Environmental Protection Agency	30	0.3	1
43.	Ebonyi State Investment Company	30	0.3	1
44.	Ebonyi State Secondary Education Board	2953	34.3	130
45.	Ebonyi State Hotels Afikpo	23	0.2	1
46.	Ebonyi State Cabinet Office	57	0.7	3
47.	Office of the Accountant General Ebonyi State	215	2.4	10
	TOTAL	5674	65.3 %	251
	GRAND TOTAL	8606	100 %	382

Sources: Statistics and Planning Department, Ebonyi State Civil Service Commission

Methods of data collection

Relevant data for this study were generated in two ways: primary and secondary sources. The primary data were sourced through questionnaire administration and in-depth interviews while the secondary data were sourced through library. In-depth interviews were conducted on 4 civil servants who are stakeholders in pension matters. Both qualitative and quantitative data were collected for this study. In view of this, the analysis is both qualitative and quantitative in nature. Responses from respondents, as were generated through interviews, were subjected to content analysis. The quantitative components of data generated were analysed at two levels: univariate and bivariate levels. At univariate level, data were presented using frequencies and percentages while at bivariate level, cross-tabulations were used to show associations between some variables. These associations between variables were tested with chi-square and Pearson correlation statistics.

Results and discussion

The questionnaires were distributed to 382 respondents who returned them after filling. The analysis therefore was done on 382 respondents. Also 4 in-depth interviews were conducted.

Socio-economic and demographic characteristics of respondents

Information concerning respondents' sex, marital status, religion, educational qualification, current age, monthly income for the civil servants and their family size were sought. Results generated on these are hereunder presented.

Table 2: Data on respondents' sex, marital status and religion

VARIABLE	CIVIL SERVANTS	
	Frequency	%
1. Sex		
Male	210	55
Female	172	45
Total	382	100
2. Marital Status		
Single	74	19.4
Married	301	78.8
Widowed/ widower	7	1.8
Total	382	100
3. Religion		
Christianity	378	99
Others	4	1
Total	382	100

(Field survey 2013)

Table 2 shows sex distribution of respondents. In this table, 55% respondents were males while 45% were females. This implies that more male respondents were sampled than female. It is an indication that a great number of males were in the civil service more than females. This confirms the position of Udegbe (1997) that women reproductive roles, socio-cultural beliefs, education, glass ceiling barrier are some of the likely reasons for the imbalance of women in the formal work sector. Data reveal that 78.8% respondents were married while 1.8% respondents were widows/widowers. On religion, 99% respondents were Christians.

Table 3: Data on respondents' educational qualification and age

Variable	Civil Servants	
	Frequency	%
4.Educational Qualification		
No Formal education	2	0.5
FSLC	1	0.3
WAEC/GCE	83	21.7
OND/NCE	35	9.2
HND/ First Degree	221	57.9
M.SC, PhD and Others	36	9.4
No response	4	1
Total	382	100
5. Age		
18-37 Years	187	49
38-57 Years	185	48.4
58-60 Years	5	1.3
No response	5	1.3
Total	382	100

(Field survey 2013)

With respect to educational qualification, data in table 3 indicates that 57.9% respondents had HND / B.Sc., and 9.2% had OND/NCE. The implication is that greater numbers of respondents were educated up to first degree level. The current ages of respondents vary. Out of the total sample population, 49% respondents fell within the ages 18 and 35 years while the least were those who fell between ages 58 and 60 years which is 1.3% respondents. The implication is that 1.3% respondents were approaching their retirement age which is 60 years of age by civil service Act.

Table 4: Data on respondents' monthly income and house hold size

VARIABLE	CIVIL SERVANTS	
	Frequency	%
8.Monthly income		
N18,000:00-N30,000:00	170	44.5
N31,000:00-N40,000:00	74	19.4
N41,000:00-N50,000:00	48	12.6
N51,000:00-N60,000:00	26	6.8
N61,000:00 above	62	16.2
No response	2	0.5
Total	382	100
9. Household size		
1 -5 persons	170	44.5
6 -10 persons	164	42.9
11 -15 persons	28	7.3
16 persons and above	11	2.9
No response	9	2.4
Total	382	100

(Field survey 2013)

Data in table 4 shows that 44.5% respondents' monthly income fell between N18, 000: 00 and N30, 000: 00, while those who earn between N51, 000: 00 and N60, 000: 00 were 6.8%. This implies that majority of the civil servants respondents earned low monthly income which may not be sufficient in meeting their basic welfare needs.

