

THE INFLUENCE OF RETIREMENT AMOUNT AND PROCESS OF RETIREMENT BENEFIT PAYMENT ON ACADEMIC STAFF ATTRITION IN TERTIARY INSTITUTIONS IN ADAMAWA STATE, NIGERIA

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ABSTRACT

The purpose of this study was to investigate the influence of retirement policy on academic staff attrition in tertiary institutions in Adamawa state Nigeria by trailing the two major objectives of the new Pension Reform Act of year 2004 as reviewed in 2014. The study conceptual framework used the power resource theory to justify the role of the state (government) in provision and control of social security issues to explain the retirement process. The study utilised descriptive survey design with mixed method (Triangulation) research approach underpinned by pragmatism philosophy. The population consisted of all the academic staffs of the three institutions, their retirees and pension managers. It employed purposive and simple random sampling for collecting the relevant data for this study. The data were collected using structured questionnaires, semi-structured interviews, focus group discussions and detailed reviews of retirement policy issues and academic staff attrition in tertiary institutions. Applying a combination of deductive and inductive data analysis approaches, data were analysed quantitatively and qualitatively. The findings showed the new retirement policy has significant influence on academic staff attrition in tertiary institutions with particular reference to the Amount and Process of Retirement Benefit Payment had significant Influence on Academic Staff Attrition in Tertiary Institutions in Adamawa state, Nigeria. The study concluded that the new retirement policy has failed to yield the desired results as retirees can still not access their benefits as and when due and therefore contributing to the massive academic staff attrition and retirement from the tertiary institutions in the state. It was recommended that, for the policy to achieve its objectives, the government needs to obtain accurate and correct data on employees to determine the actual retirement benefits and to effect payment of retirement benefits as and when due; put in place uniform retirement policies for public servants and private sector; apply uniform rules and regulations, and adequate funding through prompt remittance of funds from the direct source.

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INTRODUCTION

Retirement is the necessary important end of active working life that awaits every worker. It is not just a period in the life course, but a process that evolves over time, starting from pre-

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retirement planning to on-going adjustment after disengagement (Amaike, 2009, 2014; Eremlé, 2015; Osuji and Nweze, 2014). Retirement has long been considered as one of the most important later life challenges and a transitional stage of life that can be pleasant experience for some, yet traumatic for others due to ill preparation or poor planning (Matin and Rafsky, 2006; Asuquo and Maliki, 2007; Ukwuay, 2002).

Eremle (2015) defined retirement as the complete or partial disengagement from work or a given occupation or social life. While, Osuji *et al.*, (2014) argued that, subjectively, retirement is a self-defined notion that can mean reducing the amount of work hours per week from full time to part time status, while for some, it is the ceasing from all paid or unpaid work or unpaid work activity. Objectively, it is the complete disengagement from active work life. However, from a more traditional and economic perspective, it is a period when an individual is no longer gainfully employed and receives retirement benefits (pension and gratuity) as a means of income. In whatever way it is considered, it is a period characterized by reduction in income with fewer opportunities to remain active and relevant in the society (Moody, 2004, 2007; Amaike, 2009; Ogunbameru, 2000; Amaike, 2014). The fact that, retirees face serious challenges before and during retirement stages suggest for the need for policy reversal (Anazodo, Ezenwile, Chidolue and Umetiti, 2014). Globally, according to Holzmann et al study (as cited in Okechukwu and Ugwu, 2011) less than 15% of the world's 6 billion retirees had access to a formal system of retirement income support at the turn of the 21st century and majority of this population live and work in developing societies. For instance, in United States of America (USA) and Japan, projected retirees population without formal retirement income as a percentage of total population is expected to reach 22.3% and 29.6% respectively by 2030 creating the need for retirement policy reversal as reported by Maikudi (2006). To affirm this, ILO World Social Protection Report 2017-2019 indicate that 4 billion people worldwide are left without social protection. With expenditure on pensions and other benefits for older people accounting for 6.9 per cent of GDP on average with large regional variations, the report underlines that benefit levels are often low and not enough to push older people out of poverty. This trend is often fuelled by austerity measures. Some countries the report further shows are reversing their pension privatizations due to the fact that privatization policies did not deliver the expected results. Countries like Argentina, Bolivia, Hungary, Kazakhstan and Poland are returning to public solidarity-based systems.

In Nigeria, the origin of retirement policy is said to be debatable (Sule and Ezugwu, 2009). While, Ogobuchi, Chukwuemeka and Uche (2011) argued that the origin of retirement policy in Nigeria dates back to the Public Notice No 4, 1946, issued by the Colonial Government in Nigeria, through the Chief Secretary to the Government (in a circular No 19/1945 of 24th march, 1945) announced a superannuating (pension) scheme for African staff employed by Government. However, the history of retirement policy in Nigeria could be traced to the prolonged battle between the worker's unions and employers of labour affirming that the victory of employees over employers marked the privilege of receiving gratuity and pensions in Nigeria as retirement benefits (Ojonugwa, Isaiah and Longinus, 2013). This battle necessitated the enactment of Nigeria's first retirement policy in 1951 entitled, pension ordinance which had retroactive effect from 1st January 1946 to cater for the colonial employees. This was followed by 1954 first private sector retirement policy called Pension Scheme for Nigerian Breweries. In 1961, the National Provident Fund (NPF) was established for the non-pensionable private sector. This was followed in 1979 with the enactment of the Basic Pension Decree 102 which established the civil service pension scheme (Price Water Coopers, 2016). Subsequently in 1987, the police and other government agencies like the customs and

