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### **ABSTRACT**

*The study investigated the effect of known financial planning for retirement on life of the retirees in Nigeria, with particular emphasis to the ministries and parastatals of the plateau state government. The research adopted inferential statistics to analyse the data collected. Regression model was used to test the hypotheses formulated. The statistical programme for social sciences (SPSS Version 25) was used to capture data and analysis of responses.*

*The findings of the study indicate that Since p value ( $0.009 < 0.05$ ), we reject the null hypothesis and conclude that Inadequate planning significantly affect Post retirement. And Since p value ( $0.001 < 0.05$ ), we reject the null hypothesis and conclude that lack of government involvement in the pre-retirement financial planning significantly affect Post retirement. Finally, Since p value ( $0.001 < 0.05$ ), we also reject the null hypothesis and conclude that government restrictions on employees' involvement in entrepreneurship have significant effect on retirees financial planning for retirement.*

*It was recommended that i. financial Planning for retirement should commence on the date of engagement into the Nigeria public service .pre-retirement entrepreneur capacity development should be highly encouraged in the public service and government should prioritised area of specialty among employees.*

*ii. Government should set aside special fund for employees who are nearing retirement, to assist them in actualizing their business ideology with interest free loan backed by special monitoring team of government.*

*iii. Government should as well organise a training program for employees in the area of sustainable small-scale enterprises who have about 5years before retirement.*

*iv. Government restriction on employee's participation on business should be relaxed, especially employees who have 5years before retirement.*

## 1.0 INTRODUCTION

Retirement is viewed in the developing countries like Nigeria as life threatening rather than a period of rest and comfort. The pension system in Nigeria is so pathetic that most employees neither have any meaningful retirement benefits nor earn enough during their working lives to cater for their retirement period (Awosike, 2009). In the public sector, statutory working age is 35 years of active service or 60 years of birth whichever comes first. But in the tertiary institutions and the judiciaries it is 65-70 years (CFRN, 2004 and UMPACT, 2004). This is with the belief that the 'older the wiser' in this sector. In Nigeria, retirees have always been left to fate, no matter where they had worked before. There is a clear evidence of retirees who died in queues while pursuing unpaid pension entitlements (Udofot, 2012). There are instances where Federal and state government are highly indebted to the retirees, subjecting them to abject poverty and frustration.

Despite several moderations of retirement benefits for workers in Nigeria, pension fund has been characterized by outright corruption and embezzlement, mismanagement and diversion of fund over the years (Ali, 2014). Financial Planning for Retirement consists of the series of activities involved in the accumulation of wealth to cover needs in the post-retirement stage of life. The negative short-, mid-, and long-term consequences of inadequate Financial Planning for Retirement do not only affect individuals, but also their extended families, homes, eventually

producing an unwanted impact on the entire society. (Choi, Jang, Erick & Koyemir, 2016).

It is crystal clear that society will not be able to guarantee quality of life in retirement unless people save on their own behalf including private (i.e., corporate) pensions leading governments to adopt increasingly active policies designed to involve citizens in Financial Planning for Retirement. More so, the delay in payment of pension and gratuities has brought untold hardship, frustration and death to many retirees, thereby making retirement phenomenon dreaded by workers. Ali (2014) assert that, the situation is so devastating to the extent of discouraging people who are still working and who are about to retire. As pointed out by Denga (1996), the uncertainty that characterized the retirement life saga is so worrisome that workers who are still in service for fear of the unknown, falsify their age and career records in order to postpone retirement date (Ali, 2014). But the above problems can be ameliorated if employees in the public service embark on proper financial planning for retirement while in active service. The problem is further compounded by the fact that post-retirement welfare of workers is not even a top priority of Nigerian government

Furthermore, workers themselves do not give early financial planning and management of post-retirement conditions significant priority. As a result of their unpreparedness many have faced lots of physical and mental disorder and some

exhibit inferiority complex (Ali 2014). Today, civil servants in both public and private sectors in Nigeria perceive retirement as most intractable problems (Abdullahi, 2002). Since the retired population are part of the society and considering the recent growth of population of the retirees, their welfare should constitute an issue of national importance and not to be treated as dead woods as is being done in Nigeria. Ali (2014) revealed that the need to cope with retirement life should be considered as a critical issue both by employers and employees, most especially where the retiree is a family-head. This is so because by circumstances of their position as family-head, they are more prone to face difficult situations in the context of the present depressed state of the Nigerian economy. Today that payment of pension is becoming disturbingly high, it has become necessary for employees to plan for their retirement early in their career because of sudden unexpected rationalization, high inflation rate, exchange rate volatility, mass unemployment and high economic uncertainties in order to avoid post-retirement years in poverty.

### **Problem of the Study**

The Nigerian society has been enmeshed with serial problem of lack of retiree's preparedness and lack of government support by way of encouraging the employees for better retirement life this has left the retirees to wangle in abject poverty.

To this end the paper attempt to address the relevance of pre- retirement financial planning by civil servants, right from the

date of engagement into the public office having in mind that he will one day retire. Government on their own part should provide an enabling environment for employees to drive by way of welfare of its workforce both during their period of work and after their retirement.

### **Research Questions**

The study is guided by the following research questions:

1. What are the effects of inadequate financial planning by the employees on their post Retirement years?
2. What is the effect of lack of government encouragement to the serving civil servants On their retirement life?
3. What hinders some civil servants from making adequate pre-retirement financial planning?
4. What effect does poor government remuneration has on entrepreneurship planning by employees in Nigeria.?
5. Does the constitutional restrictions of employees to engage in business, affect the employees from engaging in pre-retirement entrepreneurship planning?

