

The Floating Bridge: Praxis and Prospects of the Contributory Pension Scheme in Nigeria

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Abstract: Nigeria with all its vast and acclaimed giant of Africa cannot afford to dehumanize her senior citizens any further. No doubt, it is to alleviate the sufferings and pains associated with pension collections and disbursements that informed the presidential decision and initiative to reform the Pension ACT so as to fashion out a veritable and less cumbersome manner of dispensing pension benefits without any more pains. The erratic payment of pension benefits to retirees provokes this research. Random sampling technique was used. Focus group discussion, questionnaire and face-to-face interview were the major tools used for data collection. Randomly selected employees from Federal Ministries and Institutions were interviewed. Focus group discussion was essentially used to elicit information from retirees who are facing difficulties in collecting their retirement benefits. Statistical tools such as correlation coefficient was used in data analysis and test of hypotheses. The correlation coefficient test revealed high correlation between lopsidedness in pension fund remittance to Retirement Saving Account (RSA). It was also revealed that Government has not worked out the modalities on the separation from the erstwhile old pension scheme from the new one resulting in employee job dissatisfaction. In line with the findings, recommendations were proffered. Essentially, we recommended that Nigerian Government should put in place efficient financial control system in pension fund management to ensure that pension fund is prudently managed. Also, Government should ensure that employees' and employers' contributions are remitted to Pension Savings Account (PSA) account promptly.

Keywords: Pension, administration, government, job satisfaction

INTRODUCTION

Pension schemes are social security maintenance plan for workers after their disengagement as employees through retirement (Ilesami, 2006). The exact origin of pension scheme in Nigeria is debatable; however, the history of pension in Nigeria could be traced to the prolonged battle between workers and employers of labor. The victory of employees over employers marked the privilege of receiving gratuity and pension in Nigeria (Sule & Ezugwu, 2009). Pension here entails money paid at regular bases by government or any establishment to someone who is officially considered retired from active service after serving for a stipulated time usually minimum of ten years and maximum of thirty-five years.

The Pension Ordinance of 1951 was the first ever legislative Act on pension in the public sector in Nigeria. Nine years later (that is in 1961), the National Provident Fund (NPF) was established to address pension issues in the private sector. This was followed by the Pension Act No.102 of 1979 and the Armed Forces Pension Act No.103 of 1979. In 1987, the police and other government agencies pension scheme was established under Pension Act No.75 of 1987; in the same year, Local Government Staff Pension Board (LGSPB) was established to cater for pension matters among local government employees (Sule & Ezugwu, 2006). However, in the private sector, pension reforms were slow and marginal since 1961. It was only in 1993 that a pragmatic step was made by government to address the

many problems of pension in the private sector. In this regard, government established the National Social Insurance Trust Fund (NSITF) in 1993, to cater for pension issues in the private sector.

The general characteristics of the Nigerian Pension Scheme before 2004 reform were noncontributory and bedeviled by many impediments. The large number of pensioners and mismanagement of pension funds impose heavy burden on government and the private sector. According to Buhari (2003), the public pension debt as in 2003 was over one trillion naira. The cumulative effect of the debt is that, government was unable to service pensions of retirees, as a result, pensioners could not pay children school fees, cater for their health and other necessities of life.

This precarious situation necessitated the enactment of the Pension Reform Act of 2004. The 2004 Pension Reform Act is a paradigm shift from the 1979 Pension Act. Under the new scheme, employers and employees alike are to contribute 7.5 percent of employees' monthly emolument which include basic salary, housing and transport allowance. However, military personnel are to contribute 2.5 percent while the Federal Government contributes 12.5 percent of the employees' monthly emolument (Pension Reform Act, 2004). The scheme covers the private sector with five or more employees. The only exceptions are public employees who have three years or less to retire with effect from the date of enactment of the Pension Act being 30th June 2004 (National Pension Commission, 2004). The

employer may elect under the 2004 Pension Act to bear the full burden of the pension by contributing not less than 15 percent of the employees' monthly emolument.

The objective of the new pension scheme, which is contributory pension scheme, include among others to ensure that every employee in the private and public sectors receives his/her benefits as and when due; to establish a uniform rules, regulations, standards and laws for the administration, management and payment of pension funds in the country. The scheme was also established to assist employees by ensuring that they save to cater for life after retirement. More so, the scheme was to address the huge unsustainable pension deficit estimated at about two trillion naira which characterized the former

Pay-As-You-Go (PAYG) Pension Scheme. According to Aminu (2004), the contributory pension scheme would address the pension deficit of the past in Nigeria; that the scheme as of July, 2010, has an asset of 1.7 trillion naira (11.3 billion dollars) across the country.

The contributory pension scheme is expected to have multiplier effect on workers attitude towards retirement, commitment to duty, and labor retention as well as attitude towards corruption especially in the civil or public service. This is because the uncertainty of receiving pension and gratuity after retirement was largely responsible for high labor turnover in the civil service. WHO (2007), posits that, poor remuneration, delay in payment of fringe benefits and poor conditions of service among others are jointly responsible for the exodus of medical personnel from Nigeria to the United States of America and the United Kingdom.

Workers commitment to organizational goals has received wide attention by scholars (Steer, 1977). Workers commitment here entails the level of job involvement (Lodahl & Kejners, 1965). It includes internal work motivation (Hackman & Oldham, 1978) and the willingness of an employee to invest personal effort for the sake of the organization (Agba, Nkpoyen & Ushie, 2010). It involves attitudes or orientation towards organizational goals or objectives (Hall & Schneider, 1972). Commitment is positive and consistent attitude towards organizational goal that are produced by exchange consideration. Workers commitment is a function of many variables including, characteristics of job situation, the work environment, leadership style and career development (Salanick, 1977; Agba, Nkoyen & Ushie, 2010; Ushie, Agba, Agba & Chime, 2010; Ushie, Agba, Agba & Best, 2010). Employees' commitment could also be influenced by the level of job involvement or the responsibilities of the worker (Lodahl & Kejners, 1965).

Commitment is also tied to how well an employee is motivated. Motivation here entails the process of influencing employees' behavior towards the attainment of organizational goal (Dhameji & Dhameji, 2009). Motivation includes meeting the psychological, financial and emotional needs of workers. Pension is part of motivation and could

help attain the psychological and emotional needs of workers, because it assures them of life after retirement.

A good pension scheme could determine the level of workers commitment as well as influence whether an employee will do his/her work properly. According to Sule & Ezugwu (2009), good pension guarantees employee's comfort and commitment to the organization during his/her active years.

The absence of good pension scheme in the past was largely responsible for the psychological, physiological and economic problems among retirees in Nigeria. It is expected that retirees receive certain benefits such as gratuity and pension. Gratuity here is the worker's entitlement as soon as he/she makes exit from active service; while pension is the regular payment to a retiree until his or her last days on earth. Most often gratuities and pension are not paid as and when due; consequently, retirees cannot afford school fees for their children, pay house rents or take care of other necessities of life (Global Action on Aging, 2006).

The provoking thought of facing life after retirement creates psychological and emotional abnormally among workers especially those who are approaching retirement age (Ogunbameru & Ramiwuye, 2004). While retirement remains luxury in developed countries in Nigeria workers are always afraid of financial insecurity after retirement. The social insecurity makes retirement unattractive to workers in Nigeria (Jonathan, 2009). Workers who are in the payroll of government cannot fend for themselves, not to talk of when they are retired.