exercise pension scheme was established under pension Act No. 75 of 1987. The local government staff pension board was also established in 1987 to cater for the retirement needs of local government employees (Sule and Ezugwu, 2009). The inadequacies and poor performance of the previous schemes, particularly, the NPF led to the establishment of the National Social Insurance Trust Fund (NSITF) by Decree No. 73 of 1993 to address pension and retirement issues in the private sector (Ojonugwa *et al.*, 2013; Akenbor, 2013; Amaike, 2014; Ndimele, 2016) which replaced the NPF scheme before 1st January 1994 and made provision for loss of income in old age, invalidity or death (Fapohunda, 2013). Prior to the new retirement policy (PRA, 2004), Nigeria operated a Pay As You Go system which is a defined Benefit, non-contributory Scheme was burdened with a lot of problems (Uma and Ogwuru, 2015). While Ahmad (2008), Dagauda and Adeyinka, (2013), attributed the non-performance of the defined benefit system of retirement benefits (pension and gratuity) to underfunding; unsustainable outstanding pension liabilities; weak and inefficient pension administration; demographic shifts and aging of the work force; non-courage of workers in the private sector by any form of compulsory retirement benefit arrangement; and poor regulation of the 1993 retirement policy which has made it difficult for the retirees to get their benefits as and when due (Odia and Okoye, 2012). It is against these problems that, the Federal Government of Nigeria passed into law the new Pension Reform Act, 2004 which repealed the Pensions Act, 1990 and 1993 and established the uniform contributory pension scheme for both the public and private sectors of the Nigerian economy.

The retirement policy (Pension Reform Act 2004); Section 1.-(I) states that there shall be established for any employment in the Federal Republic of Nigeria, a Contributory Pension Scheme for payment of retirement benefits of employees to whom the Scheme applies under this Act. And that, subject to section 8 of this Act, the scheme shall apply to all employees in the Public Service of the Federation, Federal Capital Territory, and the Private Sector. The objectives of the retirement policy "Pension Reform Act 2004" (FRN, 2004), according to Section 2, part I shall be: (a) to ensure that every person who worked in either the public service of the Federation, Federal Capital Territory or private sector receives retirement benefits as and when due; (b) to assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age; (c) to establish a uniform set of rules, regulation, and standards for the administration, management, and payments of retirement benefits; for the public service of the Federation, Federal Capital Territory, and the private sector; and (d) to stem the growth of pension liabilities in Nigeria. However, according to Khan, (2014) and Agboola and Adeyemo (2017) after about 10 years of implementation of retirement policy 2004 and despite the fact that, the PRA 2004 is contributory, fully funded, and based on individual accounts, the effective implementation of the retirement policy is still far from alleviating the suffering of retirees due to non-payment of benefits in time, the low benefits as compared to the old system, issues of corruption, segregation in benefits between ministries, departments and among male and females. More importantly, Kajusola (2015), argued pensioners across the country still witness irregularities and nonpayment of their pension as and when due. Recently, the pensioners in Ogun State protested over nonpayment of about 10 months pension and this has brought untold hardships to the pensioners. More worrisome he argued, is the fact that

contributing pensioners received only 20% to 25% of their last pay as a monthly pension, while a pensioner in the old pension scheme received 80% of his last pay as monthly pension. Furthermore, many pensioners and would-be-retirees are not well informed about the operations of the new pension scheme. This low level of awareness has triggered off anxiety and uncertainty about their retirement years (Omoni, 2013).

Linking retirement policy and employee attrition, Armstrong (2009), was of the view that employee attrition process sometimes starts after a person is employed in an organization and ends when he quits or retires. The process, in a sense, spreads over the entire period of employment that may be a span of about 40 years. But in the modern day business and employment relations, attrition is often not a gradual process. Corroborating, Kimmons, (2015), asserts that attrition is often abrupt, quick, sudden, and sometimes dramatic especially in tight labour market conditions where employers compete with one another to employ people considered to be suitable to the jobs they have in their organizations. The problem of academic staff attrition, especially in higher education institutions, is not different in Africa as observed by Sutherland (2002), who noted that the South African labour market suffers from a dearth of skilled manpower and continuous employee attrition which has affected the management of these institutions. This suggests that the tertiary institutions have to come up with retention strategies to minimize staff attrition. Reports in countries such as South Africa, Zambia, New Guinea, and Malawi indicated that the problem had almost reached a catastrophic stage (Xaba, 2003). He argued that the mere absence of job satisfaction cannot be the sole cause of this rate of attrition or brain drain, but employees seek to secure future particularly adequate income, freedom and security.

