SURVEY

ABDULRASAKI SAKA
Federal Polytechnic, offa
abdulrasaq_saka@yahoo.com

EDWIN ANISHA
Michael Imuodu National Institute for Labor Studies, Ilorin, Nigeria
edanisha@yahoo.com

ABSTRACT

The proportion of the Nigeria's population that is retired is large and growing, and the government face huge fiscal burdens because of promises it has made to provide income security (pension) to this set of people. Improving the adequacy and quality of pension is a priority for Nigerian government, because of the growing disenchantment by retirees over government delays to pay new improved pension schemes. The realization that effective policy and planning must take into account what pensioners want and are prepared to take is the impetus that the government is interested in meaningful life after retirement from public service. The paper aims at enriching our study course on planning for retirement, providing policy makers with reliable basis from the field that are useful for executive decisions, and to enrich would be retirees on what many retirees are experiencing and going through, to plan and save well during work life and to prepare for challenges ahead. Infact, life in retirement is not rosy and cosy for majority as pensioners face difficulties in getting their pays, arrears for months accumulated, government reluctance to implement the 148% increase and several other problems. In protecting the old and promoting economic growth, Nigeria needs to consider comprehensive pension reforms. The research team used direct (contingent valuation) surveys and ML –Censored Normal (Tobit) methods to estimate the number of retirees' willingness to live meaningful life should the government pay them arrears and implement the increase package and other types of improvement. Clearly, the methodology produced some illuminating in sights into how to decide what level of service is appropriate for this segment of the society and how the improved services should be well implemented.

Keywords: retirees, income security, old age security system, gratuity and pension, puplic servant, retiree benefits, retiree's health and education.

1. INTRODUCTION

Populations are aging much faster in developing countries than they did in industrial countries, James E. (1995). Thus, Nigeria need to review and develop its old-age systems quickly and make them sufficiently resilient to withstand rapid demographic change.

Old-age security system affects the welfare of the old and they also affect the entire economy by influencing productivity and the size of the GNP pie. Therefore, countries

should use two overarching criteria for old-age programs: they should protect the old and they should promote economic growth, according to James E. (1995). Existing programs in Nigeria fail both tests, yet she is starting new systems that are on the verge of making the same mistakes.

Formal systems of old-age security in Nigeria is publicly managed, pay pensions are negatively related to the worker's earnings, and are financed by payroll taxes on a pay-as-you go basis-meaning that today's workers are taxed to pay the pensions of those who have already retired.

Retirement is a condition of a formal disengagement from an employment, usually full time employment. Retirement may be voluntary or non-voluntary. In more technical terms retirement qualify the individuals involved for certain benefits.

For the purpose of field survey, the term retirees would refer to people with planned retirement having satisfied the rules and regulation concerning gratuity and pension, i.e. those who had attained the compulsory age for retirement from service (65% years of age or those who had spent 35 years in service) which ever one come first. The helping function of personnel management ought to be obvious at the end of the employment contract. The situation of retirees of the Nigerian Public Service presents a challenge to this concept of personnel function.

The issue is obviously not that of the complete absence of legislation. The pension Regulations Act of 1991 addresses the matter of retirement in the public service. The issue seems more to be that of inadequacy of legal provision and retirement plans as well as the inauspicious attitude of employers to the subject. While the review of the aspect of our labour law concerning pension is anticipated, there is an equal need for employers, in this case government, to show greater commitment to the principles of employee resourcing and helping services as part of an integrated approach to the personnel function.

Therefore, this study concerns itself with identifying conditions associated with life as a public service retiree in Nigeria. In other words, the study is interested in establishing the circumstances and experiences of men and women who having worked on full time basis as public servants are today spending their lives in retirement. And this is the problem of retirees in Nigeria.

The broad objective of this study becomes that of fashioning out the quantitative measurement of the macroeconomic conditions associated with retirement life in Nigeria.

The study's focus on public service is quite instructive: As a major employer of labour, employing about two-thirds of all wage earners in the modern sector (Aina, 1992; Damachi and Fashoyin, 1989). Government example in the public service will have a definite effect on general industrial relations practice in Nigeria. More than that, as the principal instrument for implementation of government policies and programmes, the role of the public service is critical in Nigeria's development effort.