The fear of uncertainty after retirement is also responsible for age falsification among civil servants in Nigeria. Retirement in Nigeria also goes with social isolation and poverty; consequently, retirees even at very old age look for employment or jobs to maintain themselves. This scenario shows that the meager amount received by pensioners before the introduction of the contributory pension scheme was grossly inadequate to sustain a retiree and his/her family.

STATEMENT OF PROBLEM

The Pension Reform Act 2004 was signed into law by President Olusegun Obasanjo's Government. The need for the reform stems from the fact that the erstwhile pension scheme had become moribund and outlived its essence having ben dogged with lack of fund, diversion of pension fund, mismanagement thereby creating nightmares and hardship to our senior citizens. It is unthinkable that our retired professors, vice-chancellors, military generals, ambassadors, directors, and former captains of industry, permanent secretaries, former governors and ministers and civil servants of all cadres who had contributed immensely to national development are treated in a most dishonorable manner due to the lack-luster pension scheme and poor administration contends (Dike, 2006). There have been incidences of collapse while queuing for the stipends, partial paralysis and even death while struggling to collect the pensions.

Retirement is seen by workers as a transition that could lead to psychological, physiological and economic problem

(Ogunbameru & Bamiwuye, 2004). The provoking thoughts of facing uncertain future after retirement by workers is responsible for most bureaucratic corruption (Agba, Ikoh, Ushie & Agba, 2008); and could also be responsible for employees' job dissatisfaction and service ineffectiveness of vital institutions in Nigeria.

However, as a result of some bottleneck in the administration of pension fund many workers fear retirement. Retirement which ought to be seen as a glorious separation or quit stands as a powerful instrument of fear to the retirees. But then, since retirement is like death, we can run but cannot hide from it. This is because, for everything there is a season and a time to every purpose under the heaven, Ecclesiastes (3:1). Since this is so, finding an appropriate strategy for effective management of pension fund becomes a development out of extreme necessity. The issue of poor management of pension fund in Nigeria is both a pathetic and problematic one, several factors have been identified as the major barriers to pension fund management in Nigeria. They range from the periodic pension contributions and their investment, the rate of contributions and its adequacy to provide the needs of a would-be retiree, the effect of late and non-payment of pension benefits to the retirees. The incidence of transition gap and the funding system of the scheme among others.

The reform under investigation is contributory in nature with the intent of ensuring that every person who has worked in either the public or private sectors receives his or her retirement benefit as at when due. The reform was to serve as social welfare scheme for the aged, by ensuring that workers save to cater for their livelihood during old age (National Pension Commission, 2005; Sule, 2009).

Twelve years after the establishment of the new pension act, there is still speculation among Nigerians about the success of the scheme. Whether the new pension Act will be able to address the many problems associated with retirement schemes in the past.

Specifically, some have asked whether the Contributory Pension Act of 2004 would be able to address the problems of corruption, poor administration of pension fund, embezzlement, inadequate build-up of pension fund, poor monitoring, evaluation and supervision of pension fund that usually characterized pension schemes in Nigeria. Consequently, workers often ask whether they would ever have financial security after retirement. What is the fate of their children and other household after retirement? Does life after retirement mean signing bond with poverty? These questions among others occupied the minds of workers in Nigeria and could be responsible for workers negative attitude towards retirement, job dissatisfaction as well as high labour turnover.

OBJECTIVES OF THE STUDY

The main objective of the study is to assess the implementation of 2004 pension Act and determine the strengths and weaknesses.

The specific objectives are as follows:

1. To determine if there is correlation between pension administration and job satisfaction.
2. To assess if prospective retirees dread retirement because of epileptic payment of retirement benefits.
3. To proffer solutions to the identified problems.

Hypotheses

For the purpose of this study, the following hypotheses were formulated

1. There is correlation between pension administration and job satisfaction.
2. Prospective retirees dread retirement because of epileptic payment of retirement benefits.

REVIEW OF RELATED LITERATURE

Conceptual framework

Pension represents the amount of money paid to retirees for economic maintenance for past services rendered to the organization. Pension is a vital social security scheme for employees in both public and private sectors of the economy. It can contribute to a better environment for economic growth and development since it connotes improvement on the welfare and standard of living of the citizens of sovereign nations by reducing poverty and underdevelopment.

According to Adebayo and Dada (2012) pension consists of lump sum payment paid to an employee upon his disengagement from active service. Pension provides an employee a level of economic benefit when he or she retires from employment. Moreover, Ilesami (2006) opines that pension schemes are social security maintenance plan for workers after their disengagements as employees through retirement. In addition, Ogwumike (2008) argues that over the years, existing pension schemes in Nigeria were bedeviled by many problems; the most prominent of these problems included the inability to pay pension to retirees as and when due, and the huge preliminary and non-preliminary costs associated with the implementation/administration of the schemes which evidently made them unsustainable. The defined benefit scheme created economic stagnation for retirees. Ogar (2008) asserted that factors bedeviling pension administration in Nigeria chiefly center around corruption reflected in maladministration and embezzlement of pension funds as well as manipulation of figures of pensioners as represented by the ghost pensioners' syndrome. More so, Mohammed (2007) contends that the former pension scheme operated in Nigeria was a failure due to poor economic and financial difficulties, lack of effective legal framework, lack of savings and pension culture. Furthermore, Ayeni (2007) states with confidence that before now, Nigeria had experienced a lot of stagnation in the contrivance and management of enduring pension funds. The word pension was a nightmare to many retirees in Nigeria before the enactment of the 2004 pension reform Act.

Adebayo (2006) and Ugwu (2006) argue that there are four main classifications of pensions in Nigeria. These are:

1. **Retiring Pension:** This type of pension is usually granted to a worker who is permitted to retire after completing a fixed period of quality service usually 30 to 35 years or on attaining the age of 60 to 65 years for the public service in Nigeria and 70 years of age for professors and judges.
2. **Compensatory Pension:** This type of pension is granted to a worker whose permanent post is abolished and government is unable to provide him with suitable alternative employment.
3. **Superannuating Pension:** This type of pension plan is given to a worker who retires at the prescribed age limit as stated in the condition of service.
4. **Compassionate Allowance:** This happens when a pension scheme is not admissible or allowed on account of a public servants removal from service for misconduct, insolvency or incompetence or inefficiency (Amujiri, 2009:140).

Dhameji and Dhameji (2009) links commitment to motivation and argues that commitment is also tied to how well an employee is motivated. Motivation here entails the process of influencing employee's behaviour towards the attainment of organizational goals. Motivation includes meeting the psychological, financial and emotional needs of workers, because it creates an impression in them that there is life after retirement. In the words of Sule and Ezugwu (2009), a good pension guarantees employee's comfort and commitment to the organization during his/her active years.

A pension is a contract for a fixed sum to be paid regularly to a pensioner, typically following retirement from service. It is different from severance pay because the former is paid in regular installments while the latter is paid in one lump sum. A pension plan created by an employer for the benefit of employees is commonly referred to as an occupational or employer pension.

Labour unions, the government and other organizations also fund pensions. Occupational pensions are a form of deferred compensation, usually advantageous to employee and employer for tax reasons. Many pension plan also contain an additional insurance aspect, since they often will pay benefits to survivors or disabled beneficiaries. The common use of the term pension is to describe the payments a person receives upon retirement, usually under pre-determined legal and/or contractual terms (Ayegba, James, and Odoh, 2013:97).