There is no doubt that understanding of employee attrition and indeed academic staff attrition is critically important because the excellence of higher education is a function of quality academics as it is able to hire and retain in its faculties (Tetty, 2009). Contrary, a clear picture of critical factors influencing academic staff attrition particularly those that relate to retirement policies have not been effectively explored by previous studies. It is also noted that the studies are inclined towards staff turnover (Kipkebut, 2010 and Tetty, 2009), and most of the available studies are based on corporate sector. In spite of the paucity of statistical data, attrition of teachers is a well-known phenomenon in Nigeria (Obanya, 2009). The magnitude of academic staff attrition was further brought to light at the second National Teachers' Summit held in National Teachers Institute (NTI) Conference Centre, Kaduna, April 20 – 22, 2004, during which the following observations emerged: The summit noted with dismay the high attrition rate among teachers from Primary to the University due to unattractive conditions of service; poor working environment; and the poor treatment of teacher pensioners, reduced capacity of the system to retain more teachers and the management of the entire education system in the country (NTI, 2004). Among the Nigerian academic staff, a case study of the Ahmadu Bello University (ABU) Zaria pension scheme by Shams as cited in Maikudi (2006), shows that the pension crisis in the institution has caused economic hardship and regret on the part of retirees while it has decreased productivity, heightened labour costs and may be encouraging 'unethical and corrupt tendencies' in serving staff. This is in addition to the 'Attrition' and 'Brain Drain' Syndrome, all of which tend to undermine the standard of the institution.

In Adamawa State, Ndaghu (2015) conducted a study on "the problems and prospects in the management of retirement benefits in Adamawa State". The findings reveal that the management of retirement benefits by Adamawa State Pension Board Yola Nigeria was inundated by multiple problems which affected the efficiency of the board, considering the growing number of retirees, lack of an efficient system for the payment of benefits of retirees, inadequate resources needed to pay retirement benefits. Other problems are corruption, tribalism and undue favouritism, the inadequacy of manpower, equipment, and facilities. He attributed the problematic state of the management of retirement benefits in the state pension board to the existence of bottlenecks with regard to poor policy, growing retirees' population, inefficiency as well as corruption, which is responsible for the delay in payment of retirement benefits and inefficient system. Similarly, a study by Adewole (2013) attributed the academic shortfalls to attrition and the 2007 massive retirements and staff rationalization in the tertiary institutions as a strategy for implementing the retirement policy (PRA 2004) which resulted in the forceful retirement of academic staff. In state, the case of Adamawa State University with students population of about 4965 have only 98 lecturers (teachers), giving a teacher-student ratio (STR) of about 51 : 1 which is far more than the 30:1 ratio recommended by national policy on education 2004 was a good indication of the effect of academic staff attrition. This no doubt will cause serious difficulties for effective management of these institutions. It is projected that by 2025 to 2030, the time when the Baby Boomers would have reached 65-70 years, 67% of academic staff in the tertiary institutions in Adamawa state would have retired. Therefore, with about 2,259 academic staff projected to retire from 2007-2030 (Ministry of Higher Education, Adamawa State, 2016), and since retirement is attrition, the need to investigate this issue becomes more crucial. However, most of the studies reviewed employed descriptive statistics with few qualitative studies which may not give a clear and robust results of the impact of retirement policy 2004 on academic staff attrition in tertiary institutions, hence this study seeks to re-examine the concept through the use of a more robust mixed methods approach and econometric tool of SPSS version 21.0 package.

Academic Staff Attrition

Conceptually, the term employee/labour turnover underwent a change during the last quarter of the 20th century. It was rechristened as employee attrition (Billingsley, 2005; Kozleski, Mainzer, and Deshler, 2000). The Webster's Dictionary defines the term attrition as "the process or state of being gradually worn down". While, Alao and Adeyemo (2013) asserted that, the Barron's Business dictionary defined attrition as the normal and uncontrollable reduction of a work force because of retirement, death, sickness, and relocation. It is one method of reducing the size of a work force without the management taking any overt actions. They argued that drawback to employee reduction by attrition is that reductions are often unpredictable and can leave gaps in an organization. Generally attrition is the reduction or loss of employees through different conditions. If organizations know why their employees are likely to leave, they can develop effective policies and strategies for employee retention. Most employees make a number of transitions between jobs during their working lives. Accordingly the attrition process sometimes starts after a person is employed in an organization and ends when he quits

or retires. The process, in a sense, spread over the entire period of employment that may be a span of about 40 years. But in the modern day business and employment relations attrition is often not a gradual process. It is often abrupt, quick, sudden, and sometimes dramatic especially in tight labour market conditions where employers compete with one another to employ people considered to be suitable to the jobs they have in their organizations.

Distinction between Academic Staff Attrition and Turnover

Attrition is reduction in force by means of resignations, retirements and death, while Turnover is defined as a change in the workforce due to accessions, quits, discharges, and layoffs. Dwivedi (2013) stated that, employers generally consider attrition as a loss of valuable employees and talent. However there is more to attrition than a shrinking workforce. As employees leave an organization, they take with them much-needed skills, qualifications and experiences that they have developed during their tenure. On the other hand, junior professionals with promising qualifications can then succeed into higher level positions. There are also two basic types of involuntary termination, known often as being "fired" and "laid off." To be fired, as opposed to being laid off, is generally thought of to be the employee's fault, and therefore is considered in most cases to be dishonourable and a sign of failure. Typically, the characteristics of employees who engage in involuntary attrition are no different from job stayers. However, voluntary attrition can be predicted (and in turn, controlled) by the construct of attrition intent. Voluntary attrition is the most important issue that organizations should think about (Sharma, 2015; Mayhew, 2016).