On the strength of the above the reasonableness of the study's interest is an important aspect of the public service

working conditions and should be easily appreciated.

This paper is organized in 6 sections besides the introduction. Section 2 describes the research methodology. In section 3, we briefly review the literatures on life in retirement. Section 4 provides Data responses from field survey. Section 5 presents the research method which specify model of determination. Section 6 provides data analysis and interpretation of results. And we conclude with Section 7.

II. RESEARCH METHODOLOGY

Research Significance

The study is justified on the ground that social security schemes like pension plans round out a full personnel programme for employees. Current rationality dictates that social security for workers is more than a question of moral responsibility; it is a matter of workers' rights. An analysis of the conditions of the Nigeria public service retiree locates itself within the context of a broader analysis of the issue of worker's rights on the Nigeria employee relations scheme.

Research questions

The following research questions directed the pursuit of the research objective:

(a) what challenges are Nigerian public service retirees facing and how well are they tackling such problems?

(b) to what extent were such challenges anticipated?

(c) do retirees rely on their pensions alone to support their needs or do they have other sources of income?

(d) would retirees prefer to still be on full-time employment in public service?

Research Hypotheses

1. There is no significant difference in retirement benefits experienced by retired public servants in Kwara State on the basis of changes in values.

2. There is no significant difference in retirement benefits experienced by retired public servants in Kwara State on the basis of monetary reward.

3. There is no significant difference in retirement benefits experienced by retired public servants in Kwara State on the basis of social aspects of life.

Contribution to knowledge

The results of this study would very likely have profound significance for a number of institutions and individuals. For employers and managers of organization, the results of this study are likely to bring about a better understanding and appreciation of issue associated with social security for workers. The results of this research would most likely induce more effective pension plans. For personnel managers and practitioners, the results of this study would possibly lead to a reappraisal of their personnel functions with a view to more fully reflecting the helping function of human resource administration.

For policy formulators (government), the results of this research should serve some help in the process of revising labour laws particularly aspects dealing with pensions. Also, the results of this research would likely give insights to government as to how to effectively motivate public servants.

It is for the public service retirees themselves that this study is likely to have the most

profound significance. It is reckoned that the results of this study would draw attention to the challenges faced by retirees.

The results of this study are expected to provoke thoughts regarding areas such as delay in payments of gratuities, pension and sick retirees in a nation without sound health scheme for its citizens, for further research.

Scope and delimitation of the study
This research's interest covers the area of worker's retirement life and benefits. This involves determining the pattern of adjustment of life after full employment by individuals. The boundary of this research precludes the analysis of retirement preferences among persons still in full time employment. Importantly, this research effort restricts itself to the study of retirees of the public service.

The survey instruments made use of interview and questionnaires distributed to the target population. The understanding and cooperation of the target population and the interpretation of our questions to the few ones were particularly interesting. Still, it is a striking result.

III. LITERATURE REVIEW

A number of issues stand out from the review of relevant literature. First is the nature and position of the public service in Nigeria. Damachi and Fashoyin (1989) note that the public sector occupies a unique position in employment relations in Nigeria in two ways. It is the most dominant part of the modern sector with respect to paid employment engaging practically two-thirds of all wage earners. Again, it is the principal agency of government with respect to

government's position as sovereign authority and manager of the industrial relations system. This makes the public service a major player in the industrial relations field in Nigeria. Tokunbo (1990) observes that retirements have been responsible for a number of dislocations in the public service. He equally notes that the issue of welfare of public servants has been a recurring one.

Retirement poses a particular problem for those who have no outside interest to replace their work (Yodder and Staudoahr, 1982). The challenge of retirement appears to be especially enormous for the Nigerian Public Servant. Most commentaries about the experience of the public service retirees are uncomplimentary. The picture that is usually painted is that of unfulfiment. Even though 65 years of age (or 35 years of accumulated service regardless of age) is the statutory maximum retirement required in the public service, retirements in the public service have often bothered on exigencies and not just age (Tokunbo, (1990). Rationalization, for different reasons, has often brought about premature retirement. These entire combine to negatively impact on the disposition of the average public servant and wary toward retirement. Clearly, a good number of public servants are about the prospect of retirement. Olusakin (1999), notes that retirement involves a lot of changes in values, monetary involvements and social aspects of life.