For our purpose pension refers to a fixed sum to be paid regularly to a person, typically following retirement from service either based on ill health, having reached the retirement age or decided to disengage from service before his/her retirement date. There are many different types of pensions, including defined benefit plans, contributory schemes, defined contribution plans, as well as several others. It is quite sad that some people still associate pension

with old age. For the larger percentage of employees who have been involved in the pension contributory scheme have a better idea of what the scheme is all about and it is important for every employee in days of active service to concentrate on their pension contributions from the first day of employment, Those who have the archaic believe of pension been a scam or a retirement talk should rather sit up and learn more about the contributory scheme. The New Pension Act 2014 is an eye opener of the obvious benefits in the contributory scheme.

CHALLENGES OF THE NEW PENSION SCHEME

Adejoh (2013) argues that the problems of the contributory pension scheme to include the following; (a) Remittance of the benefits to the Retirements Savings Account (RSA) by firms, employers and employees may be difficult; (b) Genuineness of our pension fund administrators and custodians that have licensed; were the licenses given to those competent and qualified? (c) What are the legal frameworks put in place by government such that in spite of political changes, the scheme is sustained by subsequent governments? (d) How do we ensure effective implementation of penalties in the act of non-compliers regardless of their status and origin? (e) How will government and national pension commission monitor, supervise, and enforce the provisions of the Pension Reform Act 2004? (f) What happens if PFAs or PFCs default or go into liquidation? Ijeoma et al. (2013) in their study found out that corporate governance in pension industry in Nigeria is still being faced with a lot of challenge and the National Pension commission lacks prompt and adequate sanction breaches. They added that there is generous existence of economic framework to support and force good corporate governance in Nigeria new pension reform and the reform measures were agreed to be adequate. However, they advocated the existence of a generous political framework to support and enforce corporate governance in the sector and that government should not relent in pursuing the necessary democracy that entrenches good leadership and good practices to make the citizen have faith in policies like the pension reform Act (2004). Ahmad (2008) argues that corporate governance in the pension industry in Nigeria is still being faced with a lot of challenges notwithstanding the efforts of the Commission. He added that these challenges include: history of bad corporate governance by people in many organizations, inappropriate and adequate sanction for breaches, the ,tyranny and immunity ,of management, re-defining the roles of the external auditor and self-regulatory organizations (SROs) under the PRA of 2004 to make them culpable on concealing breaches, possible conflicts of interest arising from PFA participation in companies' boards following fears that they might become major investors and be elected to boards and disclosure of confidential information. However, necessary economic, political and institutional framework must be put in place to support and

enforce good corporate governance. Ojonugwa et al. (2013) contends that the new pension scheme, to a large extent, places in the hands of the contributor (and of course their employer), the responsibility for the contribution that is available in the Retirement Savings Account (RSA) upon retirement. One of the major differences between the previous scheme and the new scheme adopted in Nigeria is that, in the old scheme (Defined Benefit Scheme) pensioners queue up at government offices for verification and collection of their monthly pensions while Pensioners in the post 2004 contributory pension scheme (the New Contributory Pension Scheme) do not need to queue up to be verified else their monthly pensions are paid straight into their bank accounts. Another major difference observed was that while pensioners in the old system travel long distances to be verified, the local office of the Pension Fund Administrator (PFA) manages that level of interface without challenges, thereby removing the need for continuous verification of pensioners. One other most fundamental difference between the two is the fact that, the post 2004 era avails the contributors or pensioners a lot of information, ranging from monthly balances and contributions and the lump sum available upon retirement to monthly pension. Pensioners in the pre-2004 era depended on pension authorities to inform them about what they are entitled to. Information guarantees knowledge and with this comes power which has been placed in the hands of the contributors and pensioners. Regardless of the aforementioned benefits of the new pension scheme over the old scheme, Ojonugwa et al. (2013) argue that the number of enterprises that are not complying with the 2004 Pension Reform Act have really shown that the enforcement arm of the National Pension Commission is weak. Hence the major challenge and obstacles of the new pension scheme are the enterprises which are deducting but not remitting. Another challenge of the new pension scheme is the choice of Pension Fund Administrators (PFAs). In this regard, Oshiomhole (2006) asserted that some PFAs are owned by all kinds of people including politicians and former bankers who contributed to bank failures in the country. They see some of these pension operators' activities as an opportunity to be millionaires, without having workers interest at heart. In order to avoid falling victim to these wolves, he advised the Nigeria Labor congress (NLC) members to register with the Trust Pension Fund Administrator, which is owned by socially responsible organizations. He added that this problem was what bedeviled the old scheme; therefore, participants in the new pension scheme should not allow themselves to be fooled like their predecessors. Dostal (2010) is of the view that the defenders of the current pension system would argue that it is too early to make any claims about the failure of contributory pension scheme (CPS) to have a positive contribution on the trajectory of the Nigerian economy. They would point to the global economic crisis and the 2008 crash of the Nigerian stock market as unexpected events that explain negative returns of Pension Fund Administrators

(PFAs) but do not question the system's viability. Nevertheless, the question about poor performance of CPS in Nigeria generally can be traced directly to the larger question of how the banking system, stock market and macro-economic performance of the Nigeria economy might interact with it (Dostal, 2010; Gunu and Tsado, 2012). Gunu and Tsado, (2012) state that it is important to mention that one major problem of CPS is still the dearth of investment outlets. The situation is further complicated by the recapitalization programme in the financial sector (banks, insurance companies and stock broking companies) (Adeola, 2006). Another challenge confronting the scheme contend by Gunu and Tsado (2012) is the compliance rate within the working population. They noted that PenCom confirmed that only 10 out of 36 states of the federation have fully aligned with the pension reform in the country (PenCom, 2008). In the private sector, organizations with at least five employees are required by the Act to implement the Contributory Pension Scheme. However, compliance by the private sector has remained a serious challenge due to lack of comprehensive database of employers of labor in the country, which limits the extent of enforcement by the regulator. Also, the employers themselves are not willing to comply with the provision of the Act, because it is regarded as additional cost to their organizations.

MAJOR FEATURES OF THE NEW PENSION REFORM ACT 2014

The Act will see stiffer penalties intended to serve as deterrent against mismanagement or diversion of pension funds' assets under any guise. Under the new law, operators who mismanage pension funds will be liable, upon conviction; to not less than ten years imprisonment or five of an amount equal to three times the amount so misappropriated or diverted, or both imprisonment and fine. Ensuring greater protection of pension fund assets has been the core mandate for the National Pension Commission (PenCom) since its formation following the Pension Reform Act (PRA) 2004.

PenCom is the body tasked with regulating, supervising and ensuring effective administration of pension matters in Nigeria. Prior to the enactment of the PRA 2004 and the subsequent formation of PenCom, pension schemes in the polity had been bedeviled by problems and challenges of underfunding and vulnerable budgetary allocation. These issues have since been resolved following the introduction of the Defined Benefit Contributory Pension Scheme. Under this system, the employees contribute a minimum amount of their basic salary, housing and transport allowances. Equally; employers are obliged to contribute a pre-agreed amount on behalf of their employees. Of pension contribution from 15 percent to 18 percent of monthly emolument, while 8 percent will be contributed by employees and 10 percent by the employers. This will provide additional benefits to Workers

Retirement Savings Accounts and thereby enhance their monthly pension benefits at retirement.

The New Pension Act expanded the coverage of the Defined Contributory Pension Scheme in the private sector entities with three employees and above, in line with the drive towards informal sector's participation. Furthermore, the new Act increased the minimum rate of pension contribution from 15 percent of monthly employment, while 8 percent will be contributed by employees and 10 percent by the employers. This will provide additional benefits to workers retirement savings accounts and thereby enhance their monthly pension benefits and retirement.

According to the new law, operators who mismanages pension fund will be liable on conviction to not less than 10 years imprisonment or fine of an amount equal to three times the amount so misappropriated or diverted or both imprisonment and fine.