Another important distinction is between *functional* and *dysfunctional* voluntary attrition. Dysfunctional attrition is harmful to the organization and can take numerous forms, including the exit of high performers and employees with hard-to-replace skills, departures of women or minority group members that erode the diversity of a company's workforce, and attrition rates that lead to high replacement costs. By contrast, functional attrition does not hurt an organization. Examples of this type of attrition include the exit of poor performers or employees whose talents are easy to replace (Nagadevara, Srinivasan, and Valk, 2008). In an attempt to distinguish between attrition and turnover, Cascio (2010) states that, from the organization point of view, there are four broad types of internal movements or moves: up, down, over, and out. These moves correspond to promotions (up), demotions (down), transfers and relocations (over), while, layoffs, retirements, and resignations (out). Technically, dismissals also fall into the last (out) category. He argued that, the last category which consist of layoffs, retirements, resignations and dismissal as attrition; while promotions, demotions transfers and relocation as turnover because in most cases such movements are replaced either immediately or after a short time.

Purpose of the Study

The Study Investigated the Influence of Retirement Policy on Academic Staff Attrition in Tertiary Institutions in Adamawa state, Nigeria.

The Specific Objectives of this Study were: To Determine to What Extent do the Amount and Process of Retirement Benefit Payment and its Administration Influence Academic Staff Attrition in Tertiary Institutions in Adamawa State, Nigeria.

Research Questions

The study was guided by the following questions

To what Extent do the Amount and Process of Retirement Benefit Payment and its Administration Influence Academic Staff Attrition in Tertiary Institutions in Adamawa State, Nigeria?

Research Hypotheses

HO₁: There is no Significant Difference in the Perception of Academic Staff on the Amount of Retirement Benefit Payment and its Administration on Academic Staff Attrition in Tertiary Institutions in Adamawa State, Nigeria.

Theoretical Framework

This study drew its bearing from the power resource theory (Korpi, 1983). Power Resource Theory states that the level of inequality in a society and the accompanying degree of redistribution by the state are functions of the organizational resources of the working class (Korpi, 1983). Kellermann (2007) argued that, over the past twenty five years, Power Resource Theory (PRT) has provided one of the most influential accounts of variation in the size, characteristics and outcome of the welfare state. At its core, PRT asserts that, working class power, achieved through organization by labour unions or left political parties produce more egalitarian distributional outcome (Korpi, 1983). According to Rothstein cited in Samarini and Teorell (2016), one of the most successful approaches for explaining variation in the size and coverage of welfare states is the so called power Resource Theory (PRT), according to which this differences is largely a function of working class political mobilization. However, it could be argued oppositely that, in each country, historically inherited government institutions have an important impact on the choice of both individual wage earners and their representatives over whether or not to give the state responsibility for extracting resource and implementing policies for social insurance and welfare state redistribution (Rothstein *et al.*, 2016). More precisely, this casual effect springs from generally established perceptions and the respective ideological and political discourses on the quality of the government institutions, which tend to have enduring effects (Rothstein and Uslander, 2005; Acemoglu and Robinson, 2008; Schmidt, 2009). Four variables have become standard measures of power resource in the literature; union density, union centralization, bargaining coordination and the strength of left political parties (Kellermann, 2007). The analytical problem that we would like to point out in the Power Resource Approach is the following; wage earners may have two reasons for supporting welfare state policies. One is that, social classes give rise to different social risks and rational wage workers (and their representatives) reasonably opt for some kind of protection from these risks. The other is, a demand for redistribution based on either norms about social justice or class based self-interest.