### **Objectives of the Study**

1. The study aims at finding appropriate measure through which employees can make Adequate financial planning for their retirement.
2. The study intends to uncover the implication of inadequate financial planning by employees for their retirement

3. The study intends to make suggestion to the government on her involvement in the Pre-retirement financial planning.
4. The study also intends to address and make suggestions on the government restrictions that hinders or scare employees from participating in active pre-entirement entrepreneurship planning.

### Statement of Hypotheses

Based on the research questions and objectives of the study, the following hypotheses are formulated and stated in null form as follows:

\ H<sub>01</sub>: Inadequate planning by the employees does not have any significant effect on their post retirement

H<sub>02</sub>: Lack of government involvement in the pre-retirement financialplanning does not have any effect on the retirees

H<sub>03</sub>: Government restrictions on employees' involvement in entrepreneurship does not affect the retirees financial planning for retirement.

### Significance of the Study

This study will empirically contribute to the existing literature and it will serve as a reference material for academician who will want to develop on this study.

The findings will be as a supporting document for serving public servants as well as the retirees to guide them on how to plan effectively and efficiently for their retirement.

The study and findings will also serve as a working document for the government to improve on their retirement policies.

## 2.0 LITERATURE REVIEW

### The Concept of Retirement

According to Buckley (1974) retirement is an inevitable stage of ageing where the individual gradually disengages from the main stream of active work, social work and is eventually replaced with younger ones. Also Cole (1997) see retirement as the time an employee reaches the end of his working life. Shea (1991) and Maisamari (2005) remarks that retirement is an aged long practice in both the private and public service. Many people especially those who never thought of retirement as a necessity often looked dejected frustrated and depressed when suddenly they found themselves retired.

The idea of retirement is of a recent origin, being introduced in the 19<sup>th</sup> and 20<sup>th</sup> centuries. The standard retirement age varies from country to countries but it is generally between 55 and 70 years. The restriction in the labour working age is to prevent an ageing labour force. Thus retirement is the act of an employee's official disengagement from a regular/permanent career job especially because the employee has reached a particular age. This will prevent an ageing labour force by allowing entrants of young- able-bodied labour for increasing efficiency.

In Nigeria, the statutory retirement age is dependent on the sector. For instance, it is sixty- five (65) years or thirty-five (35) years of active working service for staff of tertiary institutions other than professors. Those on the professorial cadre retire at the age of 70 in respective of years of service.

In the same vein, the non-professorial staff of tertiary institution retire at 65 irrespective of years of service. It is to be noted too that judges at the Court of Appeal and Supreme Court levels retire at 70 while those at the High Court level retire at 65. However, it's 60 years of age in other public service and private sector or 35 years of unbroken active service which ever come first (FRN,2004). However, the 35 years of active service is not applicable to workers in the private sector.

According to Oniye (2004), Whichever way retirement comes, it tends to emphasize separation from job with concern for the future. Retirement is indeed a period of withdrawal from active job of ones means of livelihood. Retirement is a fluid concept because it connotes different things and is fraught with different experiences for different people. We observe over time that retirement life is not a homogenous experience for everyone. While some individuals view it positively and anticipate it with nostalgia, others dread its eventuality with great anxiety.

### **Forms of Retirement**

Retirement can be of different forms. In Nigeria, three major forms of retirement are identified (Omoresemi,1987;Denga,1996; Nwajagu,2007; Okechukwu&Ugwu ,2011). They are voluntary retirement, compulsory retirement and mandatory retirement.

**Voluntary or self-retirement** -occurs when the individual decides to quit active service for personal reason(s) irrespective of age, experience, length of service or retirement

policies. This type of retirement depends more on the employee than the employer.

**Compulsory or forced retirement** is a situation in which the individual is forced or compelled to retire against the individual's expectation and when he is ill-prepared for it. It is usually viewed negatively in that it is unplanned. Okechukwu and Ugwu (2011) identified reasons for compulsory retirement to include inefficiency, old age, ill-health, indiscipline. This retirement is in the interest of the organization.

**Mandatory or statutory retirement** is the normal (or expected form) in the sense that the person involved has reached the statutory age of retirement as specified in the condition of service of the establishment. For instance, in Nigeria the age is specified for other civil servants while judges and lecturers retire at 65 years or when an individual has put in 35 years of service. In Nigeria, the current retirement is guided by the Federal Government Public Service Rule (2008) which state clearly that:

- (I). The compulsory retirement age for all grades in the civil service shall be 60 years or 35 years of pensionable service whichever is earlier.
- (ii). No officer shall be allowed to remain in service after attaining the retirement age of 60 years or 35 years of pensionable service whichever is earlier.
- (iii). The provision of (i) and (ii) of the rule is without prejudice to the prevailing requirements for judicial officers and academic staff of tertiary institutions of

learning who retreat 70 and 65 years respectively.

It should be noted that retirement period is another period of a new learning zone. Public servants should see retirement not as an end of one's world rather the beginning of a new (another) phase of life. Many public servants look forward to retirement but not all get there. Therefore Public servants retiring on ground of age should be celebrated and treated as war veterans by the society and government.