This confirms the positions of Chizueze, Nwosu and Ogaboh (2011) that the income of civil servants is rarely adequate to enable them fend for themselves in the pre-retirement era. Regarding their household size, 44.5% respondents had family size of between 1 and 5 persons. The respondents whose number in their family was between 16 persons and above were 2.9%.

Pre-retirement anxieties expressed by civil servants regarding the non-contributory pension scheme

The study was aimed at knowing the perception of the civil servants regarding the non-contributory pension scheme. Data generated on this are presented in table 5.

Table 5: Distribution of responses from civil servants regarding their anxieties over the non-contributory pension scheme

Variables	Not certified / confirmed	Certified / confirmed
The scheme improves retirees welfare	211(55.3%)	171 (44.7%)
It gives much income to retirees	249 (65.2%)	133 (34.8%)
The administrative procedure is easy	231 (60.4%)	151 (39.6%)
Retirees experience delays in getting paid	90 (23.6%)	292 (76.4%)
The scheme is prone to administrative flaws	152 (39.8%)	230 (60.3%)
It lacks transparency	171 (44.8%)	211 (55.2%)
It does not seek retirees opinion	101 (26.4%)	281 (73.5%)
It does not allow accumulation of high pension bills	234 (61.2%)	148 (38.8%)
Many retirees die before their pensions are paid	127 (33.3%)	255 (66.7%)
It leaves endless queues during payment of pensions	128 (33.5%)	254 (66.5%)
It helps retirees train their children	187 (48.9%)	195 (51.1%)
It is good because government bear its financial burden a lone	193 (50.5%)	189 (49.5%)
It is good because it does not involve retirees contribution	172 (45%)	210 (54.9%)
It is risky to rely on	102 (26.7%)	280 (73.3%)
It creates anxiety and I do not wish to retire from service	213 (55.8%)	169 (44.3%)
It will help retirees build their own houses	231 (60.5%)	151 (39.5%)
It creates uncertainty about the future	162 (42.4%)	220 (57.6%)

(Field survey 2013)

Data in table 5 show that 55.3% respondents were of the opinion that the non-contributory pension scheme does not improve the welfare of retirees' while 44.7% respondents reaffirmed the fact that the provision of non-contributory pension scheme would improve the welfare of retirees. This implies that respondents disagreed that the scheme would improve their welfare when they retire.

On whether the scheme gives much income to retirees, 65.2% respondents said it does not while 34.8% respondents were of the view that the scheme gives much income to retirees. This is an indication that the respondents did not confirm the fact that the scheme would improve the generation of their monthly income when they retire.

On the administrative procedure of the scheme, 60.4% respondents certified the fact that the scheme's procedure is not easy while 39.6% were on the contrary. This implies that respondents were of the view that the administrative procedure is complex and not easy to go by. Therefore, retirees do not find it easy to process their documents and get paid. This could be the reason why they are seen in queues often times during screening exercises, auditing and payments.

Result indicates that non-contributory pension scheme is prone to administrative flaws. This is the position of 60.3% respondents while 39.8% stated otherwise. This confirms the position of Omoyele (2012) when he argues that there are twelve problems that face pension administration in Nigeria. He identified them as corruption, embezzlement, ghost pensioners, pensioners roaming the streets, pension cartel, falsification of ages, impunity, obsolete administrative structure, irregularities including multiple bank accounts, manipulation of pensioners' data manual, inefficient accounting system, and non-availability of data for budget.

From available statistics, 55.2% respondents confirmed that the scheme lacks transparency. On the contrary, 44.8% said it did not. This result confirms the position of Vanguard Newspaper of November 25, 2004, p 35 which reveals that the corruption in the management of the non-contributory pensions affected the life of retirees' negatively. Corroborating this result, Oviomo (2007) and Ajayi (2008) affirm that the situation of retired civil servants or pensioners is generally very disappointing, sad, pitiable, and discouraging as a result of high level of corruption in the system. In the same light, Onwe (2011) argues that the old Pension scheme suffered inherent, systemic problems which include funding, coverage, supervision, transparency, sometimes no budgetary allocations, mismanagement of funds evasion of the scheme by most private sector employers, and many more.

The H.O.D. Pension Unit in the Office of the Head of Service, Ebonyi State, in an IDI session, has this to say:

The scheme is good but, at times, there is fraud in the system. There was a period when money meant to be paid to pensioners was embezzled by those who were responsible. They paid the money into their personal accounts and this had serious negative consequences on pensioners.