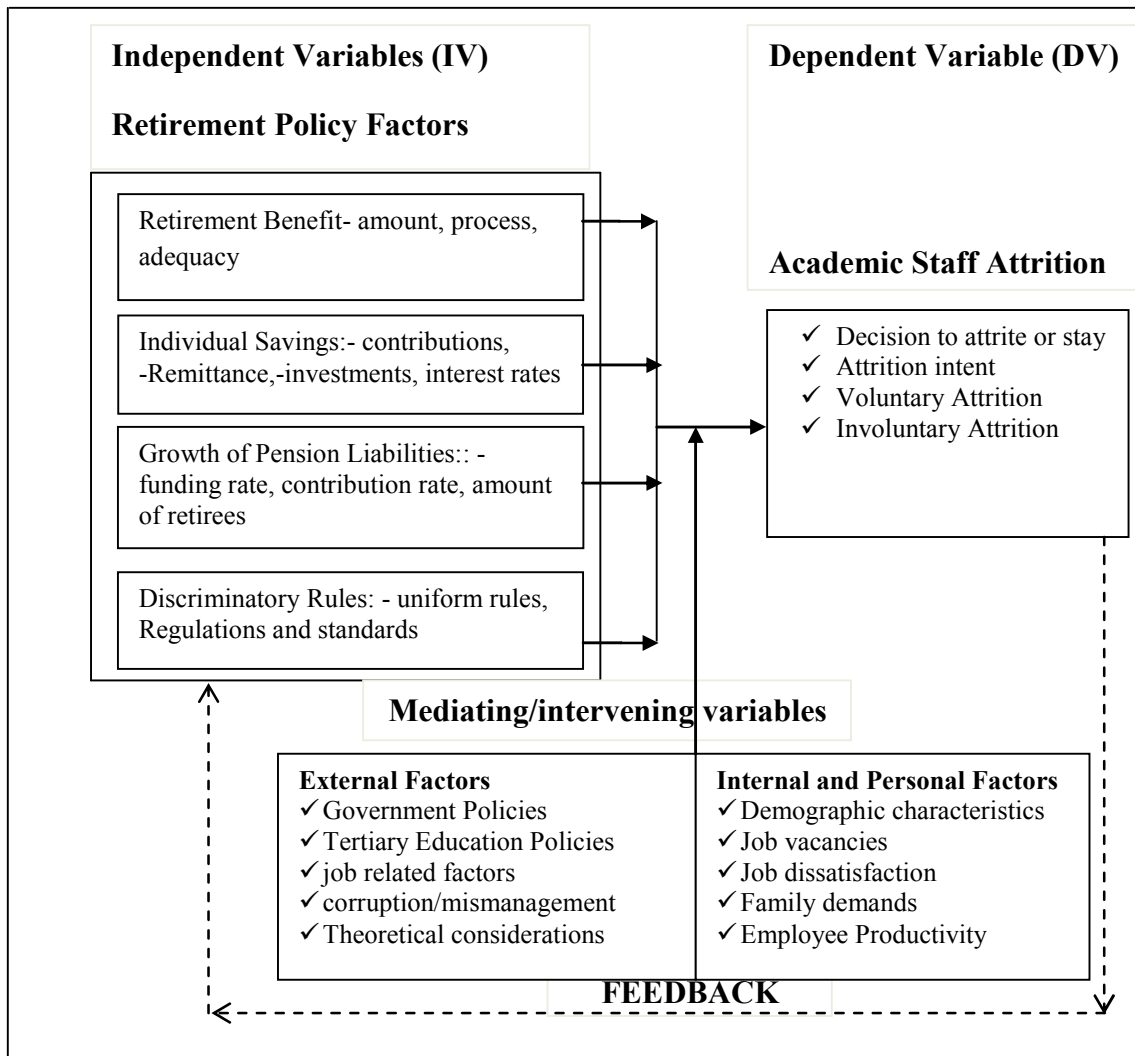


Figure 3. Conceptual Framework on retirement policy and academic staff attrition in tertiary institutions adopted and modified from Ng'ethe (2013:28)

In both cases, however, we need an explanation for why people trust the state to handle risk protection and/or national union movements could take care of many of these risks and create large insurance organizations that also work as 'selective incentives' when recruiting and retaining members. The same goes for the demand for increased redistribution. Second, strong unions could force employers (or employers' organizations) to take on either the whole or a part of the costs for risk protection in addition to demands for redistribution. Especially for risk protection, a third possibility is that, various 'friendly societies', or similar voluntary non-profit organizations, handle the demand for social protection. Another possibility is, of course, to rely on extended family networks or private insurance systems. The point is that, in order for wage earners and their representatives to turn to the state to respond to their demand for protection against social risks and for redistribution, they have to have a high degree of confidence in 'their' state. This can readily be seen from a Nordic perspective (the countries in which the PRT originally developed). In these countries, issues of political corruption or clientelism have hardly ever made the political agenda. Although many policies in the Nordic countries were universal and thereby left little room for bureaucratic discretion, others such as active labour market policies had to rely on extended form of bureaucratic discretion.

Compared to other European states, even before the emergence of democracy, the Nordic states were historically less corrupt, less clientelistic, and less prone to use violence against their citizens and more open to popular influence than most Continental and Southern European states (Rothstein, 2007 and Frisk and Jensen, 2008). It is certainly possible to argue that there are certain risks that only the state can handle and that the state is more effective than any other organization for implementing redistribution (Boadway and Keen, 2000). The case of pension administration in Nigeria is a classical example, the introduction of the defined contribution scheme under the new policy have further subjected the system to more abuse in terms of corruption, mismanagement, non-payment of benefits as indicated by various studies. The demands of the various pressure groups for improvement of retirement benefit payments in Nigeria have never been for private sector retirement management but for improvement in its administration, but instead the government opted for private sector administration. The theory finds application in this study because it provides justification for the roles of academic staff unions, labour unions and opposition political parties demand for policy review or reversal which gave birth to 2014 review of the 2004 pension reform.

Conceptual Framework

The study used an adopted and modified conceptual framework purposefully designed to address the objectives of the new retirement policy (pension Reform Act, 2004), as the independent variables and how they impact academic staff attrition as the dependent variable. The factors identified in the framework as the independent variables consists of the objectives of retirement policy 2004 and are what formed the themes under which literature reviews were carried out and which guided the analysis of research findings. This framework is an improvement of Ng'ethe (2013) framework which was based on two factors of intrinsic and extrinsic as the independent variables, a single factor mediating variable and single factor dependent variable.