Employee benefits and services are part of the reward which reinforces loyal service to the employer (Glueck, 1992). A number of benefits and services programmes come under the category of social securities; pay for time not worked, subsidized insurance

and subsidized retirement are good examples of this. Of the lot, retirement plans appear to be the least emphasized by employers. One explanation for this is the absence of conviction on the part of many employers and managers that retirement benefits directly impact on the effort of the worker. Indeed a good number of them may be more comfortable with looking at retirements from the angle of social responsibility rather than worker's motivation or satisfaction. Yet a major source of concern for workers is economic insecurity at old age (Ogunniyi, 1991).

According to James (1995), as the number of old people has been growing, systems of financial support for the old are in trouble worldwide. Both extended families and village support networks, on which two thirds of the world's old people depend exclusively, tend to break down under pressures of urbanization, industrialization, and increased mobility. When that has happened in the past, governments have stepped in.

As Ogunniyi (1991) notes, a major challenge for retirees is that of financial security. For the Nigerian retirees there are two major causes of economic insecurity: One comes from the changes and dislocations occasioned by the processes of industrialization and modernity. Usually adaptation is a slower process with older workers and retirees. Inflation is the second cause. As Yodder and Staudohar (1982) observe, inflation takes a heavy toll on people with fixed income like retirees. An immediate consequence is that retirement is seen among workers as an unpleasant experience. Whereas a favorable judgment of the economic expectation from retirement is inducing early retirement in many industrialized countries, the negative matrix of retirement for Nigerian Public servants brings about a situation where workers want to stay on even when they have reached retirement age. The implications of this are that additional pressure is put on the already tight labour market and the public service is denied the advantages of free movement of talent into the system.

Work and its correlates are marked features of modern society. They exert considerable influence on the lives of individuals as well as that of society. For this reason, in many societies more than a modest effort is made to organize and order the work process in such manner that the best of the human potential is obtained, and society advanced. In the modern economy where paid employment is dominant and employers are large organizations, this objective is furthered by effective employee relations. Although, there is a complex of reasons why organizations are set up and people seek employment; the economic imperative remains a fundamental one. In practice, the economic interest functions in a way that employers want the lowest possible employment cost required for getting and retaining an appropriate workforce. For employees, the economic interest operates in a manner that they desire the best possible condition of employment in addition to their job security and employment prospects. Therefore, the basic concern of employee relation is the interaction amongst the primary parties who pay for work and those who provide it in the labour market (Furnham, 1993).

There are two dimensions to the issue of pension benefits. A 1997 ILO publication stresses that under the conditions of low

pension and high inflation an increasingly large number of retirees will be forced to go back to work and those who have reached retirement age continue to work. The second is the preparedness of the public servant for retirement. For now, there is very little emphasis on the training of public servants for life in retirement. Counseling services to workers on how to approach retirement ought to be standard personnel function. The usefulness of counseling services is likely to depend upon whether such counsel has been willingly and usefully made available during the person's period of employment (Thomason, 1975). Counseling is most effective where it is offered as a part of normal career development rather than on an adhocs basis or in very traumatic circumstances like involuntary retirement.

James (1995) reports a recent World Bank study which concludes that both criteria would be better satisfied if governments used multiple instruments, or "pillars", for providing the three main functions of old-age-security programs – saving, redistribution, and insurance. A mandatory, but privately managed and fully funded, pillar would have the primary responsibility for handling saving; a publicly managed, tax financed pillar would have the primary goal of reducing poverty among the old; and voluntary saving-annuity plans would exist for people who want more protection.

Ogunniyi (1991) argues that pension plans in Nigeria are generally inadequate. He recommends a revision of Nigerian Labour laws especially aspects concerning pensions. Ogunniyi (1991) also notes the desperation and anxiety of workers concerning their future. He pointed out that it is not proper for employers to disregard the future of the

workers who have spent their whole life-time toiling for them. Yodder and Staudohar (1982) show that the Nigeria Public Servant is unlikely to be excited about retirement. For them even though retirement preferences differ among employees, the ravages of inflation have limited the options of older workers. A more likely preference for them would be to want to stay on the job even where they have reach retirement age.