#### **Pension Benefits In Retirement**

Previously, low life expectancy and the absence of pension arrangements meant that most workers continued to work until death (Wikipedia,2011). In modern times, with improvement in life expectancy rate and available labour supply, most countries have involved systems that now define standard retirement age and provide pensions on retirement. According to Toye(2006), pension is simply the amount set aside either by an employer or an employee or both to ensure that at retirement there is something for employees to fall back on as a guaranteed income for them or for their dependants. Pension and gratuities are schemes which provide for the finances for the upkeep of the retired staff throughout the rest of their lives after work. In Nigeria payment of pension benefits to workers in the public service is the sole responsibility of the government. So, that at old age, a retiring worker will not be stranded financially. This practice assists the retirees to readjust properly to the society after leaving employment.

Balogun (2006) affirms that Nigeria had her first Pension Scheme in 1951. The colonial British administration established this by the instrument they called Pension Ordinance. The introduction of this Pension Scheme had a retroactive effective from 1<sup>st</sup> January, 1946 and applied only to United Kingdom officials posted to Nigeria. By implication, this pension scheme was not automatic to Nigerians. Since that time, Nigeria had had about eight(8) registered Pension Schemes that is characterised by outright corruption and embezzlement. The pensioners had to cry out loud in streets and mass media for a positive change (Obi,2002). Thereafter, The Pension Reform Act 2004 was enacted on 25<sup>th</sup> June,2004 and became effective on 1<sup>st</sup> July,2004 to redress the corruptible practices in the scheme and to assist the pensioners cope with the changing economic and political process in the country.

It may interest you to know that the introduction of the Contributory Pension Scheme (CPS) in Nigeria in 2004 has its origin from Chile and its Latin American neighbours that personalized pension to the contributor and managed by licensed private sector entities. So far, Nigeria is the first African country to introduce a variant of the Chilean system with flavours of African peculiarities (Musibau,2012). Under the new contributory system, the employees contribute a minimum of 7.5% of their basic salary, housing and transport allowances and 2.5% for the military. Employers shall contribute 7.2% in the case of the public sector and 12.5% in the case of the military. Similarly, employers

and employees in the private sector are expected to contribute a minimum of 7.5% each. One of the opportunities of the CPS is that participants are allowed to open individual Retirement Saving Account (RSA) where contributions are accumulated till retirement. The scheme also permits members to make voluntary contributions as additional percentage of their salaries into the individual capitalized account. The mandatory requirement that Pension Fund Administrators (PFAs) provide regular/periodic statement of account to RSAs holders ensures close monitoring of accounts which could also guarantee quick report of errors and prompt correction of such errors. Nigeria decided to adopt the Chilean version of CPS in order to cushion the heavy financial burden on the government in payment of previous retirees' pension benefits. In order to facilitate this restructuring, the prevailing Contributory Pension Reform Act 2004 has a central regulatory body, called Pension Commission (PENCOM) to oversee all pension matters nationwide. Fapohunda (2013) observed that despite several moderation of pension schemes, the management of pension scheme in Nigeria over the years has been characterized by multiple and diverse problems such as inadequate funding, poor documentation and filing in the pension office, accumulated arrears of pensioners, inability to determine the appropriate investment portfolio, lack of accountability, corruption and embezzlement of funds among others. It is noted that some states in the country are yet to join the on-going Contributory Pension Scheme (CPS). Reports emanating from

the Pension industry in Nigeria revealed that 28 out of the 36 states are yet to subscribe to the CPS, a decade after introduction, even though it is mandatory for all employers of labour on formal platform (Vanguard,2014). This suggest lack of confidence on the part of employees arising from failures of previous similar government policies. Added to this is the fear of continuity and sustainability by successive governments since new government in Nigeria have been known to jettison previous programmed midway to start another similar one.

#### **Financial Planning for Retirement: A Psychosocial Perspective**

From a societal standpoint, population aging in the developed countries has intensified pressure on public pension systems ([Annink et al., 2016](#)). It is crystalclear that society will not be able to guarantee quality of life in retirement unless people save on their own behalf including private (i.e., corporate) pensions leading governments to adopt increasingly active policies designed to involve citizens in Financial Planning for Retirement. Financial planning for retirement consists of the series of activities involved in the accumulation of wealth to cover needs in the post-retirement stage of life. It is necessary because of the high, mid- and long-term, negative impact of poor planning ([Choi and Jang, 2016](#); [Ekici&Koydemir, 2016](#)). At the same time, this activity is complex for several reasons. Firstly, most people do not possess the necessary knowledge to make optimal savings and investment decisions.

Secondly, individual planning is subject to many factors, such as income, professional career, or health, which, moreover, interact with each other. Thirdly, people may experience anxiety and develop negative attitudes toward contemplating the latter stages of life and planning, ultimately avoiding financial planning for retirement. FPR was initially treated as a matter exclusively for economists, accountants and financial advisors. More recently, economists have found “a set of coherent explanatory constructs” useful to understand economic behavior ([García-Gallego et al., 2017](#), p. 848) in psychological concepts. At the same time, in psychology, the importance of finances in retirement was admitted ([Topa et al., 2011](#)). Academics have progressively incorporated variables from other disciplines in their empirical studies, accumulating evidence for integrated models of retirement planning ([Wong & Earl, 2009](#); [Wang & Shultz, 2010](#)). A wide range of personal resources has been explored as relevant predictor of successful adjustment to retirement ([Leung & Earl, 2012](#)). Despite this, empirical research on FPR has increased either without a theoretical model or with more general models, like the Theory of Reasoned Action.