A Conceptual Framework of Retirement Policy and Academic Staff Attrition

The conceptual framework in Figure 4 was adopted and modified along with the Nigerian 2014 new retirement policy objectives, personal characteristics of respondents, intervening variables and academic staff attrition intent. The model assumes that academic staff attrition is influenced by the new retirement policy in addition to personal characteristics and exogenous factors like education Acts, institutional policies, job related factors, opportunities, insecurity and tax policy regime. The variables of interest in this study are the five key objectives of the new retirement policy (the 2004 and 2014 pension reform act) which include payment of retirement benefits, enhance individual savings, administration of pension benefits, stem the growth of pension liabilities, funding of retirement benefit and rate of academic staff attrition. Thus, the new retirement policy will influence academic staff attrition in tertiary institutions. The starting point of this chain is the interplay between the retirement policy objectives and personal/demographic characteristics of individuals together with the other mediating factors that may cause attrition. The new policy may cause attrition if it is perceived not to be fair and particularly if it seems to favour others more than the others. The fact that employees compare their benefits against those of other employees of equal status or educational qualification, as posited by Adams equity and fairness theory, any form of inequity will be resisted by employees through divers means such as decrease performance, corrupt practices, lateness, absenteeism and outright attrition (through resignation). Power resource theory explains the subsequent reviews of the retirement policy in response to agitations by academic staff unions in the country over the years. The role of demographic /personal factors in influencing individual intention to retire or attrite have been documented. The variables in the framework have been reviewed under the following headings:

MATERIALS AND METHODS

Descriptive survey design underpinned by pragmatism philosophy was adopted for this study. In linking pragmatism with mixed methods research Creswell, (2014) came up with the arguments that both quantitative and qualitative research methods (Triangulation) may be used in a single study. Mixed Method Research approach (Triangulation) was used in this research because of its considerable ability to generate answers to the question what and how, as well as why questions. The targeted population of this study comprised of the entire 1193 academic staff in the all the three tertiary institutions, their retirees and pension managers: Federal College of Education,

Yola; ModibboAdama University of Technology, Yola and Adamawa State Polytechnic, Yola. The study used structured questionnaire, interview and focus group discussions as instruments. The study also employed logical reasoning and personal judgement of specialists to establish the validity and test-re-test method to establish the reliability of research instruments. It was also guided by ethical principles of valid research.

Table 1. Population and Sample

Category	Population	Sample
DVC/DP	3	3
HRM	3	3
PENSION MANAGER	12	6
ACADEMICS	1193	300
Total	1211	312

In determining the sample size, Yaro Yamane(1967:887) formula as cited in Israel(2015:8) was employed:

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

Where,

n=the sample size required;
N=Total population;
e =Level of Significance; e = 5% = 0.05
I=Constant

Data Analysis Technique

The qualitative data were statistically analysed using mean, standard deviation, Analysis of Variance (ANOVA) and T-test. While, qualitative data were analysed using thematic content analysis procedure.

RESULTS

Amount and process of Retirement Benefit Payment

Research Question I: What is the impact of retirement benefit amount and process of payment on academic staff attrition in tertiary institutions in Adamawa State, Nigeria?

The results in the Table 13 reveal the perception of respondents on the impact of retirement benefits amount and process on academic staff attrition in tertiary institution in Adamawa State. The results for retirement benefits factor (RB) was considered a significant contributory factor to academic staff attrition as indicated by results of the analysis. On RB1 most respondents agreed that the procedure of payment of retirement benefits is efficient with a Mean score of 3.91 which is lower than the neutral score and a standard deviation of 1.10. Likewise, on RB2 most respondents expressed disagreement to the assertion that retirees receive retirement benefits (pension) timely, this implies that the retirees were not receiving their benefits on time with Mean of 3.69 and standard deviation of 1.70. More so, on RB3 most of the respondents expressed disagreement to the assertion that the retirees do receive retirement income as and when due and full payment with a Mean score of 3.22 and standard deviation of 1.29.

Table 12. Retirement Benefits Amount and Process and Academic Staff Attrition

S/n	Items	SA5 FX(%)	A4 FX(%)	D3 FX(%)	SD2 FX(%)	UD1 FX(%)	\bar{x}	Std. Dev.	Interpretation
RB ₁	Procedure of payment of retirement benefits is efficient	99 (32%)	140 (45%)	40 (13%)	12 (4%)	21 (7%)	3.91	1.10	Agree
RB ₂	Retirees receive retirement benefits(pension) timely	175 (56%)	30 (10%)	17 (5%)	14 (4%)	76 (24%)	3.69	1.70	Agree
RB ₃	Retirees receive retirement income as and when due and full payment	20 (6%)	175 (56%)	35 (11%)	18 (6%)	64 (21%)	3.22	1.29	Agree
RB ₄	Retirees receive adequate pension payments	29 (9%)	165 (53%)	39 (13%)	0 (0%)	79 (25%)	3.21	1.37	Agree
RB ₅	Retirement income payment to retirees is regular	51 (16%)	30 (10%)	12 (4%)	183 (59%)	36 (12%)	2.61	1.28	Disagreed
RB ₆	My retirement benefit is paid by institution	80 (26%)	138 (44%)	81 (26%)	3 (1%)	10 (3%)	3.88	0.91	Agree
RB ₇	The retirement benefit payment in the new policy is not discriminatory	17 (5%)	135 (43%)	89 (29%)	50 (16%)	21 (7%)	3.25	1.01	Agree
RB ₈	The new retirement policy affects my decision to leave the institution early	15 (5%)	113 (36%)	31 (10%)	31 (10%)	122 (39%)	2.58	1.43	Disagree
RB ₉	The new retirement policy can help solve the problem of benefit payment in the institution	21 (7%)	155 (50%)	90 (29%)	26 (8%)	20 (6%)	3.42	0.97	Agree
RB ₁₀	Pension fund custodians and administrators can manage retirement benefit payment better	20 (6%)	189 (61%)	30 (10%)	47 (15%)	26 (8%)	3.42	1.09	Agree