Furthermore, there are currently more sophisticated mode of diversion of pension assets, such as diversion and or nondisclosure of interests and commission accruable to pension fund assets under any guise. The 2014 Act also empowers PenCom subject to the fiat of the Attorney General of the Federation, to institute criminal proceedings against employers who persistently fail to deduct and / or remit pension contributions of their employees within the stipulated time. This was not provided for by the 2004 Act.

With the new law in place, it is obvious that the National pension commission has not only been given enough room to improve its activities but also employers to ensure that employers who fail to remit deductions are penalized and the amount owed duly paid. Prior to the new law, the commission reported that it had recovered a total of N13.33 billion from employers who defaulted in remitting pension deductions from their employees under the new Contributory Pension Scheme (CPS). The amount includes interests calculated along with the principal sum (Goodluck, 2014).

THE FUTURE OF PENSION ADMINISTRATION UNDER THE NEW ACT

The attention of the global economy has been drawn to Nigeria since the last 14 years following the coming on board of the Pension Reform Act 2004, with the vigor and commitment it has brought towards improving social security in Africa's most populous black nation. This development has continued in some other countries in Africa, which have either understudied the success story of Nigeria's Contributory Pension Scheme (CPS) or adopted similar programs to boost their citizens social security welfare.

In the 10-year period, the pension industry in Nigeria has experienced phenomenal growth from a deficit of N2trn in the form of pension liabilities in 2004 to an accumulation of pension fund assets of up to N4.1trn by the end of 2013. The huge pool of funds that the CPS has put together is a firm backing to the economy; this is a testimony to the hard work and diligent service of the regulator, The National Pension

Commission (PenCom) (Nkwazema, 2014). In the words of President Jonathan, Pension is globally recognized and occupies a strategic place in national socio-economic development. It is not only a vital component of social security; it is also a veritable vehicle for nation building. Indeed, investment in pension has profound impact on the well-being of pensioners, society and the economy at large. As such, it is imperative that stakeholders in this life-shaping industry engage constantly in dialogue to bolster management frameworks and practices in their respective jurisdictions (Jonathan, 2014).

Put differently, the beauty of Nigeria's pension system is the efficacy that has been brought to supervision and regulation, building contributor's confidence and growing assurances for safety of the funds, a clear departure from what existed previously.

There are some who have not even appointed PFAs and therefore once such funds are deducted, they kept in accounts pending when they have the data to transfer them. We have like buffer stock funds pending in different places (Usman, 2014).

We have penalties ranging from 10 years imprisonment. For even failing to give proper information, you have to pay N500,000 daily by any agency. And if you embezzle pension funds now you will pay not less than three times the amount of funds you embezzled. That is how serious this Bill has treated pension funds. If you embezzle N10,000 you are bound to pay a minimum of N30,000 and in some circumstances the presiding judge has the right to make you refund and even go to prison (Tobiloba, 2014).

In the event of loss of jobs, the new Act reduces the waiting period for accessing benefits from six months to four months. This is done in order to identify with the yearning of contributors and labor. The Pension Reform Act 2014 makes provision that would compel an employer to open a Temporary Retirement Savings Account, TRSA, on behalf of an employee that failed to open an RSA within three months of assumption of duty. This was not required under 2004 Act.

The controversial clause of the post qualification years of experience of the director general of Pension Commission was lowered to 15 years from the previous 20 years' experience. With the passage of this clause, the then acting PenCom DG, Mrs Chinelo Anohu-Amazu was appointed in substantive capacity as under the former act she did not possess the 20 years' experience required.

Akeni (2009) made a comparison of nine items in the old and new scheme by conducting a survey of the pension fund administrators, pension fund custodians and the beneficiaries in the public and private sector. He found that the new scheme was better than the old in terms of: accountability, accessibility, ease of payment of pension and gratuity, funding, management of pension fund, transparency,

stakeholders' confidence in the scheme, auditor's control and corporate governance. Although there was agreement that the new scheme was applauded as far better than the old, he discovered that the new scheme may not address the difficulties currently encountered in the pension industry in Nigeria nor impact positive or the standard of living of retirees and pensioners unless there were proper coordination and supervision by the Nigerian Pension Commission of the pension fund administrators and custodians.

Therefore, PENCOM must undertake periodic review of the investment guidelines of pension fund and create conducive environment for smooth operations by the pension fund administrators and custodians. It must ensure that the administrators and custodians abide by the rules of the pension game in order to ensure their efficient and effective performance. The public must be regularly enlightened and adequately keep abreast of development in the pension industry by the Commission and the administrators. The government must also continuously monitor the operations of PENCOM and conduct external checks to get rid of excesses.

RETIREMENT BENEFITS AND JOB SATISFACTION: THE NEXUS

The Concept of Job Satisfaction

Job satisfaction is the most widely researched job attitude and among the most extensively researched subjects in Industrial/Organizational Psychology (Judge & Church, 2000). Several works on motivation theories have corroborated the implied role of job satisfaction. Work satisfaction theories, such as Maslow's (1943) Hierarchy of Needs, Herzberg's (1968) Two-Factor (Motivator-Hygiene) Theory, Adam's (1965) Equity Theory, Porter and Lawler's (1968) modified version of Vroom's (1964) VIE Model, Locke's (1969) Discrepancy Theory, Hackman and Oldham's (1976) Job Characteristics Model, Locke's (1976) Range of Affect Theory, Bandura's (1977) Social Learning Theory, and Landy's (1978) Opponent Process Theory, have tried to explain job satisfaction and its influence, .

Such expansive researches have resulted in job satisfaction being linked to productivity, motivation, absenteeism/tardiness, accidents, mental/physical health, and general life satisfaction (Landy, 1978). A common theory within the research has been that, to an extent, the emotional state of an individual is affected by interactions with their work environment. People identify themselves by their profession, such as a doctor, lawyer, or teacher. Hence, an individual's personal well-being at work is a significant aspect of research (Judge & Klinger, 2007).

The most widely accepted theory of job satisfaction was propounded by Locke (1976), who defined job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (Locke, 1975, p.1304). Job satisfaction has emotional, cognitive, and behavioral components (Bernstein & Nash, 2008). The

emotional component refers to job-related feelings such as boredom, anxiety, acknowledgement and excitement. The cognitive component of job satisfaction pertains to beliefs regarding one's job whether it is respectable, mentally demanding/challenging and rewarding. Finally, the behavioral component includes people's actions in relation to their work such as tardiness, working late, faking illness in order to avoid work (Bernstein & Nash, 2008).

There are essentially two types of job satisfaction based on the level of employees' feelings regarding their jobs. The first, and most analyzed, is global job satisfaction, which refers to employees' overall feelings about their jobs (e.g., "Overall, I love my job.") (Mueller & Kim, 2008). The second is job facet satisfaction, which refers to feelings regarding specific job aspects, such as salary, benefits, work hierarchy (reporting structure), growth opportunities, work environment and the quality of relationships with one's co-workers (e.g., "Overall, I love my job, but my schedule is difficult to manage.") (Mueller & Kim, 2008). According to Kerber and Campbell (1987), measurements of job facet satisfaction helps identify specific aspects of a job that require improvement. The findings may aid organizations in improving overall job satisfaction or in understanding organizational issues such as high turnover (Kerber & Campbell, 1987).