Glueck (1992) suggests that the lack of enthusiasm among employers in the areas of pension plans is as a result of what they regard as the weak evidence that pensions have a direct effect on morale at workplace. He, however, admits that there is a strong chance that benefits would engender worker satisfaction. Dannelley (1987) posits that if benefits are to yield return to the employer and provide something positive to employees, they must be developed and used systematically. Too often, he says, the so-called fringes are improperly installed. This requires a lot of innovation on the part of employers and managers.

The other marked strand in the retirement discourse is the issue of counseling. Thomason (1975) argues that counseling services is a helping function of personnel. In other words, it is not a question of the discretion of the employer but rather employer obligation. As Glueck (1992) highlights the existing pension plans overtly emphasizes the issue of finance. He advocates a more comprehensive pre-retirement counseling curriculum to include sessions on developing a healthy retirement attitude, using leisure time in a productive manner, possible part-time or volunteer work, financial matters, and other

topics designed to ease the adjustment to retirement. Retirement plans also ought to emphasize feed back.

Donnelly (1987) notes that benefits and services are forms of supplementary rewards. They represent monetary and non-monetary payments above wage and salary. Luthan (198) observes that motivation is a basic psychological process, and that, few would deny that it is the most important process in the micro approach to organization. Farnham (1994) argues that retirement plans affect work place morale. Practically, every commission of inquiry into the affairs of Nigerian Public Corporations has expressed concern over the level of morale among public servants and the need for better treatment and welfare of employees (Tokunbo, 1990).

The picture easily discerned from the review of literature is that retirement life constitutes a major challenge for workers. In a real sense the challenge, too, is for employers.

IV. DATA RESPONSES FROM FIELD SURVEY

The states in Nigeria are divided into 36 states plus the Federal Capital Territory (FCT) - Abuja, administratively to bring government nearer to the people. Politically, Nigeria is divided into six geo-political zones – North West, North East, North Central, South – South, South East and South West. Kwara State which is one of the 36 states and a member of the North Central zones on which our investigation is based, has similar features with other states. The state has 16 Local Government Areas, LGA. The state has a population of 2.5 million people.

The study took place at Kwara State, representing the Nigerian population because it has similar characteristics with the rest 35 states and the Federal Capital Territory – Abuja. It also has the presence of nearly all the government establishments, government agencies, extra ministerial departments and other public sector establishments (more than 75% of the work force are in public service). The choice of Kwara State becomes suitable because the retirees are constituents of various people of indigenous Nigerians who had worked in various governments' establishments, and who now live in the State after retirement.

Age distribution of the country population for all age groups indicated as follows, 1 -14 years consisted more than two-fifth (41.2%) of the national population, followed by 15-29 years (24.5%), 30 – 44 years (19.2%), 45 – 59 years (10.2%) and 60 years plus (4.9%) …. (General Household Survey, 2000).

Sex disaggregation indicated as follows, for 0 -14 years males were 43.5% and female were 38.9%. For 15 -29 years there were 21.5% males and 27.6% females. Other age groups, were 30-44 years; males (17.3%) and females (21.0%); 60 years plus, males (6.0%) and females (3.8%).

The overall population figures for the country showed that males were (51.99%) and females (48.1%).

Kwara State on which we based our study is a representative of the population. Of the total number of public servants (950,250) in Nigeria, Kwara State has 17,000 public servants both Federal and State workers, an average size of 1.79%. Apart from the current staff strength of 17,000 of the state,

4,250 workers are already retired honorably and have been drawing pensions from both the Federal and State governments, but majority are drawing from the state government alone. Out of these 4,250 retirees, questionnaires were distributed to 800 of them, but only 500 retirees responded while another 500 retirees were also interviewed, and responses were quite encouraging. The main problems noticed was that they complained of poor take home income, lack of prompt payment, diversion of retirees stipend by the state government, arrears not paid or embezzled due to corruption, etc.

The questionnaire was distributed to all the 16 local Government Areas of the States. Out of 800 questionnaires distributed, we received 500 on which our study is based. The distribution to the final retirees points (all retirees usually converge at the end of each month at the pay-point for their stipends at the state headquarter Ilorin, so it was easy to distribute questionnaires across to them, after responding we collected from each of them). In the first step in the distribution system each retirees receives the questionnaire or the questionnaire is interpreted directly if the retirees is so old that he can not write from the authors. The questionnaires are then collected. The amount assigned to each L.G.A's is based on its operational targets and requirements. Our study area was thus covered.