(IDI/Male /H.O.D. Pension Department/Abakaliki 2013)

In this vein majority of the respondents, that is 73.5%, were of the view that the scheme does not give retirees the opportunity to air their views while 26.4% stated otherwise. This is an indication that respondents certified that the scheme does not give retirees the opportunity to air their views. Based on this result, it shows that because retirees do not have a say in the management of the scheme, it becomes difficult for their problems to be solved.

On the accumulation of high pension bills, 61.2% certified this while 38.8% were on the contrary. Therefore the scheme allows accumulation of high pension bills. This result could be one of the reasons why there are delays in the payment of pensions and other retirement benefits to retirees.

Data also reveals that many retirees die before they are paid their pensions. This position was confirmed by 66.7% respondents while 33.3% respondents said it was not true. In line with this result, Sunday Vanguard of August 4, 2005 reveals that three pensioners of the Nigerian Railway Corporation (NRC) died while waiting for their pension arrears of 20 months.

Result also reveals that there are endless queues of retirees during screening exercises, auditing, and payment of pensions. This is the position of 66.5% while 33.5% stated otherwise. This implies that there are endless queues of retirees during screening, auditing and payment of pensions. In one of the IDI sessions, the H.O.D. Pension Unit in the office of the Head of Service, Ebonyi State assessed the plights of pensioners as follows:

There is no payment of retirement benefits on time. There is always delay in processing retirement benefits. There are bureaucratic bottle-necks in the whole process which makes it tedious for both the pensioners and the managers.

(IDI/Male /H.O.D. Pension Department/Abakaliki 2013)

This view was supported by the H.O.D, Payroll, Sub-Treasury, Abakaliki in a session of IDI. These are his words:

Formally the pensioners were paid cash by hand. This constituted a very big problem to us and the pensioners too. The pensioners queue up for days to be paid and they also run the risk of carrying cash about. Perhaps, some of them may have lost their money to hoodlums. Also some of them spend days before being paid. To us as pension managers, it was a big risk carrying millions of naira all the time we want to make payments to pensioners. Now we pay them through banks. They opened accounts in banks and we credit their accounts at ease with their pensions. They are now happy.

(IDI/Male /H.O.D. Payroll Sub-Treasury/Abakaliki 2013)

On whether the scheme will help them train their children when they retire, 51.1% respondents certified this while 48.9% respondents stated otherwise. This is an indication that the scheme will help them train their children when they retire.

Result indicates that 50.5% respondents were of the opinion that the pension scheme is not good to them because it's only the government that bears the financial burden alone. This is because at their retirement, their retirement benefits will be minimal and such cannot take adequate care of their welfare needs. Also, this set of respondents, do not like the way government bear pension burden alone. This could have adverse effect in the management of pension funds and may result in the accumulation of high pension bills. In same light, 49.5% were on the contrary, hence its non-contributory structure. It implies that respondents disagree that the non-contributory pension scheme is appreciated because government bear the pension burden alone. In another dimension, the study sought to know whether civil servants appreciate non-contributory pension scheme because it does not involve retirees' contribution.

Result indicates that 54.9% said it is true while 45.0% respondents refused to believe this. Accordingly, those who did not believe this did not appreciate the non-contributory nature of the old pension scheme. On the whole, respondents certified that they like the non-contributory pension scheme because civil servants/retirees do not contribute to its funding.

On the risk nature of the scheme, 73.3% respondents believed that it is very risky to rely on while only 26.7% were on the contrary. This is an indication that respondents confirmed that the scheme is risky and should not be relied upon.

Furthermore, 55.8% respondents strongly believed that the anxiety created by the non-contributory pension scheme would not in any way make them to be apprehensive and therefore wish not to retire from active service. On the other hand, 44.3% respondents were on the contrary. To this set of respondents, they would not want to retire from active service due to the anxieties associated with non-contributory pension scheme. They do not wish to retire to face difficulties associated with retirement especially in the face of the non-contributory pension scheme. Nevertheless, result indicates that respondents' general opinion was that the scheme does not create anxiety that would make them not wanting to retire from active service.

On whether the provisions of the scheme would help civil servants build their own houses when they retire, 60.5% respondents said it is not possible while it's only 39.5% said it could be possible. The implication is that the non-contributory pension scheme would not in any way help retirees build and own houses. Moreover, 57.6% respondents contended that the non-contributory pension scheme creates uncertainty about the future retirement life of civil servants while 42.4% stated otherwise. On the whole, there is future uncertainty regarding the contents of the non-contributory pension scheme. Thus, civil servants have the fear that the scheme would not possibly provide them enough funds to take care of their future retirement needs.