There are several myths regarding job satisfaction. One such myth is that a happy employee is a productive employee (Syptak et al., 1999). Research has offered little to support that a happy employee is productive, on the contrary, some researches have suggested that casualness may creep in, shifting from productivity to satisfaction (Bassett, 1994). Hence, if there is a correlation, it is a weak one. Knowing that research does not support the idea that happiness and employee satisfaction creates higher production, why do I/O psychologists and organizations still attempt to keep employees happy? Many have pointed out that I/O psychologists' research perspective moves beyond increasing the bottom line of an organization. Happy employees do not negatively affect productivity and can have a positive effect at workplace and on society at large. It also positively impacts the organization's brand image. Therefore, it still benefits all parties to have happy and satisfied employees. Another fallacy is that the pay is the most important factor in job satisfaction. In reality, employees are more satisfied when they enjoy the environment in which they work (Berry, 1997). An individual can have a high paying job and not be satisfied because it is boring and lacks sufficient stimulation. In fact, a low-paying job can be seen as satisfying if it is adequately challenging or stimulating. There are numerous factors that must be taken into consideration when determining how satisfied an employee is with his or her job, and it is not always easy to determine which factors are most important to each employee. Job satisfaction is very subjective for each employee and each situation being assessed.

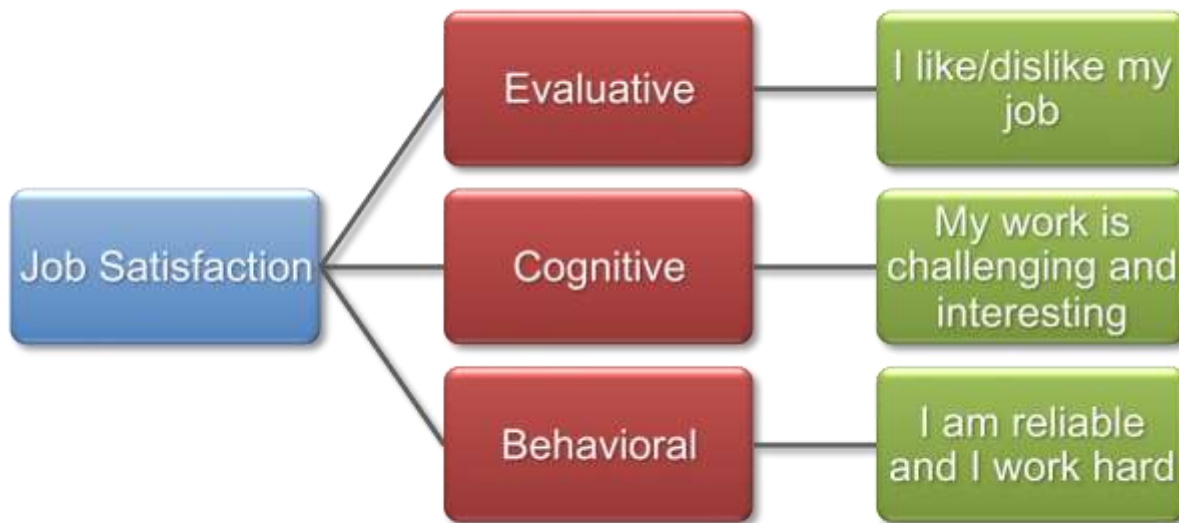


Fig. 1: Variables of Job Satisfaction/Dissatisfaction

People tend to evaluate their work experiences based on feelings of satisfaction or dissatisfaction regarding their job, as well as the organization in which they work (Jex, 2002). There are many probable influences that affect how favorably an individual appraises his or her job. Through years of extensive research, I/O psychologists have identified numerous variables that seem to contribute to either job satisfaction or organizational commitment (Glisson & Durick, 1988). To explain the development of job satisfaction, researchers have taken three common approaches: job characteristics, social information processing (organizational characteristics), and dispositional (worker characteristics) (Glisson & Durick, 1988; Jex, 2002).

JOB CHARACTERISTICS

Job characteristics approach research has revealed that the nature of an individual's job or the characteristics of the organization predominantly determines job satisfaction (Jex, 2002). According to Hackman & Oldham (1980), a job characteristic is an aspect of a job that generates ideal conditions for high levels of motivation, satisfaction, and performance. Furthermore, Hackman & Oldham (1980) proposed five core job characteristics that all jobs should contain: skill variety, task identity, task significance, autonomy, and feedback. They also defined four personal and work outcomes: internal work motivation, growth satisfaction, general satisfaction, and work effectiveness which have been added to the more popular dimensions of

job satisfaction assessment: the work itself, pay, promotional opportunities, supervision, and co-worker relations (Smith et al., 1969).

A common premise in research of the effects of job circumstances on job satisfaction is that individuals assess job satisfaction by comparing the current receivables from the job with what they believe they should receive (Jex, 2002). For example, if an employee receiving an annual salary of \$45,000 believes that he or she should be receiving a salary of \$43,000, then he or she will experience satisfaction; however, if the employee believes that he or she should be receiving \$53,000, then he or she will feel dissatisfied. This comparison would apply to each job facet including: skill level, seniority, promotional opportunities, supervision, etc. (Jex, 2002).

According to Locke (1976), this process becomes even more complex since the importance of work facets differs as per individual perception. For example, one employee may feel that pay rate is extremely important while another may feel that social relationships are more important. To explain the effects of these differences, Locke (1976) put forth the ideas of the range of affect theory. The hypothesis of this theory is that employees weigh facets differently while assessing job satisfaction (Locke, 1976). Consequently, this leads to an individual measure of satisfaction or dissatisfaction when expectations are met or not. For example, the job satisfaction of an employee who places extreme importance on pay would be positively impacted if he or she receives a salary within expectation. Conversely, his or her level of pay would

minimally impact the job satisfaction of an employee who

places little importance on pay.



Fig 2: Social information processing (organizational characteristics)

DISPOSITIONAL (WORKER CHARACTERISTICS)

Internal disposition is the crux of the latest method of explaining job satisfaction which hints some people being inclined to be satisfied or dissatisfied with their work irrespective of the nature of the job or the organizational environment (Jex, 2002). More simply put, some people are genetically positive in disposition (the glass half full), whereas others are innately negative in disposition (the glass half empty). For instance, a study of twins who were reared apart (same genetic characteristics but different experiences) found that 30 percent of inconsistency in satisfaction was accredited to genetic factors (Arvey et al., 1989). Although individuals change jobs and employers, individual disposition has been shown to be consistent by the use of survey results on job satisfaction (Staw & Ross, 1985). Additionally, Staw et al. (1986) found that adolescent evaluations of affective disposition were correlated with adult job satisfaction as many as forty years later.

Several years of research have been conducted on the dispositional source of job satisfaction, and have presented strong evidence that job satisfaction, to some extent, is based on disposition (Judge & Larsen, 2001). Dispositional affect is the predisposition to experience related emotional moods over time (Judge & Kammeyer-Mueller, 2008). Accordingly, this approach assumes that an employee’s attitude about his or her job originates from an internal (mental) state. Positive affect is a predisposition favorable to positive emotional experience, whereas negative affect is a predisposition to experience a wide array of negative emotions (Watson, Clark, & Carey, 1988). Positive affective people feel

enthusiastic, active, alert and optimistic while negative affective people feel anger, contempt, disgust, guilt, fear and nervousness (Watson, Clark, & Tellegen, 1988).