V. MODEL OF DETERMINATION

It is usual to associate discussions regarding reward or pension system on the issue of life in retirement with specification tests for binary choice models. For example, Greene (2004), carried out specification Tests in a Labour Force Participation Model for a similar study.

This study similarly orients itself toward a ML-Censored Normal (Tobit) method based on the specification.

Earnings = f (Age, Gratuity, Education, Health, monthly pension and compares of public service life with life in retirement). Because of the recognition of the reality of needs among retirees, their emphasis on inducement schemes, and their usefulness in bringing about what we call pensioners with adult characteristics: independence, hope, longer, deeper and more consistent interest in long life.

The equation of interest below is an estimated earnings in retirement (which is a function of standard of living of life in retirement) for the sub sample of 1000 retirees who participated in the formal pension scheme market of Kwara State, Nigeria, taken from a full sample of 1,300 observations. The earnings equation is of the form

$$earnings = \alpha_0 + \alpha_1 education + \alpha_2 Gratuity + \alpha_3 health + \alpha_4 monthly\ pension + \alpha_5 Comparism\ of\ public\ service\ life\ with\ life\ in\ retirement + \varepsilon.$$

In estimation form, we have:

$$Ear = \alpha_0, \alpha_1 Edu + \alpha_2 Gra + \alpha_3 Hea + \alpha_4 Mop + \alpha_5 Cop + \varepsilon \qquad ...(1)$$
$$\alpha_1, , \alpha_3, \alpha_4 > 0\ \alpha_2, \alpha_5\ 0$$

$$Ear = \alpha_0 + \alpha_1 Edu + \alpha_2 Gra + \alpha_3 Hea + \alpha_4 Mop + \alpha_5 Cop + \varepsilon \qquad ... (2)$$
$$\alpha_1, \alpha_3\ and\ \alpha_5 > 0;\ \ \alpha_2\ and\ \alpha_4 < 0$$

Where Edu is education, Gra is gratuity, Hea is health, Mop is monthly pension, Cop is

comparism of Public Service life with life in retirement and ε is disturbance term.

VI. DATA ANALYSIS AND INTERPRETATION OF RESULTS

Table 1   Below demonstrates pensioner's

earnings and other important characteristics of the one thousand retirees that enable us to measure their welfare. These are the retirees who responded to the questionnaire and interview for the purpose of this research work.

Table 1

Pensioner's earnings of retiree

S/N	Earnings	Age	Gratuity	Education	Health	Monthly pension	Cop	Total
1.	71	34	80	20	14	15	15	249
2.	100	75	62	30	70	20	14	371
3.	65	51	30	24	20	90	100	380
Total	236	160	172	74	104	125	129	1000

Source: Author's Calculations based on survey.

Table 2

Earnings of retirees

S/N	Rating	No. Of Retirees	Amount Earned	Percentage
1.	High Salary	250	50,000 +	25%
2.	Moderate	100	20,000 – 50,000	10%
3.	Low	650	10,000 – 20,000	65%

Source: Author's Calculations based on survey.

Gratuity Type

S/N	Gratuity Yet to be paid	Year Gratuity was received	No. of Retirees	Frequency	Percentage
1.	128	Gratuity received immediately after retirement	280	420	32.11%
2.		Gratuity paid after 5 years	362	510	41.51%
3.		Gratuity received after 15 years	230	370	26.38%
TOTAL	128		872	1300	1000

Source: Author's Calculations based on Survey.

Education

S/N	Type	No. of Retirees	Frequency	Percentage
1.	PhD, M.Sc, M.A, B.Sc., HND	300	450	30%
2.	ND/High School	400	550	40%
3.	Primary School	300	450	30%

Source: Author's Calculations based on survey.

Health

S/N	Rating	No. of Retirees	Frequency	Percentage
1.	Free from serious Health Problem	140	200	14%
2.	Common health problem,	650	690	65%
3.	Terminal health problems	210	320	21%
Total			1000	1210	100%

Source: Author's Calculations based on Survey.