In 2013, Hershey, Jacobs-Lawson, and Austin proposed a conceptual framework called the “Capacity-Willingness-Opportunity Model” to understand FPR. This model is promising for three reasons. It is specific, because it is designed to explain FPR. It is broad because it includes three dimensions with different types of

variables. And it is procedural because it incorporates a temporal dimension, analysing age and stage, and their interaction with the other facets of the model. As previous research suggested, different patterns of change should be considered when examining retirement outcomes ([Wang, 2007](#)).

Three dimensions—capacity, willingness and opportunity to plan for retirement—were proposed by Hershey and his colleagues in their model. Capacity refers to the cognitive factors and skills required to plan and save for retirement, distinguishing one person from the next. Among others, one's knowledge, skills, fluid, and crystallized intelligence, and psychological biases would likely influence the ability to plan and save ([Resende & Zeidan, 2015](#)). Meanwhile, willingness consists of the motivational variables that drive planning activities and saving. Hence, this dimension includes the motivational forces and the attitudinal and emotional factors that determine the likelihood that a given individual will begin planning and will sustain the activity over time. These factors are, among others, clarity and nature of one's financial goals, retirement-related fear and anxiety, perceived social norms, and self-image could be linked to the tendency to plan and save. Finally, the opportunity dimension acknowledges the existence of certain external influences, including environmental facilitators and constraints that affect effective financial tasking. Among others, the availability of voluntary retirement saving programs, tax incentives for saving, and financial

advisors in the proximal environment would be associated with the tendency to plan and save.

Taken as a whole, the model is procedural. This means that the model holds a main assumption related to the continuity and strengthening of FPR during the course of adulthood. This turns our attention to the role of age in Hershey's model, which is somewhat complex. On the one hand, the continuity assumption implies that a stable pattern of entrenchment of capacity, willingness, and opportunities to plan and save could be expected.

It becomes a habit. Development of the value of FRP, like saving in general, is in part based on a person's ability to delay gratification for a long-term goal or dream. On the other hand, this pattern of continuity is not immutable. At least three types of influences could lead to changes in FPR: normative age-related influences, normative history-related influences, and non-normative life events. Based on normative age-related influences, workers around 55 years old become more interested in financial planning than younger workers. In Europe, history-related influences could be exemplified by the pension system reform, which increased the population's awareness of the sustainability of future pensions. Finally, non-normative life events, such as major health problems, could interfere with FPR. Elimination of mandatory retirement age in various countries has changed a key benchmark of retirement. The development of a portfolio of part-time jobs and choosing which jobs need to be financially compensated opens

new possibilities to reframe the concept of retirement. With lengthening of the years of quality and active living, people are searching for meaning and purpose beyond subsistence in the latter stages of life.

The empirical evidence supporting this model still is fragmentary and insufficient. Despite the fact that there is more than a decade's worth of empirical works that have examined partial aspects of the model (., [Hershey et al., 1998, 2007](#); [Hershey & Mowen, 2000](#)), there are no works that test the complete model. Emerging investigations in this regard have begun to appear ([Jiménez et al., in press](#)) but they can be clearly improved in design and data collection procedures ([Topa et al., 2017b](#)). The evolution of one's life can be interpreted through the intentionality shown about adaptation, learning, and change. This is explained in Intentional Change Theory (ICT; [Boyatzis, 2008](#)). In this theory and the longitudinal research over the last 50 years about it and its components, explains that the first key discovery on the path to sustained, desired change is articulating a personal vision, or dream. This is not a set of goals, but something bigger and with a longer term framework. It is developed from the question, "If your life were perfect 10–15 years from now, what would your life and work be?" In contrast to goals or elements others have told you should be part of your future, your personal dream invokes neutral networks, hormonal systems and psychological states that open the person to new ideas ([Boyatzis et al., 2015](#)). Other key elements in ICT are the resonant, trusting relationships that enable a person

to explore and refresh in an interactive manner their dream and progress toward it. The role of such coaches or trusted advisors are another element key to a person developing a desired image of the latter stages of life and/or retirement, and an appropriate financial retirement plan.

#### THEORETICAL FRAMEWORK

Theories that are relevant to the subject matter of the study. A framework that guided the study was located in these theories. The theories explain the socio-economic adjustment strategies employed by people in their bid to adjust to socio-economic changes in people's lives and society. These theories are:

- i. Activity theory
- ii. Conservation of resources theory
- iii. Multiple modes of livelihood approach

The three theories approach the issue of human existence and socio-economic well-being from a drive tailored towards active involvement in economically sustainable pursuits.

#### **Activity theory**

Activity theory was propounded by Robert Havighurst in 1961 in reaction to disengagement theory. This theory stands on the premise that elderly individuals experience utmost happiness when they actively engage in meaningful social interaction and activities. In this way, older people remain active members of society as they age gracefully. According to Vicky (2015), elderly people could engage in either scholarly or physical activities, as long as they are kept active as they get older. Activity theory focuses on the social

life of older people, without emphasis on economic gains as a goal. It aims at keeping people agile, healthy and with a satisfying self-image in their later lives. The theory encourages older people to afford themselves the opportunity of locating alternative roles they could utilize to remain agile social beings, both for their benefit and that of the entire society.