There is ample evidence supporting disposition causing job satisfaction from a Social Cognitive aspect as well. Causation through disposition indicates that job satisfaction can be determined by an individual's general overall outlook. In psychology, Cognitive Theory of Depression states that an individual’s thought process and perceptions can be a source of unhappiness. Moreover, the automated thoughts and processes (Beck, 1987) resulting from irrational and dysfunctional thinking perpetuate emotions of depression and unhappiness in individuals. Judge and Locke (1992) examined these concepts in detail. They discussed cognitive processes like perfectionism, over-generalization and dependence on others as causation for depression leading to unhappiness. They claimed that subjective well-being resulting from an affective disposition leads to individuals experiencing information recall regarding their job. In short, happy individuals tend to store and evaluate job information differently than unhappy individuals. This type of recollection indicates that job satisfaction may be influenced by subjective well-being. Tait, Padgett, and Baldwin (1989) performed a meta-analytic review discovering an average correlation between job and life satisfaction to be 0.44, which supports the theory of dispositional effect on job satisfaction. In addition, Howard and Bray (1988) determined through a study they performed on AT&T managers that motives such as ambition and desire to get ahead serve as some of the

strongest predictors for advancement. Also, Bandura (1986) states that individual's aspirations become their standards of self-satisfaction indicating that those with high goals, theoretically, should be harder to satisfy than people with low goals. This would indicate that a high level of ambition resulting from high standards can point to a lower satisfaction as an end result. In addition, it is often the case that unsatisfied workers are highly ambitious but unhappy as a result of their inability to be promoted within an organization. For this reason, ambition can negatively influence job satisfaction. However, Judge and Locke (1992) caution that dysfunctional thinking is not singularly responsible for dispositional factors affecting job satisfaction. They mention self-esteem, locus of control, self-efficacy, intelligence, and ambition as well.

SOCIAL COGNITIVE

Social Cognitive aspects have been found to contribute significantly to job satisfaction; however, researchers have not conducted simultaneous comparison of these approaches (Baker, 2004). Job characteristics have been shown to impact job satisfaction (Baker, 2004). Recent studies on social informational processing have found that leadership actions influence job satisfaction (Baker, 2004). Various research findings have indicated that a relationship between disposition and job satisfaction does in fact exist. Weiss and Cropanzano (1996) advocated that emotionally significant procedures at work may be influenced by disposition, which in turn influences job satisfaction. Job characteristics have been favored in research (Thomas et al., 2004); however, less research has been conducted on the dispositional approach, since it is fairly new (Coutts & Gruman, 2005).

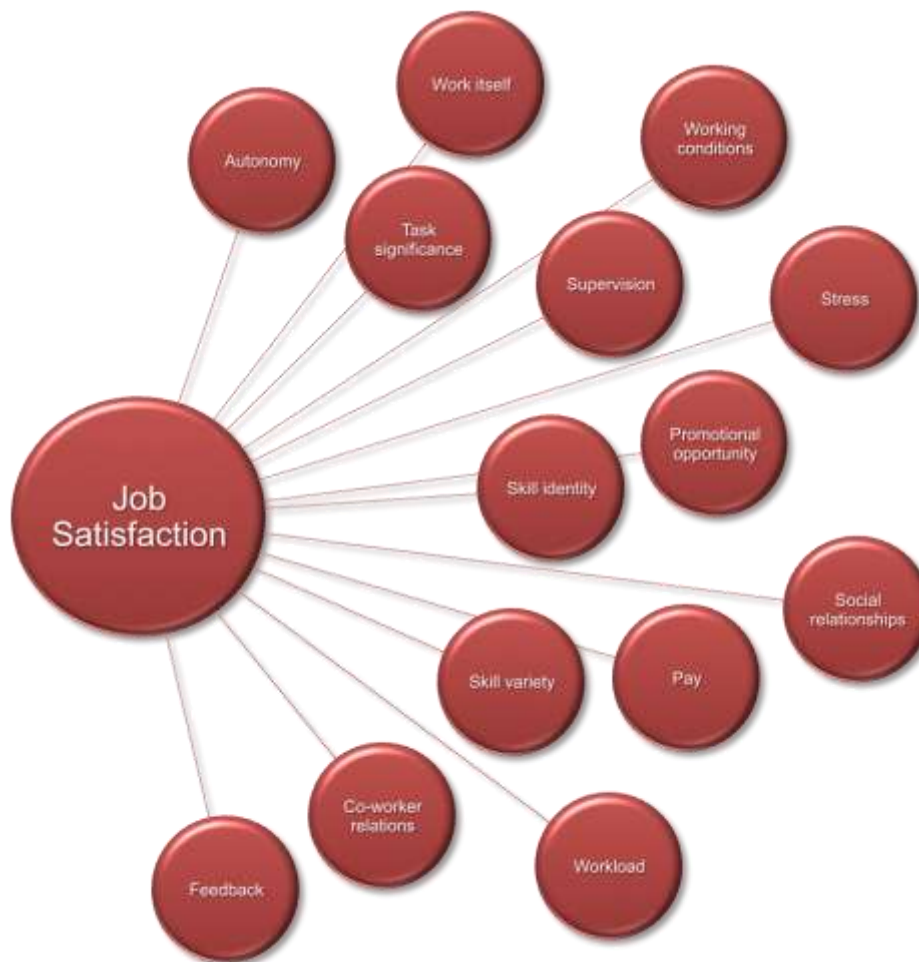


Figure 3: Facets of job satisfaction (Hackman & Oldham, 1980; Smith, Kendall, & Hulin, 1969).

EMPLOYEE PERFORMANCE

The relationship between job satisfaction and job performance has a long and controversial history. Researchers were first made aware of the link between job satisfaction and performance through the 1924-1933

Hawthorne studies (Naidu, 1996). Since the Hawthorne studies, numerous researchers have critically examined the idea that "a happy worker is a productive worker". Research results of Iaffaldano and Muchinsky (1985) have found a weak connection, approximately 0.17, between job satisfaction and job performance. However, research

conducted by Organ (1988) discovered that a stronger connection between performance and satisfaction could not be established because of the narrow definition of job performance. Organ (1988) believes that when the definition of job performance includes behaviors such as organizational citizenship (the extent to which one's voluntary support contributes to the success of an organization) the relationship between satisfaction and performance will improve. Judge, Thoreson, Bono, and Patton (2001) discovered that after correcting the sampling and measurement errors of 301 studies, the correlation between job satisfaction and job performance increased to 0.30. It is important to note that the connection between job satisfaction and job performance is higher for difficult jobs than for less difficult jobs (Saari & Judge, 2004).

A link does exist between job satisfaction and job performance; however, it is not as strong as one would like to believe. The weak link may be attributed to factors such as job structure or economic conditions. For example, some jobs are designed so that a minimum level of performance is required providing no scope for greater satisfaction. moreover, in times of high unemployment, dissatisfied employees will perform well, choosing unsatisfying work over unemployment.

In 2006, researcher Michelle Jones analyzed three studies combining 74 separate investigations of job satisfaction and job performance in 12,000 workers. She wrote: "The conclusions drawn by these researchers, and many others, indicate the presence of a positive, but very weak, relationship between job satisfaction and job performance" (Jones, 2006). Jones argues that we have been measuring the wrong kind of satisfaction. Instead of job satisfaction, we should be looking at the link between overall satisfaction with life and output at work (Bright, 2008). In this study, Jones implies that the more satisfied we are with our life in general, the more productive we will be in our jobs.

EMPLOYEE ABSENTEEISM

One of the most widely researched topics in Industrial Psychology is the relationship between job satisfaction and employee absenteeism (Cheloha, & Farr, 1980). It is only natural to assume that if individuals dislike their jobs then they will often call in sick, or simply look for a new opportunity. Yet again, the link between these factors and job satisfaction is weak. The correlation between job satisfaction and absenteeism is 0.25 (Johns, 1997). It is likely that a satisfied worker may miss work due to illness or personal matters, while an unsatisfied worker may not miss work because he or she does not have any sick time and cannot afford the loss of income. When people are satisfied with their job, they are more likely to attend work even if they have common cold; however, if they are not satisfied with their job, they would be more likely to call in sick even when they are well enough to work.