Note: N=312;N= total; \bar{x} = mean; RB = Retirement Benefit. Average respondents opinion agreed = 58%, Disagreed opinions =27%, and 15% Neutral opinions.

Table 4. Result of Analysis of Variance on Influence of Payment of Retirement on Academic Staff Attrition in Tertiary Institutions in Adamawa State, Nigeria

Group Stat	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	17.634	2	8.817	.886	.414
Within Groups	3016.784	303	9.956		
Total	3034.418	305			

Also, RB₄ majority of the respondents indicated disagreement that retirees do receive adequate pension payments with a Mean score of 3.21 and standard deviation of 1.37. Likewise, on RB₅ most respondents agreed that the retirement income payment to retirees is irregular with a Mean score of 2.61 and standard deviation of 1.28. Furthermore, on RB₆ most respondents indicated that their institutions are responsible for the payment of their retirement benefit with a Mean score of 3.88 and standard deviation of 0.91. Similarly, on RB₇ most of the respondents strongly disagreed to the assertion that the new retirement benefit payment is not discriminatory with a Mean score of 3.25 and standard deviation of 1.61. Meanwhile, on RB₈ most of the respondents felt that the new retirement policy affects their (academic staff) decision to leave the institution earlier with a Mean score of 2.58 and standard deviation of 1.43. Again on RB₉ most of the respondents were of the opinion that the new retirement policy is sufficed to solve the benefit payment across the institutions with a Mean score of 3.42 and standard deviation of 0.97. Also, on RB₁₀ most of the respondents expressed that the pension funds custodians and administrators can manage retirement benefit payment better with a Mean score of 3.42 and standard deviation of 1.09.

The results shows that 58% of the respondents were of the opinion that the amount and process of retirement benefits payment is unfavourable to academic staff, while about 27% of them see no problem with it and the remaining 15% of the respondents were neutral or indifferent to it. This result implies that payment of retirement benefits in terms of amount and process are unsatisfactorily managed and this has caused dissatisfaction among academic staff consequently causing attrition as expected.

These results seem to be confirmed the results of the interview and focus group discussions. For instance, on the question: how do you think that the new contributory pension's policy is better than the old pay-as-you-go (PAYG)? During the interview, 4 out of the 6 Pension managers attached to the institutions representing about 67% of them responded by saying that the new scheme is good because it reduces the burden on government and it ensures or assures pensioners of prompt payment. So the issue of delay is eliminated, management issues and corruption is minimized. One of them argued that, *but the government must ensure that remittances are effected as and when due, culprits are adequately punished, and adequate supervision of its administration* (Interview administrators, July 2016). The pension managers were further asked, how they think the retirement policy 2004 of contributory pension scheme can ensure adequate funding of retirement benefits: Their majority opinion (almost all of them) was that, the new contributory scheme has partially solved the problem of funding by making the individual retiree responsible through his contributions. Similarly, academic staffs were asked, whether they think that funding of retirement policy will minimize the growth of pension liabilities: (If "yes" how?)

Majority of respondents 24 out of 30 representing about 80% said "yes" and gave the following reasons:

- Strict enforcement of the rules and regulations guiding the new retirement policy and management of institutions made to comply.
- Ensure effective remittance of contributions of employees to pension managers
- Regular updating of employee nominal with the pension administrators.

- Correct calculations and grade levels of employee's benefits.
- Penalizing any corrupt practices using relevant legislations.

One of them queried that, *why should pension liabilities accumulate if the problem of funding is eliminated through prompt remittance of retirees benefits to the appropriate bodies for payments* (Interview academic staff, July 2016).

The managements of the institutions were asked, whether poor administration was responsible for the inadequate funding of new retirement policy :(If "yes" how?) Some of the management representatives said No. while, many others said yes and their reasons include delay in implementation, that the policy was enacted in 2004 it was not implemented until 2007 and there was no financial backing to support it till 2010. And also, people who retired from within this period were unable to collect their benefits due to administrative bottle – necks. They were also asked how the poor or delay in funding of the new retirement policy caused the untimely payment of retirement benefit and growth of pension liabilities. They all said that, *the Institutions depends on government subventions even to pay monthly salaries, therefore any delay or under payment to institutions will affect all programs including retirement benefit payment*(Interview academic staff, July 2016).

They were further probed, whether the use of private custodians and private administrators or managers was responsible for the poor funding of the new retirement policy: They said that they had seen it during the last few years how pension funds were mismanaged.