It is not surprising, for instance, to see a retired teacher taking up a new job in a private school as school administrator or head teacher. It is common in Nigeria to see a retired lecturer taking up appointment as a teacher in a private university. A retired banker could work as a consultant to a firm. Some other retired individuals take to private activities like operating a poultry or fishery farm, running laundry services, petty trading among others. Some get involved in charity organizations. Activities such as voluntary services in community-based projects and involvement in religious activities are also encouraged among old folks (Ali, 2014; Garba & Mamman, 2014). Before the Nigerian Civil Defense Corps became fully institutionalized as a security agency of the state, some retired men joined their service as volunteers to stay active. Rather than retiring to fate, waiting for death, the involvement of elderly people in active lifestyle after retirement could also help to prolong their lives and produce satisfaction with and in life. The purpose may be divergent from earning income, but also to help them remain active participants in the society. Such active lifestyle has a positive relationship with fulfillment in and satisfaction with old age.

This would serve to get them integrated in social activities as they experienced them in their middle ages.

Activity theory has been criticized, however, for neglecting the aspects of differential health and socio-economic status among elderly individuals, which could curtail active living if negatively predisposed to. Also, the adoption of a single variable like activity or disengagement in addressing issue of stress was criticized for simplicity. This notwithstanding, it has been observed that older people who are actively involved in social activities tend to be happier and healthier (Ali, 2014; Moody & Sasser, 2012; Oniye, 2015).

This theory is in agreement with the argument put forward by Moody and Sasser (2012) that retirement should not be abrupt. Rather, room should be given to elderly ones who desire to work longer than usual. Akpanmkpuk (2011) maintains that retirees must be engaged in activities that could keep them fit and healthy. Quadagno (2005) advocates phased or bridged retirement so as to eliminate the feeling of hopelessness. She also argues for labour participation of retirees either in the form of re-entrance into the labour market or community services through voluntary services. Although some of the scholars who argued for the participation of older people in work activities did so for the economic undertone, such activities no doubt could help these people to remain active, relevant and satisfied as activity theory posits. None of the studies reviewed argued in favour of disengagement from

sociable lifestyles in later years. The health and social implications of total cessation of work and active living was particularly identified by Garba and Mamman (2014). They recommend that retirees should get involved in social activities like community services, religious groups, visiting friends, travelling and always be in high spirit. Ali (2014) also advises retirees to be active by engaging in choice vocations, cultivating habits that involve moderate exercising and work at moderate levels because of their age and in order to keep fit.

#### **Conservation of resources theory**

This model was developed by StevanHobfoll in 1989. The Conservation of Resources theory (COR) argues that human beings worry over factual and observed threats. Therefore, they work towards acquiring and retaining prized resources. These resources refer to anything people perceive as valuable.

They could be in the form of:

- **Objects:** - These include food, clothes, house, investments;
- **Conditions:** - Like employment status, reputation, good health, leadership position;
- **Personal Characteristics:** - These include self-confidence, self- esteem, skills; and
- **Energies:** - Which include money, acquired knowledge, and time.

The purpose for the acquisition and retention of these resources is to be able to counter threats, especially in the near future. Therefore, these resources serve as

leverage (Moss, 2008). These resources are valued as either avenues for gaining access to means of survival or they are in themselves the actual survival needs. Effort is intensified to protect the resources in hand while at the same time, seeking ways of acquiring more resources.

Alvaro, Lyons, Warner, Hobfoll, Martens and Labonte (2010) identified three themes in COR for the purpose of their study on health system change in areas with limited or inadequate resources. These themes are also relevant to this study. The first theme argues that resources are needed for adjusting to changes that occur in any system. For the purpose of this study, the resources available to each retiree, as highlighted above, determine the ease or otherwise of transition from work roles to retirement and old age status. Therefore, as a social group, retirees' socio-economic adjustment is directly proportional to the resources at their disposal based on the tenet of conservation of resources theory. This theory did not prioritise the resources in order of hierarchy.

The second theme posits that perceived threat to resource loss triggers protective actions in the direction of assets. Hobfoll (1989) argues that people experience stress when there is a perceived danger to resource or asset loss and when they actually experience resource loss. The fear brought by either of these scenarios prompts them into action to make effort at acquiring more and strive to maintain resources, thereby shielding their resources from potential and actual loss. This premise is in line with advocacy for

pre-retirement and post-retirement planning and education. To eliminate potential or actual loss of economics (embedded in objects and energy resources), retirees have been advised to save as much as possible and invest in certain income-generating assets while in service (Beehr, & Adams, 2003; Adewuyi, 2008; Akinade, 2011; Ali, 2014; Akpanmkpuk, 2011; Garba&Mamman, 2014; Quadagno, 2005). Also, to guard against loss of personal characteristics and conditions resources, retirees have been counseled in addition to financial planning, to imbibe healthy habits like moderate regular exercise and eat balanced diet (Ali, 2014). They should keep their spirit high at all times, join religious and social groups in their communities (Garba&Mamman, 2014) and carry out routine medical check-ups (Ali, 2014). The possibility of opting for phased or bridged retirement and extending their service by remaining in paid employment beyond the normative retirement age, where it is allowed, could also be harnessed (Moody & Sasser, 2012; Quadagno, 2005).