EMPLOYEE TURNOVER

According to a meta-analysis of 42 studies, the correlation between job satisfaction and turnover is 0.24 (Carsten, & Spector, 1987). One obvious factor affecting turnover would be an economic downturn, during which unsatisfied workers may not have other employment opportunities. On the other hand, a satisfied worker may be forced to resign his or her position for personal reasons such as illness or relocation. This holds true for the men and women of the US Armed Forces, who might fit well in a job but are often made to relocate regardless. In such case, it would be next to impossible to measure any correlation of job satisfaction. Furthermore, a person is more likely to be actively searching for another job if they have low satisfaction; whereas, a person who is satisfied with his or her job is less likely to be job hunting.

Another researcher viewed the relationship between job satisfaction and an employee's intent to leave the organization, turnover intention, as mediated by workplace culture. Medina (2012) found that job satisfaction was strongly inversely correlated with turnover intention and this relationship was mediated by satisfaction in workplace culture. The study provides evidence that should be further explored to aid in the understanding of employee turnover and job satisfaction; particularly in how job satisfaction and employee turnover relate to workplace culture (Medina, 2012).

JOB SATISFACTION AND RETIREMENT

In a 2013 study from Lehigh University, individuals begin to think about retirement in their early years and develop a plan of action over the years. While individuals who begin working a career earlier on in their life plan to retire earlier, individuals who begin a career later in life, plan to retire later in life as well. The research shows that job satisfaction has very little to do with how we plan for our retirement. While the survey shows that many individuals do consider income, location and attitude when discussing retirement options, they do not solely decide if and when retirement is an option for them nor do the factors (poor work environment, long hours, unhappy with position, etc) (Lehigh University, 2013) There are many studies that have questioned if job satisfaction is something that you experience more in your younger years or older. Studies have returned with both sets of results. Some individuals have more job satisfaction in their earlier years while others experience it more when they are older. So, it is undetermined if you will retire from a job that you have been satisfied at or unsatisfied at.

PENSION SCHEME AND EMPLOYEES COMMITMENT

Workers commitment to organizational goals has received wide attention by scholars (Steer, 1977). Workers commitment here entails the level of job involvement (Lodahl & Kejners, 1965). It includes internal work motivation (Hackman & Oldham, 1978) and the willingness of an employee to invest personal effort for the sake of the organization (Agba, Nkopyen & Ushie, 2010). It involves

attitudes or orientation towards organizational goals or objectives (Hall & Schneider, 1972). Commitment is positive and consistent attitude towards organizational goal that are produced by exchange consideration. Workers commitment is a function of many variables including, characteristics of job situation, the work environment, leadership style and career development (Salanick, 1977; Agba, Nkoyen & Ushie, 2010; Ushie, Agba, Agba & Chime, 2010; Ushie, Agba, Agba & Best, 2010). Employees' commitment could also be influenced by the level of job involvement or the responsibilities of the worker (Lodahl & Kejners, 1965).

Commitment is also tied to how well an employee is motivated. Motivation here entails the process of influencing employees' behaviour towards the attainment of organizational goal (Dhameji & Dhameji, 2009). Motivation includes meeting the psychological, financial and emotional needs of workers. Pension is part of motivation and could help attain the psychological and emotional needs of workers, because it assures them of life after retirement. A good pension scheme could determine the level of workers commitment as well as influence whether an employee will do his/her work properly. According to Sule & Ezugwu (2009), good pension guarantees employee's comfort and commitment to the organization during his/her active years.

PENSION AND WORKERS RETENTION

There is a significant positive relationship between pension and workers turnover/retention. According to Becton, Wysocki & Kepner (2009), staff retention refers to the necessary measure put in place by management of an organization to encourage workers to remain in the establishment for a maximum period of time. Ushie (2000) and Agba (2007) contend that in Nigeria rather than providing the means by which workers could be retained, employees are continually deprived of their psychological needs.

Delay in payment of salaries and fridge benefits to workers even after retirement gives rise to negative behavioral consequences among employees in Nigeria (Agba, 2007). This is also responsible for low morale among workers and workers ineffectiveness in most organizations (Ushie, Agba, Agba & Best, 2010). According to Onyene (2001), workers attitude to work and the goal attainment of any organization is tied to various degrees on staff motivation and retention. Agba and Ushie (2010) argue that workers in the hospitality industry in Nigeria are always moving to where good condition of service exists and where their future is protected after retirement. They observed a linear relationship between salary, payment of benefits, promotion, career development, worker-hours and labor turnovers in Cross River State, Nigeria. Similarly, Akingbade (2006), contends that there is high labor turnover in the medical sector in Nigeria and that the movement of medical personnel especially to USA and UK is not unconnected with payment of benefits including retirement benefits.

THEORETICAL FRAMEWORK

According to Chukwuemeka (2006) "... no research stands alone. It has context, it has a background that gives it its meaning and significance either from a cumulative development of knowledge, from the absence of such knowledge, or from the vantage point of current practice for applied or action research".

Kaplan (1980) contends that a theory is a systematically organized knowledge of varying levels of generalization with a view to the eventual specification or relationships among empirical tests. According to him, the test of a theory is the degree to which its formulation seems congruent with our own perception of the real-world situation. Therefore, a theory equips us with a way of looking at reality.

In the light of the foregoing, we can define theoretical framework as a broad umbrella made up of theoretical postulations (theories, perspectives, models or paradigms) that researchers or writers can utilize as guides for understanding or analyzing a reality or phenomenon under study. For the purpose of this study, the general systems approach shall be adopted. Systems analysis is a part of the behaviorist movement in political science which had been growing in various American universities, starting with the University of Chicago – as a reaction to the tradition approach. It was in the search for theory-building that scholars like David Easton, Ludwig Von Bertalanffy a Biologist, Morton, Kaplan, Karl Deutsch, Stanley Holfmann, Charles McClelland to quote a few developed the system model (Varma 1975). Systems theory was popularized in political science by David Easton (a political scientist). In recent times, the systems theory has become as increasingly useful framework for thinking about organizations and managerial functions. Organizations, like the local government are open systems with certain boundaries that differentiate it from other systems. It must constantly receive multitude of inputs from its external environment (people, form, and input, information) in order to achieve its objectives.

Therefore, to survive and prosper, an organization must be productive. It must return to its external environment certain outputs in order to justify its existence and get the support it needs.

The system theory is an analytical tool which enables theorists and researchers to study key elements of organization in terms of their interaction with one another and with their external environment. Social systems are always open systems with inputs, outputs, and conversion process. In relation to an organization, input refers to people, materials, information and finance. These inputs are organized and activated so as to convert human skills and raw materials into products, services and other outputs which are discharged into the environment.

It is important to state here that our research which is focused on "Pension Administration and Employee Job Satisfaction is of vital importance in the study of the

relationship between employee and organization. The Public Institution is a system within a larger system of its environment. The employees, the sub-units and pension administrators within the organization constitute the internal environment of the organization.

The system theory is a framework for the study of pension administration and employee job satisfaction enables us to understand and explain how environmental factors (corruption) the irregular payment of pension and how this could bring about the collapse of the system.

