

**STAKEHOLDERS' PERCEPTION OF THE ADEQUACY OF PENSION EARNINGS
AND TEACHERS' JOB COMMITMENT IN PUBLIC PRIMARY SCHOOL IN OYO
STATE**

Awobode, Oyelakin Lanre PHD, FCNA, FCTI, FCCSA, CCrFA

Managing Partner, Kingdom Dominion Multiventures Ltd, Ibadan

Adjunct Professor, Triune Biblical University, Global Extension, NY, USA

Tel: 08130899702

E-mail: lakinawobode@yahoo.co.uk

Abstract

Adequacy of pension earnings by the retirees has been the major concern of educational stakeholders especially the teachers. Studies have shown factors that could influence teachers' commitment like welfare package but none on adequacy of pension earnings. Hence this study examined the perceptions of prospective retiring primary school teachers and pension scheme administrators about the adequacy of pension earnings in Oyo state. The study also investigated the relationship between the perception of prospective retiring primary school teachers and their job commitment. The study adopted survey research design using mixed method (quantitative and qualitative). The population of the study consisted of all primary school teachers in Oyo State who will retire in the next five years (2018-2022) and all the pension scheme administrators in Oyo State. Two-stage sampling technique was used to select the sample for the study. Four (4) Local Government Areas (2 rural Areas and 2 urban Areas) were randomly selected from each of the 3 senatorial districts in Oyo State, while all the teachers who will retire from service in the next five years (2018 -2022) from all schools in each of the Local Government Area chosen was 1035, 10 pension scheme administrators were purposively selected with a total respondents of 1045. Three research questions raised to guide this study and a self-developed questionnaire tagged Adequacy of Pension Earnings and Teachers' Job Commitment Questionnaire (APETJCQ) and a Key Informant Interview schedule were used to generate data for the study. The key Informant Interview (KII) guide on adequacy of pension earning was designed for the pension scheme administrators to elicit information about the adequacy of pension earnings. The data collected were cleaned and analysed using descriptive statistics (frequency count and percentage). It was recommended that Local Government Staff Pension Board should be adequately funded to cater for ever-increasing demands of pension and gratuity of retiring teachers arising from increase in numbers of teachers that are going on retirement every year.

Keywords: Adequacy of Pension Earnings, Prospective retired teachers, pension scheme administrators, Teachers' Job Commitment

Word Counts: 321

Introduction

The success of any organisation in terms of achievement of organisational goals and objectives are largely dependent on employees' commitment to work. Commitment refers to the willingness and readiness of workers to put in their best in terms of energy, strength, knowledge, skills, emotion stability and time towards the effective performance of their duties which in turn engender improved organisational outcomes. Commitment is important in any organization because it has been linked to various significant outcomes, such as improved workers' behaviour (i.e. going beyond what is expected at work), decreased turnover intent and lower levels of absenteeism (Lambert, 2015 cited in Awobode, 2020). Ssali (2011) submitted that teachers' job commitment helps to realise the attainment of educational goals and that teachers if committed would dedicate all their effort on the job. That is to say, they would prepare, teach and assess students' works on time. Hence, teacher's commitment is an important factor in the education sector as it can affect the performance of students. It is pertinent to stress that the provision and utilization of high quality teachers will engender high quality of education. It is also important to underscore that teacher's commitment determines the level of their productivity and the quality of pupils they produce. Teachers need to be satisfied to enhance their commitment to work. However, experience has shown that where this is lacking, the educational system suffers. Studies and experience have shown that there has been perceived reduction in job commitment of teachers as well as clear feeling of disconnection from work. According to Agba, Ikoh, Ushie, and Agba (2008), teacher's commitment could be influenced by factors like characteristics of job situations, the work environment, leadership style and career development. They further reiterated that other factors that could influence teachers' commitment are whittling away of retirement benefits and inadequacy of pension earnings.