Test of hypothesis

Hi. There is significant association between the perceptions of civil servants on the non-contributory pension scheme and their strategies to overcome future retirement challenges.

Ho. There is no significant association between the perceptions of civil servants on the non-contributory pension scheme and their strategies to overcome future retirement challenges.

Table 6: Test of relationship between the perception of civil servants on the non-contributory pension scheme and their future plans

-	-	Perception of civil servants	Future plans of civil servants
Perception of civil servants	Pearson Correlation	1	.279
	Sig (2-tailed)		.000
	N	382	382
Future plans of civil servants	Pearson Correlation	.279	1
	Sig (2-tailed)	.000	
	N	382	382

(Field work survey, 2013)

T = .997

R = .279

The Pearson correlation co-efficient of 0.279 in table 6, shows that there is positive correlation between the perception of civil servants on the non-contributory pension scheme and their future plans in overcoming anticipated welfare challenges. This is because the t-value at $p < 0.05$ is significantly different from zero (under 2-tailed).

The result further reveals that there are about 27.9% relationship between the perceptions of civil servants on the non-contributory pension scheme and their strategies to overcome future retirement challenges. The non-contributory pension scheme hoped to accommodate the future plans of the civil servants in overcoming retirement challenges in the area.

Theoretical validation of results

The findings of this study confirmed the study's theoretical framework: social exchange theory as postulated by Peter Blau. From the stand point of social exchange theory, results show that organizational support to its workers is essential especially during their retirement periods. Therefore, the civil service or government who is the employer of civil servants is expected to fulfill its obligations in exchange to its workers on retirement. Compliance to this would functionally influence the life of would be retirees positively. This would help them build confidence in the non-contributory pension scheme that is operational in the state. The study shows that the pension scheme has varied influence on the lives of civil servants. This resulted in pre retirement anxieties which invariably affect civil servants negatively while on their jobs.

The study has shown that the organizational failure to give appropriate rewards in exchange for employees' labour is a breach of its social and psychological contracts. Pensions provided by non-contributory scheme are virtually viewed to be inadequate in meeting the future retirement life of civil servants.

Recommendations

Drawing from the results of this study, the following recommendations are made:

1. Government should organise workshops at least once in a year, for civil servants to prepare them for their retirement life.
2. The establishment of a civil service pension board by Ebonyi State government. This would help to put in place a permanent structure for the management of pension cases in the state.
3. The adoption of contributory pension scheme in place of the non-contributory scheme. This is on the basis that it provides more funds for retirees and it is beneficial to government since funds contributed can be invested.

Conclusion

This study indicates that non-contributory pension scheme has a lot of influence on pre retirement life of civil servants especially in Ebonyi State Nigeria. Respondents (civil servants) expressed their anxieties over the provisions of the non-contributory pension scheme. Data reveal that the scheme does not improve the welfare of retirees, it does not give retirees much income to take care of their welfare needs, the administrative procedure is not easy and retirees find it difficult to receive their pensions and on time. The scheme had been assessed to lack transparency which results in the accumulation of high pension bills. Nevertheless, respondents confirmed that despite these challenges confronting non-contributory pension scheme, they were not apprehensive to retire from active service.

However, civil servants in expressing their anxieties over non-contributory pension scheme identified ways through which they could overcome future retirement challenges. For instance, 92% respondents were of the view that they would invest much in the education of their children while in active service. This became necessary since at retirement they may not have enough funds to take care of the educational needs of their children during their retirement periods. In like manner, 87% were of the view that they would build their own houses before their retirement so that on retirement they could have a descent accommodation and run away from the high rent age. However, 14% respondents stated strongly that they would go extra miles to raise funds to take care of their family needs. Also, 15% did not admit that they would invest their gratuities on retirement.

The position of the findings of this study gave a new understanding in the management of non-contributory pension scheme in Nigeria. Results indicate that non-contributory pension scheme has a lot of influence on pre retirement life of civil servants especially in Ebonyi State. In this wise, pensions provided by the scheme are perceived as grossly inadequate in meeting welfare needs of retirees'. In this wise, results indicate that majority of civil servants respondents' perceived non-contributory pension scheme as risky to depend on. In view of this they suggested measures they would adopt to overcome the challenges associated with their retirement future.

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