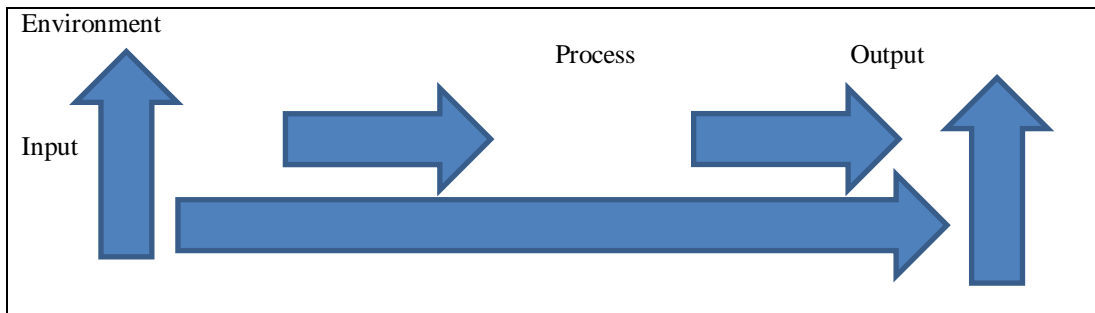


Fig 4: The Systems Approach to Organization

The systems model is not only necessary but indispensable in our examination of pension administration and employee job satisfaction.

This theory precipitates the notion that:

- a. The Public Service is an organization (A System) that has a number of administrative and political functions to perform for the people, therefore, irregular payment of pension constitute dysfunction to the system and therefore do not encourage system survival as enunciated by functional theorists.
- b. That the major emphasis is on system survival, goal attainment, system maintenance. There are basic inputs, outputs and feedback functions of a system and these functions cannot be performed by the system when it is characterized by corruption, mismanagement of fund, embezzlement of pension fund.
- c. Those workers' perception and morale is very important to ensure that they perform above board to keep the organization afloat.

METHODOLOGY

RESEARCH DESIGN

The survey was used to gather data on the basis of its usability with large samples as was the case with the present study where N= 100. The study is largely interpretive because it focuses on qualitative and quantitative data. Selected Federal Institutions in Nigeria were studied.

INSTRUMENTATION

Questionnaire items were used to source data from the respondents. The items sought to which the respondents understood the problem of pension and retirement in Nigeria as they were conceptualized in the literature review. The questionnaire was pilot tested and rated highly by raters with

extensive experience in the use of the instrument for research purposes. The ease of access to the respondents by the researchers, allowed for a personal administration of the instrument which ensured hundred percent return rates thereby eliminating non-return bias. Depth interviews were conducted with the randomly selected respondents who are employees of Federal Institutions in Nigeria. Also focus group discussions were conducted to complement data elicited from questionnaire and face to face interview. Relevant publications and records on pensions were consulted to ensure validity of the research outcome.

DATA PRESENTATION AND ANALYSIS

Responses that were relevant to the objectives and hypotheses formulated were used. The method applied in the analysis was difference in proportion, and, in testing the hypotheses formulated, Correlation coefficient inferential statistics was used.

TEST OF HYPOTHESES

1. Hypothesis one: There is correlation between pension administration and job satisfaction.

Decision rule

When the Correlation Coefficient(r) is positive the alternative (H₁) hypothesis is accepted and the null (H₀) rejected, but when negative the null (H₀) is accepted and alternative (H₁) rejected.

Step Three: Presentation of the correlation coefficient(r) of the hypothesis test

$$(r) = \frac{\sqrt{\sum(x-x)^2 \div x}}{\sum x}$$

$$(r) = \frac{Sx}{\sum x}$$

$$\sum x$$

Where S_x = Standard Deviation

$\sum x$ = Total Frequency

Table 1: Computation of correlation coefficient(r) for Hypothesis One

Responses	Frequency (x)	(x-x)	(x-x) ²
VHE	221	159.4	25408.36
HE	42	-19.6	384.16
DK	8	-53.6	2872.96
LE	21	-40.6	1648.36
VLE	16	-45.6	2079.36
Total	$\sum x = 308$		32393.2

Source: Research Data 2018.

$$\begin{aligned} \text{Mean}(x) &= \sum x \div x \\ &= 308 \div 5 \\ &= 61.6 \end{aligned}$$

$$\begin{aligned} \text{Standard Deviation (Se)} &= \sqrt{\sum (x-x)^2 \div x} \\ &= \sqrt{32393.2 \div 5} \\ &= \sqrt{6478.64} \\ &= 80.49 \end{aligned}$$

$$\begin{aligned} \text{Correlation Coefficient}(r) &= \frac{S_x}{\sum x} \\ r &= \frac{80.49}{308} \end{aligned}$$

$$r = 0.26$$

Step Four: Decision.

Since the Correlation Coefficient(r) of 0.26 is positive the alternative (H_1) hypothesis is accepted and the null (H_0) rejected. Therefore, there is correlation between pension administration and job satisfaction.

2. Hypothesis two: Prospective retirees dread retirement because of epileptic payment of retirement benefits.

Decision Rule:

When the Correlation Coefficient(r) is positive the alternative (H_1) hypothesis is accepted and the null (H_0) rejected, but when negative the null (H_0) is accepted and alternative (H_1) rejected.

Step Three: Presentation of the correlation coefficient(r) of the hypothesis test.

$$r = \frac{\sqrt{\sum (x-x)^2 \div x}}{\sum x}$$

$$(r) = \frac{S_x}{\sum x}$$

Where S_x = Standard Deviation
 $\sum x$ = Total Frequency

Table 7.2: Computation of correlation coefficient(r) for Hypothesis Two

Responses	Frequency (x)	(x-x)	(x-x) ²
VHE	241	179.4	32184.36
HE	33	-28.6	817.96
DK	11	-50.6	2560.96
LE	18	-43.6	1900.96
VLE	5	-56.6	3203.56
Total	$\sum x = 308$		40667.6

Source: Research Data 2018.

$$\begin{aligned} \text{Mean}(x) &= \sum x \div x \\ &= 308 \div 5 \\ &= 61.6 \end{aligned}$$

$$\begin{aligned} \text{Standard Deviation (Sx)} &= \sqrt{\sum (x-x)^2 \div X} \\ &= \sqrt{40667.6 \div 5} \\ &= \sqrt{8133.52} \\ &= 90.19 \end{aligned}$$

$$\text{Correlation Coefficient}(r) = \frac{S_x}{\sum x}$$

$$r = \frac{90.19}{308}$$

$$r = 0.29$$

Step Four: Decision.

Since the Correlation Coefficient(r) of 0.29 is positive the alternative (H₁) hypothesis is accepted and the null (H₀) rejected. The study established that Prospective retirees dread retirement because of epileptic payment of retirement benefits.

FINDINGS

The study revealed essentially:

1. That the government has not been able to establish an efficient political framework to support and enforce corporate governance in the pension administration sector.
2. The government has not worked out the modalities properly on the separation from the erstwhile old scheme from the new one.
3. It was also revealed that the traditional funding strategy of the public sector pension system, especially the civil service segment is nothing to write home about. This perhaps explains why huge arrears of pension payment exist. with the widespread complaints, sickness and death among retirees.
4. The reform agenda depends on government's yearly budgetary allocations, which also depend on who is in control of the machinery of government and the revenue conditions of the state government.
5. There is also the problem of remittance of benefits to retirement savings account (RSA).

RECOMMENDATIONS

1. The Nigerian Government should put in place efficient financial control system in pension fund management to ensure that pension fund is prudently managed.
2. The Government should also work out the modalities to ensure that separating from the

erstwhile old scheme from the new one is smoothly done.

3. The Government should as a matter of urgency work out effective modalities to ensure that the employee and employer contributions are remitted to the respective pension fund custodians promptly.
4. The government should know that paying retirees is also a as important as budgetary allocation to other sectors of the economy.

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