Literature Review

Adequacy of pension administration by the government has been the major concern of educational stakeholders especially the teachers. Moody and Sasser (2012) submitted that unlike workers in western nations who eagerly anticipate their retirement from paid employment, the average Nigerian civil servant looks forward to retirement with fear and a sense of uncertainty. While workers in western nations such as the United States have access to three sources of income

after quitting active service, retired civil servants in Nigeria have to struggle and suffer significantly before they could collect their meagre benefits. The plight of Nigerian pensioners has been a worry for many years now due to the inadequacy of the old pension scheme. No doubt, the old pension scheme was not adequately funded, leading to mounting pension liabilities that made the scheme unsustainable (Moody & Sasser, 2012). Also, it was largely unregulated. Therefore, the setbacks and flaws of the scheme led to the repeal of the 1979 Act and subsequent amendment of the Nigerian Social Trust Fund Act of 1993. Under the old pension scheme, the NPF was a creation of an Act of Parliament in 1961 to regulate private sector pension scheme in the country. It pooled monthly contributions from the basic salaries of workers and the employers. The NPF was later converted to a limited social insurance scheme in 1993 and administered by the NSITF.

The National Pension Commission then facilitated the transfer of ₦54.08bn outstanding from the old pension scheme from the defunct NSITF to Trust Fund Pension Plc. By the transfer, workers who had contributed to the NSITF under the old pension scheme will now be able to integrate their contributions under the old scheme with the present CPS. Governments all over the world get involved in pension matters in the form of laying down the legal framework, pension funds management and regulation of pension schemes. Due to the flaws experienced in pension administration in the past, the Pension Reform Act, 2014 was promulgated; it established a contributory pension scheme for the payment of retirement benefits of employees in the public and private sectors of the economy.

The Act is a major component for the general economic reform of the Federal Government, aimed at eliminating the trauma, pains, and deaths associated with past policies on pension schemes. The objectives of the Act, as stated in its Section 2, are to: ensure that every person who worked either in the public service of the federation, Federal Capital Territory (FCT) or the private sector receives his/her entitlements as at and when due; assist improvident individuals by ensuring that they save in order to care for their livelihood during old age, and establish a uniform set of rules, regulations and standards for administration and payment of retirement benefits for the public service of the federation, FCT and the private sector.

Ordinarily, a civil servant, either at the state, federal or local government level, is qualified to draw pension if he/she has put in, a minimum of 10 years in the service and the maximum of 35 years. A person is however not qualified to draw pension if he/she has not attained the age of 45 even if he/she has served for required qualified period of pension. The amount computed for such

beneficiary would wait until when the age of 45 is attained. Gratuity, on the other hand is the lump-sum amount of money paid to an employee of any of the three tiers of government on leaving the service, having served for a minimal period of five years. For gratuity, the lowest percentage of total emolument payable is 100 per cent, for a person that has put in a minimum period of five years.

Studies have revealed that despite the existing legal framework, the administration of pension and gratuity in Nigeria remains problematic for a number of reasons that could be best described as man-made (Uche in Awobode, 2020). To start with, some employees that work in government establishments that handle pension and gratuity matters have continued to be very fraudulent in their dealings. This, they do by inflating the pension payroll through the inclusion of fictitious, non-existent and/or ghost pensioners on the payroll. Through these means, monies meant for persons rightfully retired go into personal coffers. Stations swapping or pay points of retirees are also manipulated. For instance, a pensioner, whose pay point is in Kaduna, is intentionally indicated to be paid in either Lagos or Owerri and vice versa.

Invariably, when the pensioner in question is unable to trace his/her name at the supposed pay point, he/she gets frustrated, but unknown to him/her, these pension payments are claimed by other persons. Other mischievous acts include non-payment of dead pensioners' entitlements, falsification of the documents of retirees and wrongful computation of the total amount payable. It is extortion galore by faceless officials during the biometrics capture exercises. Due to the complete maladministration of pensions, the government's latest intervention through the Pension Reform Task Team (PRTT).- set up to bring sanity into the system and ensure that pensioners received their pensions as and when due appear to have been dashed – for allegedly engaging in fraudulent practices.

Apart from the reported problems of power tussle between the Office of the Head of the Civil Service of the Federation, the Task Team and the Police Pensions for control over these accounts, there have been allegations of the mismanagement of N45 billion at the Police Pensions Office and another 21 billion of police pensions by the chairman of the Task Team on Pensions, Alhaji Abdulrasheed Maina. One of the major problems of Pension Fund administration in Oyo State is the lack of budgetary provision for the would-be pensioners or retirees. In line with the statutory provision, it is normal that if a teacher has served for 35 years in service or attained the age of 60 years he/she is expected to retire. If the number of teachers retiring every year has been

taken into consideration with the amount they are likely to receive as pensions and gratuities and provisions made for them in the budget rather than the government just releasing a constant amount of money monthly which is not sufficient to cater for the amount needed, there would not have been problems of backlog of unpaid pensions and gratuities.