Furthermore, people who have access to limited resources are also susceptible to losses and often find it difficult to expand their resources. They therefore work towards conserving the resources accrued to them rather than taking risks that could drain the little they have. Studies have shown that women are less financially buoyant due to income disparity between them and the male folks. It has also been established that they rather save for investment in their children (long-term investment) whom they perceive as their

future assets (Fapohunda, 2015; Miller, 2016). Little wonder that they do everything at their disposal to see to the upbringing and welfare of their children. Actions taken by women in this regard include quitting paid jobs to rear children and taking up part-time employment to be able to have time for their maternal roles. Fapohunda's (2015) study shows that many women rely on their children for old age care and welfare. In the same vein, many of them have their care-giving ambition of tending their grandchildren at old age. So, their resources are conserved primarily to taking care of their children, who in addition to the anticipated grandchildren, are seen as their ultimate resources that must be protected and guarded against loss. Women are risk-averse to any venture that fails to guarantee the preservation of this particular object resource.

The last theme argues that resources need be heightened and boosted for adaptation. Hobfoll (1989) argues that the loss or possibility of loss is stressful to human beings. Howbeit, Bakker and Demerouti (2007) add that the loss of a resource leads to more stress than the attainment of resources produces positive feelings. In other words, people fear loss more than they admire gain. The fear of loss spurs people to act to avert it than potential gain causes them to pursue accordingly (Alvero, Lyons, Warner, Hobfoll, Martens, & Labonte, 2010; Bakker & Demerouti, 2007; Farinella, 2012; Moss, 2008). Boyce, Wood, Banks, Clark & Brown (2014) sought to test the validity of Hobfoll's assertion on level of sensitivity to gain and loss, the result shows that income

gain attracts minimal improvement in psychological disorder. However, a unit decrease in earnings shows a substantial rise in psychological disorder. To this end, Hobfoll's conservation of resources theory's position that there is need to invest resources in order to gain more resources and eliminate potential and real loss of assets is infallible. This step is more critical to individuals who are challenged in terms of access to resources and consequently, vulnerable to its loss. Sadly, people in such category as argued by Hobfoll, (2010) are often afraid to risk the resources they have to gain more. By making use of the resources at their disposal and those available within their environment, people would be able to make up for certain lack of resources being experienced (Alvaro *et al.*, 2010).

In application, this is what retirement planning advocates. It anchors on the need for workers to invest part of their income in preparation for the years when work would have ceased and decrease in income becomes inevitable. Akpanmkpuk (2011) asserts that waiting till retirement before investing in gainful ventures would definitely be too late. There is need for other stable means of income before an employee retires. The proceeds or gains from such investment would stand to replace the loss of income. In this way, imminent loss that is usually negatively weighty on people's psychosocial well-being would be averted (Bakker & Demerouti, 2007; Beedie, 2015; Miller, 2016). This theory, however, did not give explanation to the attitude of amassing wealth at the detriment of other people or

employees, which is usually seen in the activities of employers of labour in a country like Nigeria.

### **Multiple modes of livelihood approach**

Multiple modes of livelihood (MML) as put forward by Abdul Raufu Mustapha in 1991, is the third approach to explaining the nature of adaptability employed by Nigerians. Chambers and Conway (1992) conceptualized multiple modes of livelihood in the following way:

A livelihood comprises the capabilities, assets, (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the long and short term (in Carney, Drinkwater, Rusinow, Neefjes, Wanmali & Singh, 1999, p. 4)

From the above definition, livelihood is a coping strategy employed by individuals, a group or society to eliminate or alleviate stress. According to Mustapha (1991), multiple modes of livelihood refer to means households devise for the purpose of survival during periods of economic insufficiency, pressure and hardship. They are means employed by people to gain additional earnings through additional jobs or other ventures.

The basic tenets of this approach are:

- i. Means of generating additional earnings to augment inadequate income;

- ii. Multiple modes may not all be legal; they could include criminal and quasi-illegal practices. Examples include, prostitution, drug trafficking, smuggling of goods, avoidance of taxation by business owners among others;
- iii. Pervasiveness of technological changes and economic crunch around the world have intensified the need for multiple modes of earning as people struggle for relevance and survival; and
- iv. In the Nigerian context, multiple modes of earning for sustenance go beyond individuals and societies. Corporate organizations have imbibed the culture of seeking out other means of generating funds for continuous existence. For example, many corporate organisations in Nigeria do launch different kinds of products, go into farming and other areas to either boost their customer base or increase earnings.

The approach argues that the factors that triggered the adoption of multiple modes of livelihood in Nigeria are the rate of unemployment and inflation, which Mustapha insists are the by-products of the Structural Adjustment Programme (SAP) of 1989. He, nevertheless, agrees that this approach has always been in the nation's economic system but the intensity was aggravated by the introduction of SAP. He further argues that the country is yet to recover from it after three decades.

According to Owusu (2001), salaries (and

by extension, pensions) are grossly inadequate to offset people's bills due to inflation. In the implementation of this model, every avenue available to individuals and groups is harnessed to gain more earnings. Nevertheless the dynamics of execution differ across location, social class/status (i.e professionals, working class and artisans, youths and others) and economic impetus. For instance, professionals have better access to economic and political resources (i.e. objects, conditions, personal characteristics, and energies resources). The availability of resources dictates modes of earnings the social classes engage in. For example, modes adopted by most of the working-class individuals and artisans are labour intensive due to limited access to resources. More importantly, intention for the adoption of multiple modes of earning for living by these classes of people differs. For the professionals, the aim is to accumulate more resources, improve on the existing ones or at the worst maintain their status quo, while for the working class and artisans; survival is the target (Mustapha, 1991; Owusu, 2001).