Monthly Pension

S/N	Rating	No. of Retirees	Frequency	Percentage
1.	Earn fat amount as pension	150	220	15%
2.	Low amount as pension	350	370	35%
3.	Very low amount as pension	500	550	50%
	Total	1000	1140	100%

Source: Author's Calculations based on Survey.

Comparism of Work life with Life in Retirement

Health

S/N	Rating	No. of Retirees	Frequency	Percentage
1.	Life after retirement is better	150	220	15%
2.	Ambiguous	50	23	5%
3.	Life after retirement is worst	800	779	80%
	TOTAL	1000	1022	100%

Source: Author's Calculations based on Survey.

The ML – Censored Normal (Tobit) dynamic equation (1) for retirees yielded the following results.

Eart = 2.5843 Edu + 0.8990 Grat+ 0.3924Heat +0.2538 Mopt+ 0.0618 Copt
(30.66798)   (12.95259)   (6.316226) (4238922) (1.087321)

R2 = 0. 78 SE = 0.88724
R-2 (Adjusted) = 0.76 DW = 1.54
Sample: 1   1000 SD dependent Var = 0.505858
Included observation: 1000
(ensuring (value) at zero)
Convergence achieved after 1 iterations.

Covariance matrix computed using second derivatives.

The Z – statistics are reported in parenthesis in the above results. We note from the estimated results that all the coefficients estimates of the explanatory variable are correctly sign. Although, there is no empirical evidence that suggest that Education, Gratuity, Monthly pension and comparism of public service life with life in retirement variables are to be positively related to earnings. But, there is strong evidence that health variable is positively related to earnings. In view of the fact that the equation of the model was estimated without constant, the

parameter estimates represent dynamic long run elasticities of the dependent variable with respect to explanatory variables. The parameter estimates shows that education (capturing higher earning and improve standard of living) exhibit more than a unitary elasticities (2.58). However, a change in any variable above produces a proportionate change in earning. In the case of monthly pension, it exhibits an inelastic response to earning. This could be trace to the (very low stipend paid as pension to retirees, reluctance of the decision makers to review pension upward, lack of adequate programmes that take good care of retirees, poor and inadequate strategy to improve and better the lots of pensioners and owing retirees monthly stipend and allowances for months, sometimes for years). Infact cases of retirees who dropped dead at pay points were reported by the interviewees. This is even more so because the government takes all the decisions (what to pay, how to pay, where to pay, and what time to pay). Where retirees play a minimal role.

The results have some links with literature findings since it indicate that retirement poses a particular problem for those who have no outside interest to replace their work (Yodder and Staudohar, 1982). This result is supported by Ogunniyi (1991) who notes that a major challenge for retirees is that of financial security. Yodder and Staudohar (1982) show that the Nigeria Public Servant is unlikely to be excited about retirement. For them even though retirement preferences differ among employees, the ravages of inflation have limited the options of older workers. A more likely preference for them would be to want to stay on the job even where they have reach retirement age.

The z-statistics of each variable is significant at 1% and 5% levels of significance. This is again reinforced by the F-values of 5% significance at the overall significant of all the variables. The DW of 1.54 show that there is some degree of positive spatial correlation. The R^2 and the adjusted R^2 shows that education, gratuity, health, monthly pension and comparism of public service life with life in retirement variables jointly explain 78% and 76% of variation in earning.

In view of the fact that we introduced constant in the equation of the model, and were estimated the parameter estimates capture static short run (public servant workers who are yet to retire) elasticities of the dependent variable with respect to the explanatory variables.

From the ML-censored Normal (Tobit), the estimated regression result with a constant function is as follows:

Eart = 3.8484+0.0360Edut - 0.1222Grat + 0.0074Heat +-0.03105 Mopt +0.05800 Copt
(3.54132) (-33.6879) (0.96237) (-3.22335) (22.92052)
$\overline{R}^2 = 0.89$ S.E. = 0.504594

$\overline{R}^2$ (Adjusted) = 0.88 Mean dependent Var = 3.79575

DW = 1.75
Sample: 1 1000
Included observation: 1000
Censuring value at zero

Convergence achieved after 1 iterations
Covariance matrix computed using first derivatives

The z – statistics, are reported in parenthesis below each variable. In the estimated equation with constant, the R^2 and adjusted ($\overline{R}^2$) are 89% and 88% respectively. This show the equation has a very good fit. The-values are all significant except health at 1% and 5% levels of significance, and reinforced by the F-statistic, that is significant at 5% level.