Based on the above discourse, it was discovered that most researchers investigated the perception of the public about the adequacy of pension earning while the perception of primary school teachers who will retire in the next 5 years about the adequacy of pension earning has not been examined. In addition, studies have shown that there is dearth of study that analysed the relationship between the perception of prospective retiring primary school teachers about adequacy of pension earning and their job commitment. Hence, this study examined the perceptions of prospective retiring primary school teachers and pension scheme administrators about the adequacy of pension earnings in Oyo state. The study also investigated the relationship between the perception of prospective retiring primary school teachers and their job commitment.

Research questions

Three research questions raised to guide this study were:

1. What is the perception of primary school teachers who will retire from service in the next 5 years (2018 – 2022) about the adequacy of the old pension earnings?
2. What is the perception of pension administrators about the adequacy of the old pension earnings?
3. What is the relationship between the perception of primary school teachers who will retire from service in the next 5 years (2018 – 2022) about adequacy of the old pension earnings and their job commitment?

Methodology

The study adopted survey research design using mixed method (quantitative and qualitative). The population of the study consisted of all the primary school teachers that will retire in the next five years in Oyo State. The population of the study consisted of all primary school teachers and all the pension scheme administrators in Oyo State. Two-stage sampling technique was used to select the sample for the study. The first stage involved the random selection of four

(4) Local Government Areas (2 rural Areas and 2 urban Areas) from each of the 3 senatorial districts in Oyo State, making a total of 12 Local Government Areas. The second stage involved the purposive selection of all the teachers who will retire from service in the next five years (2018 -2022) from all schools in each of the Local Government Area chosen which totaled 1035. Furthermore, 10 pension scheme administrators were purposively selected. The total number of respondents was 1045.

A self-developed questionnaire tagged Adequacy of Pension Earnings and Teachers’ Job Commitment Questionnaire (APETJQC) and a Key Informant Interview schedule were used to generate data for the study. The APETJQC consisted of three sections: Section A, B and C. Section A elicited information about the bio-data of the teachers, Section B elicited information on teachers’ job commitment while Section C generated information on adequacy of pension scheme

The key Informant Interview (KII) guide on adequacy of pension earning was designed for the pension scheme administrators to elicit information about the adequacy of pension earnings. The data collected were cleaned and analysed using descriptive statistics (frequency count and percentage).

Results and Discussion of Findings

Research question 1: What is the perception of primary school teachers who will retire from service in the next 5 years about the adequacy of the pension earnings?

Table 4.10(i): Perception of primary school teachers who will retire from service in the next 5 years about the adequacy of old pension earnings

SN	ITEMS	VTM	%	TM	%	RTM	%	NTM	%	Mean
1	I am happy with the salary structure employed by my employer	415	40.3	321	31.2	137	13.3	156	15.2	2.97
2	The salary I receive tallies with my qualification	592	57.5	173	16.8	136	13.2	128	12.4	3.19

3	My retirement benefits will take care of me after retirement	344	33.4	344	33.4	161	15.6	180	17.5	2.83
4	I get my salary on time	731	71.0	167	16.2	69	6.7	62	6.0	3.52
5	I receive a good salary	568	55.2	269	26.1	118	11.5	74	7.2	3.29
6	I am satisfied with the pension scheme employed by my employer because payment of pension is based upon a percentage of my earnings computed at an average over several years multiplied by the number of years I will serve my employer.	494	48.0	207	20.1	190	18.5	138	13.4	3.03
7	To me the compulsory retirement age for such workers was 60 years for both male and female workers is adequate	289	28.1	165	16.0	236	22.9	339	32.9	2.39

8	I am satisfied with the present pension system because it is only my employer that contributes to the scheme	417	40.5	331	32.2	148	14.4	133	12.9	3.00
9	To me the present pension scheme is adequate because I do not bear the burden of contributions.	498	48.4	236	22.9	185	18.0	110	10.7	3.09

Table 1 shows that if the ratings in VTM and TM of eight items are added together, they have higher percentages which range from 66.8% and 87.2%. It shows that majority of the primary school teachers agreed that all the items except item 7 were true of them. Any mean value equal or greater than 2.5 indicates that the respondents agreed with the statement on the item. The mean values therefore confirm that the percentages in the table as the mean-values are greater than 2.5 except in item 7.