By application, multiple modes of livelihood approach helps to explain the concerns of workers in relation to the economy as they envisage their retirement. The necessity of planning adequately for the rainy days through the utilization of different and multiple means of increasing one's income for the purpose of post-retirement and old age survival is captured by this approach. It helps to explain why many retirees are involved in different income generating ventures at the same

time. Adewuyi (2002); Akpanmkpuk (2011); Goodman (2013); Madu (2014); Nweke (2015); Okonkwo and Nwosu (2015) and many other Nigerian scholars have studied the effects of the prevalent economic repression and have advocated the adoption of multiple modes of earning a living for retirees. Some of the opportunities available to retirees for added income include farming (for example, food crops, fishery, poultry, goat farming among others), establishment of schools, vocational training centers supporting sewing, knitting, baking, events planning and more, consultancy services, investment in landed property, opening supermarkets, laundry services, and others.

Retirees and civil servants in Nigeria engage in two or more of these modes. For example, in rural and some urban areas, civil servants engage in food crops farming either for consumption or commercial purposes. Akpanmkpuk (2011) maintains that retired individuals could take to farming in livestock and food crops and still have a retail shop. Quadagno (2005) explains that since the elimination of the earning test for social security recipients in the United States, retirees and elderly persons could earn their social security benefits and at the same time, engage in some other jobs to earn more. These propositions and evidences support the premise on which multiple modes of livelihood stands.

Nonetheless, this approach has been queried for neglecting the important position of power and politics and for not

relating livelihoods to leadership in the context of development (Scoones, 2009). It has also been criticized for being a short run solution to environmental forces. It lacks attention on long term environmental issues like climate change that is becoming particularly worrisome in Africa, the main base of the adoption of multiple approaches to earning a living. These criticisms notwithstanding, the model helps to explain the contemporary modes of survival in Africa as a whole. Scoones (2009) also counters the criticisms on the ground that multiple modes of livelihood theory is essentially propounded to address micro-economic condition as it is today especially in Africa. Other theories would be needed to tackle macro-economic shortfalls as identified by critics, he asserts.

### **Points of Congruence among the Theories**

As earlier pointed out, the three theories: activity, conservation of resource, and multiple modes of livelihood outline actions (activities) carried out by people under certain socio-economic circumstances. They are all action-based theories. They are in total dissonance with disengagement under the guise of retirement and in the face of imminent economic and social crises. They all spur people to action under changes that seem worrisome. Therefore, the three theories are activity theories.

### **Brief Review of Empirical Studies on Related Topics**

Different scholars have formed their opinion on financial planning for retirement. A similar study was conducted in Zambia, Robinson&Chisa,(2016).it

reveals a lack of preparedness as well as lack of entrepreneurial knowledge and poor planning for retirement life among retired teachers

Ali (2014) conducted a research on managing post retirement in Nigeria and concluded that retirement is a sine qua non in the life of every public officer. Therefore, necessity rests on every employee to begin to consider the passionately since life at retirement can be blissful or painful depending on the level of preparedness and planning.

In USA, Toba, Gregg&Boyatzis (2018). Financial planning for retirement: A psychosocial perspective. Concludes that coaching people to their personal vision would help create a hopeful financial planning for retirement as well as voluntary participation in training programs, which in the long-term guarantee updated skills for older workers, Sousa-Ribeiro et al (2017) In Malaysia& Folk(2012) Influence of financial education on retirement preparation. The study reveals some demographic characteristics as significantly related with various personal financial well-being measures. In addition it also shows close relationships between respondents' financial preparedness (both calculated and perceived) and their age, education level, and investing habits.

### **METHODOLOGY**

The study adopted survey design to determine the effect of known financial planning for retirement on life of the retirees in Nigeria, with particular emphasis to the ministries and parastatals

of the plateau state government. The sampling was randomly conducted based on the number of questionnaires distributed to the retirees and those near retirement in the ministries and parastatals of plateau state government.

**Analysis method**

For the purpose of this research, inferential statistics was used to analyse the data collected. Regression model was used to test the hypotheses formulated. The statistical programme for social sciences (SPSS Version 25) was used to capture data and analysis of responses.

**The formula for regression model.**

$$\text{post-retir} = \alpha + \beta_0 (\text{Inadq-Plan}) + e. \dots 1$$

$$\text{Ret} = \alpha + \beta (\text{Gov-Invl}) + e. \dots 2$$

$$\text{Ret-Plan} = \alpha + \beta (\text{Gov-Rest}) + e. \dots 3$$

Where:

Post-Retir = Post retirement

Ret = Retirees

Inadeq-plan = Inadequate planning

Gov-Invl = Lack of government involvement in the pre-retirement planning

Gov-Rest = Government restrictions on employees' involvement

$\alpha$  = Intercept

$\beta$  = Beta

e = Error term

Decision criterion is to accept  $H_0$ : if p value is greater than 0.05 level of significance.

**4.0 DATA PRESENTATION AND ANALYSIS**

**4.1 Data Presentation**

Out of 541 copies of questionnaire distributed to various respondents in the sample ministries and parastatals, 513 were responded to and retrieved while 28 were not responded to and therefore not retrieved.

**Distribution of questionnaires**

Ministry of works	84	75	9	84
Ministry of information	17	17	-	17
Ministry of commerce	15	13	2	15
Ministry of Health	24	20	4	24
Ministry of finance	23	23	-	23
Ministry of Agriculture	33	30	3	33
Ministry of Education	32	31	1	32
Ministry of Justice	17	17	-	17
Hospital management Board	64	55	9	64
	<b>309</b>	<b>281</b>	<b>28</b>	<b>309</b>

Sources: Plateau State Statistical Agency

**4.2 Data Analysis and Discussion of Findings**

**Hypothesis One**

$H_{01}$ : Inadequate financial planning by the employees does not have any significant effect on their post retirement.