All the variables are correctly sign, thus satisfying our apriori expectation. Education, Health and comparism of public service life with life in retirement are positively related to Earning while Gratuity and monthly pension are negatively related to Earning.

DW = 1.75 $\overline{R}^2$ 2.0 shows that there is absence of autocorrelation in the estimates.

However, equation (2) with a constant is not steady state elasticity and less than the long run elasticities since they measure the impact of changes in the explanatory variable on the dependent variable without any adjustment.

Hypothesis one: There is no significant difference in retirement benefits experienced by retired public servants in Kwara State on the basis of education.

It is clear from equation 2 that it was estimated to examine the effects of education, gratuity, health, monthly pension and comparism of public service life with life in retirement on earnings. The estimation result revealed that earning is significantly determined by education, health, monthly pension and comparism of public service life with life in retirement. With respect to the direction of impact, education impact positively on earnings which confirms the theoretical expectations that education adds values to earnings. This, no doubt, supports the theoretical position of Olusakin (1999) that retirement involves a lot of changes in values. Therefore, the null hypothesis which states that there is no significant difference on the basis of respondents' education is rejected (because some few who are read to PhD level may engage in consultancy services). Thus, there is significant difference in the retirement benefits by retired public servants in Kwara State on the basis of their education.

Hypothesis two: There is no significant difference in retirement benefits experienced by retired public servants in Kwara State on the basis of health.

A close examination of Table two reveals that earnings depends on education, gratuity, health, monthly pension and comparism of public service life with life in retirement significantly. It can be seen that health is positive as expected, which confirm the statement that health is a potential source of good earnings. This shows that sound health when march with productivity portends higher income. Thus, this add to the theoretical opinion of Yodder and Staudoahr, (1982) who state that retirement poses a particular problem for those who have no outside interest to replace their work, particularly those who are consumed by ill-health. The null hypothesis which states that there is no significant difference on the basis of respondents' health is rejected. Hence, there is significant difference in the retirement benefits by retired public servants in Kwara State on the basis of their health.

Hypothesis three: There is no significant difference in retirement benefits experienced by retired public servants in Kwara State on the basis of monthly earnings. The estimation results of earnings equation shows that the movement in earning is determined by the monthly pension. With respect to the direction of impact, negative signs were anticipated for monthly pension, and we obtained the correct sign. The implication of this is that an increase in the level of inflation and non-payment of accumulated arrears, delay in monthly pension, cuts in monthly pension all consequently leads to lower earnings. This therefore means the hypothesis which states that there is no significant difference on the basis of respondent' monthly pension is rejected. That is, there is significant difference in the retirement benefits by retired public servants in Kwara State on the basis of monthly pension. A theoretical support is evidence in the position of (Glueck, 1992) who states that employee benefits and services are part of the reward which reinforces loyal service to the employer.

Retirement life should ideally be a successive stage in a worker's career development, which ought to elicit lively sentiments of fulfillment. But the study is to the contrary.

The environment is considered motivating where the following conditions are present: effects of education, gratuity, health, monthly pension and comparism of public service life with life in retirement on earnings are positive. The environment is considered demotivating where the aforementioned variables are neglected.

Applying this theory to the research study implies that a retirement plan considered as unimpressive (an unfavourable working condition) by workers is unlikely to motivate them. As such the feeling that life is meaningless in retirement might impact negatively on productivity, as this may in turn increase the corruption tendency of the army of the work force in a country noted for high level of corruption. And this view also supports the findings of Tokunbo (1990) and Glueck (1992) who express concern about low level of morale among Nigerian workers.

From the above equation (2), we observed that the net effect of the small value of constant portend that the public servant in service must prepare very well, as retirement life is not pleasant.