Discussion

The result in Table 1 showed that majority of the primary school teachers agreed that all the items except item 7 were true of them. This implies that they agreed that the old pension scheme (Defined Benefit Scheme) adopted by Oyo State government was adequate. This finding disagrees with that of Nweke (2015) who found that majority of the retirees in his study confirmed that non-contributory pension scheme was inadequate in meeting their welfare needs (which include accommodation, health services, education for children, balanced diet) in Ebonyi State and Nweke (2015) who stated that due to lean resources of retirees, they most often may not have the opportunity of having good accommodation. On the contrary, the result is in tandem with the observation of Nweke (2015) that some retirees in his study indicated that their pensions were

adequate in providing them access to minimum health services, basic food for their household, clothes for their household and education for their children. To buttress the assertion of the primary school teachers who will retire in the next 5 years about adequacy of pension benefits, 90% of the administrators interviewed claimed that the amount paid to teachers was not adequate.

The reason why the primary school teachers who will retire in the next 5 years agreed to the fact that the non-contributory pension scheme adopted in Oyo State is adequate could be attributed to the fact that it is the government alone that make contribution towards the pension scheme unlike the contributory pension scheme where certain percentage of their salary will be deducted towards the pension scheme. Another reason for this finding could be attributed to the fact that the adequacy of the non-contributory pension scheme was not related to its tendency to meet the welfare needs of primary school teachers as it were in other studies.

Research question 2: What is the perception of pension administrators about the adequacy of the old pension earnings?

Table 2: Perception of pension administrators about the adequacy of old pension earnings

S/N	Items	Yes	NO
	The pension earning given to retirees is not adequate at all.	9 (90%)	1 (10%)

From Table 2 the Key Informant Interview conducted for the pension scheme administrators about the adequacy of the old pension earnings revealed that about 90% of the administrators attested to the fact that the pension earnings given to retirees is not adequate at all. This finding corroborates that of Ojiya, Ajie, and Isiwu (2017) who found that the old pension scheme is not adequate to meet retirees' welfare needs. The reason why the pension administrators stated that the old pension scheme is not adequate could be because the pension earnings of retired teachers is low compared to pension earnings of their counterparts in other professions.

Research question 3: Is there any significant relationship between the perception of primary school teachers who will retire from service in the next 5 years (2018 – 2022) about adequacy of pension earnings and their job commitment?

Table 3: Result of relationship between the perception of primary school teachers who will retire from service in the next 5 years (2018 – 2022) about adequacy of pension earnings and their job commitment?

Variables	Mean	Std. Dev.	N	r	P	Remark
Teachers' perception of adequacy of pension earnings	55.98	6.83	1039	0.251**	0.012	Sig.
Job Commitment	34.06	11.55				

*Sig. at .05 level

Table 3 above shows that there was a positive significant relationship between the perception of primary school teachers who will retire from service in the next 5 years (2018 – 2022) about adequacy of pension earnings and their job commitment ($r = 0.251^{**}$, $N = 1039$, $p < .05$).

Conclusion

One of the most important aspect in determining the success or failure of teaching and learning process is the commitment of teachers. Teacher's commitment is sine qua non for proper academic and social development of students. Teacher's commitment could be influenced by factors like adequacy of pension earnings which has to do with welfare package of teachers. It could be concluded from the study that there was a positive significant relationship between the perception of primary school teachers who will retire in the next five years (2018 – 2022) about adequacy of pension earnings and their job commitment.

Recommendations

In view of the findings of this study the following recommendations were made:

1. Local Government Staff Pension Board that is saddled with the responsibility of management and administration of primary school teachers pension and gratuity fund should be adequately funded to cater for ever-increasing demands of pension and gratuity of retiring teachers arising from increase in numbers of teachers that are going on

retirement every year. This will go a long way to enhance the commitment of prospective retiring teachers to work.

2. The State government should ensure the increase in the allocation of fund from State Joint and Local Government account from the present amount to the Local Government Staff Pension Board to take care of overhead and other charges so as to prevent using of pensioners funds for the running of the Board's day-to-day activities.
3. The Federal Government should also reconsider the re-introduction of 5 percent Federal Government shares of pension funds which has been stopped since year 2010.

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