**Table 1 Model Summary for Hypothesis One**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.721a	.677	.525	85474154.54	2.51

a. Predictors: (Constant), Inadequate financial planning

b. Dependent Variable: post-retirement

Source: SPSS version 25 output.

**Table 5 Coefficients for Hypothesis One**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	541416329	41023109		2.210	.001
Inadequate planning	4.141	3.210	.671	3.21	.009

a. Dependent Variable: post-retirement

Source: SPSS version 25 output.

### Interpretation of Hypothesis One Analysis

R Square explain the relationship between variable. As shown in the model summary, the relationship between Inadequate financial planning and Post retirement is about 67%. R being the determinant of correlation explains the extent to which the independent variable could explain the dependent variable. R square as shown in model summary is about 72%, this implies that the independent variables can predict or determine dependent variables up to 72%. This simply means that the ability of planning to determine Post retirement life style is about 72%.

This study revealed that a unit change in financial planning account for about 4.14-unit change in Post retirements life style. This study revealed that Inadequate financial planning has a significantly effect on Post retirement.

#### Decision

Since p value ( $0.009 < 0.05$ ), we hereby reject the null hypothesis and conclude that Inadequate financial planning significantly affects Post retirement.

#### Hypothesis Two

$H_{02}$ : Lack of government involvement in the pre-retirement financial planning does not have any effect on the retirees

**Table 6 Model Summary for Hypothesis Two**

Model	R	R Square	Adjusted R Square	Std. Error	Durbin-Watson
1	.518a	.471	.495	774144.5414	1.51

a. Predictors: (Constant), Government involvement in the pre-retirement planning

b. Dependent Variable: retirees

Source: SPSS version 25 output.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)					
Lack of government involvement in the pre-retirement planning	641416329 4.211	41003109 67541411	.144	1.210 2.141	.011 .000

a. Dependent Variable: retiree

Source: SPSS version 25 output.

### Interpretation of Hypothesis Two Analysis

The relationship between Government involvement in the pre-retirement financial planning and Post retirement is about 47%. R being the determinant of correlation explains the extent to which the independent variable could explain the dependent variable. R square as shown in model summary is about 51%, this implies that the independent variables can predict or determine dependent variables up to 51%. This simply means that the ability of government involvement in the pre-retirement financial planning determine Post retirement is about 51%. In other word, lack of government involvement in the pre-retirement financial planning have any effect on the retirees

This study revealed that a unit change in

lack of government involvement in the pre-retirement financial planning account for about 3.14-unit change in Post retirements. This study revealed that lack of government involvement in the pre-retirement financial planning has a significantly effect on Post retirement.

### Decision

Since p value ( $0.001 < 0.05$ ), we hereby reject the null hypothesis and conclude that lack of government involvement in the pre-retirement financial planning significantly affect Post retirement.

### Hypothesis Three

$H_{03}$ : Government restrictions on employees' involvement in entrepreneurship does not affect the retirees financial planning for retirement.

**Table 8 Model Summary for Hypothesis Three**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.711a	.771	.525	14741100.54	2.01

b. Dependent Variable: retirees financial planning for retirement

Source: SPSS version 25 output.

**Table 9 Coefficients for Hypothesis Three**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	7.4116	14123109		1.210	.051
involvement in entrepreneurship	1.141	1.210	.171	2.21	.001

a. Dependent Variable: retirees financial planning for retirement

Source: SPSS version 25 output.

### Interpretation of Hypothesis Three Analysis

As shown in the model summary, the relationship between Government restrictions on employees' involvement in entrepreneurship and retirees financial planning for retirement is about 71%. R being the determinant of correlation explain the extent to which the independent variable could explain the dependent variable. R square as shown in model summary is about 77%. This simply means that the government restrictions on employees' involvement in entrepreneurship can determine retirees financial planning for retirement up to 77%. This study revealed that a unit change in Government restrictions on employees' involvement in entrepreneurship account for significant change in retirees planning for retirement. This study revealed that Government restrictions on employees' involvement in entrepreneurship has a significant effect on retiree financial planning for retirement.

### Decision

Since p value ( $0.001 < 0.05$ ), we hereby reject the null hypothesis and conclude that government restrictions on employees' involvement in entrepreneurship have significant effect on retirees financial planning for retirement.

### 5.0 CONCLUSION AND RECOMMENDATIONS

From the findings of the researchers investigations and the computational results it is obvious to drawing conclusion that Inadequate financial planning has a significantly effect on Post retirement as well as lack of government involvement in the pre-retirement financial planning has a significantly effect on Post retirement. and finally Government restrictions on employees' involvement in entrepreneurship has a significant effect on retiree financial planning for retirement.

Based on the research findings, the study recommends:

1. Financial Planning for retirement should commence on the date of

engagement into the Nigeria public service. pre-retirement entrepreneur capacity development should be highly encouraged in the public service government should prioritised area of specialty among employees.

ii. Government should set aside special fund for employees who are nearing retirement, to assist them in actualizing their business ideology with

interest free loan backed by special monitoring team of government.

Iii. Government should as well organise a training program for employees in the area of sustainable small-scale enterprises who have about 5 years before retirement.

Iv. Government restriction on employee's participation on business should be relaxed, especially employees who have 5 years before retirement.

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