VII. CONCLUSION

From the data collected from field survey and analyzed using method of ML – censored Normal (Tobit), it can be concluded that life after retirement is something to worry about. Given the above analysis life after retirement is appalling. However, none of the variable that has been discussed can provide a full explanation by itself for declining condition during retirement life; even when combined, they can provide only a partial explanation. But, the trends are outward signs of an ever changing condition of life after retirement, where public servants in service today should not be surprised if their conditions change dramatically for worse just immediately after retirement. This is to say, in other words, that they should save against the raining day. The trends themselves are necessary

cause for concern because majority of retirees constitutes the poor segment of the society; however, a concomitant fall in the general welfare of the population would indicate that retirees somehow need to be compensated for the service they rendered to the society during active life.

REFERENCES

Aina, S. (1992). *Personnel Management in Nigeria*: A worked Centered Approach. Lagos: Communication.

Charemza, W.W. and Deadman, D.F. (1997): *New Directions in Econometric Practice*: General to Specific Modelling Cointeoration and Vector Autoregression (Sec. Edition). U.K. Edward Elgar Publishing Limited.

Damachi, U. and Fashoyin, T. (1989): Labour Relations in the Nigeria Civil Service in Current Issues in Labour Relations: An International perspective (ed.) Alan, Gi et al (IIra Publication) Berrlin: Walter de Gryter.

Donnelly, D. (1994): *Fundamentals of Management*. Illinois. BPA/TRWN.

Farnham, D. (1994): *Employee Relations*: London: IPM.

Fossum, J. (1982): *Labour Relations Development, Structure Process* Michigan, Business Publications.

Friedman, P. (2000): *GB – STAT Tutorial*. Computer Aided Statistics and Graphics Tutorial/ Manual U.S.A Dynamic Microsystems, Inc.

General Household Survey (2000): *National Report*. Lagos.

Greene, W.H. (2004): *Econometric Analysis*. Fifth Edition. Singapore. Pearson Education Pte Limited.

Glueck, W.(1992): *Personnel:* A Diagnostic Approach Business Pub. Inc.

ILO (1997): *Employment Policies and Programme in Central and Eastern Europe* (ed.) Godfrey M. and Richards, P. Geneva.

James E. (1995): Averting the Old-Age Crisis. Finance and Development. *A Quarterly Publication of the International Monetary Fund and the World Bank* Vol. 6 No. 3.

Johnston, J. and Dinardo, J. (1997). *Econometric Methods* (Fourth Edition) U.S.A. The McGraw-Hill Companies.

Luthan, F. (1985): *Organizational Behaviour*, New York McGraw – Hill.

Moddala, G.S. (2002) *Introduction to Econometrics* (Third Ed.) Singapore. John Wiley and Sons (Asia) Pte. Limited.

Nwachukwu, A. (1988): *Management Theory and Practice,* Onitsha: Africana – Feb.

Ogunniyi, O. (1991): *Nigerian Labour and Employment Law in perspective*. Lagos: Folio Pub.

Olusakin, A. M. (1999). Post-retirement life styles of some Nigerians and the counselling implication. *The counselor*, 17, 1.

Thomapson, G. (1975): *The Textbook of Personnel Management*, London: IPM.

Tokunbo, M. (1990): *Public Enterprise: The Nigerian Experience* Lagos: Lantern Books.

Uniamikogbo, S. and Anthony, E. (2001): The Impact of Monetary and Fiscal policies on Manufacturing Industry in Nigeria: A simultaneous Equation Model (1980-1997). *The Nigerian Economic and Financial* Review Vol. 6 Vol. 1.

Yodder, D. and Staudohar, P. (1982): *Personnel Management and Industrial Relations*. Englewood (Cliff Prentice-Hall).

Short Bio of Abdulrasaki Saka & Edwin Anisha

ABDULRASAKI SAKA has a bachelor and masters degrees in economics, from Ahmadu Bello University, Zaria, Nigeria university and university of Ilorin, Ilorin, Nigeria, respectively. He is currently pursuing a doctoral degree in economics at the university of Middlesex University, Britain. He has authored and co-authored many papers.

EDWIN ANISHA has a bachelor and masters degrees in sociology, from Bayero University, Kano, Nigeria university and university of Bayero University, Kano, Nigeria, respectively. He is currently pursuing a doctoral degree in Sociology at the University of Ibadan, Nigeria. He has authored and co-authored many papers.