HO₁: There is no Significant Difference in the Perception of Academic Staff on the Amount of Retirement Benefit Payment and its Administration on Academic Staff Attrition in Tertiary Institutions in Adamawa State, Nigeria.

The results in Table 4.9 reveals the results of analysis of variance (ANOVA) on the perception of academic staff from FCEY, MAUTECY and ADSPY on the influence of payment of retirement on academic staff attrition in tertiary institution in Adamawa State, Nigeria. The result indicates F-value 0.886, at degree of freedoms of 2 and 303, p-value 0.414. Therefore, since significant value (0.414) is greater than statistical significant (0.05), the null hypothesis stated that there is no significant difference in the perceptions of academic staff on the influence of payment of retirement benefit on academic staff attrition in tertiary institutions in Adamawa state, Nigeria is accepted. This implies that the academic staffs irrespective of their working institutions do not differ in their perception of the role played by payment of retirement on staff attrition.

DISCUSSION OF FINDINGS

To measure this objective, descriptive statistics of mean, standard deviation, percentage and Analysis of variance (ANOVA) were carried out on the effect of retirement benefit amount and process on academic staff attrition in tertiary institutions. Analysis of variance (ANOVA) shows that retirement benefit amount and process was positively and significantly related to academic staff attrition in tertiary institutions. The result indicates F-value 0.886, at degree of

freedoms of 2 and 303, p-value 0.414. Therefore, since significant value (0.414) is greater than statistical significant (0.05), the null hypothesis stated that there is no significant difference in the perceptions of academic staff on the influence of payment of retirement benefit on academic staff attrition in tertiary institutions in Adamawa state, Nigeria was accepted. This implies that the academic staffs irrespective of their working institutions do not differ in their perception on the effects of retirement benefits amount and process of payment on academic staff attrition. It can be deduced from this outcome retirement benefit amount and process had a strong negative influence on academic staff attrition in the three tertiary institutions investigated. This finding is supported by the descriptive analysis with mean scores well above average of 2.5 and standard deviations average of 0.89 indicates that the poor management of retirement benefits amount and process has significantly affected academic staff desire for attrition and has accounted for the high academic staff attrition rates in these institutions. This finding was further validated by qualitative data which show that low benefit and poor process of payment aspects of the retirement policy that affected the academic staff satisfaction with the policy and demanded for its modification. It is important to note that this finding, confirmed the hypothesized impact of retirement policy on academic staff attrition in tertiary institutions in the state. Retirement policy is therefore a determinant of academic staff attrition. Thus the finding is that the amount and process of Payment of retirement benefit (pension and gratuity) has a significant effect on academic staff attrition in Adamawa state tertiary institutions.

This finding is supported by several studies on the effects of the amount and process of payment of retirement benefit (pension and gratuity) on academic staff attrition. For instance, the findings of Okechukuu (2011) on the administration of retirement policy in Nigeria public sector in University of Nigeria Nsukka found that retirement benefits in the University of Nigeria Nsukka are not paid promptly and as when due. He argued that this has negatively affected academic staff loyalty and commitment. Since employee loyalty has been related to employee retention, the lack of it can lead to attrition. Maikudi (2006) in similar study on evaluation of the Nigeria new retirement policy (New Pension Reform Act 2004) states that, the analysis of information gathered reveals that the New Nigeria Pension Reform is inefficient (in terms of the overall cost of the scheme) compared to the Old PAYG System. It also serves as a distinctive to work and, therefore, lowers the productivity of Nigeria workers. This further decreases its efficiency. The reform is also politically unsustainable. This is because the amounts of retirement benefits (pension and gratuity) in the New Policy are lower compared to the Old PAYCG system and this has made academic staff lose interest and faith in the New Policy. This finding was consistent with a case study of Ahmadu Bello University (ABU) Zaria pension scheme by Shams in Maikudi (2006) which shows that the pension crisis in the institution has caused economic hardship and regret on the part of retirees while it has decreased productivity, heightened labour cost due to attrition and may be encouraging unethical and corrupt tendencies in serving academic staff. This is in addition to the brain drain syndrome all of which tend to undermine the standard of the university. This finding on the retirement benefit amount and process has significant effect of academic staff attrition was also supported by Gaya (2011) in a study in Tanzania on challenges facing public

pension systems which revealed that, one of the major sources of distrust in public pension institutions in this country has to do with the delay in benefit payment and its low amount in addition to mismanagement of the schemes.

Recommendations

The following recommendations are made based on the findings of the present study:

- The first issue in retirement management is to ensure that retirement benefits (pension and gratuity) are paid as and when due. And that they compare favourably with what is obtained nationally and globally to minimize employee attrition. To achieve this, authorities concerned should ensure that they obtain adequate and correct up to date employee records and correct calculation of benefits are done in time. This is because retirement benefits in Nigeria have not been paid as and when due.
- The federal government should ensure that PENCON is solely responsible for the administration of the retirement policy. It should ensure that PENCOM puts in place adequate administrative tools like monitoring and supervision framework, relevant legislations to ensure prompt payment of benefits and sanctions for defaulters. It should also ensure immediate prosecution of offenders and all corrupt practices.

Conclusion

An investigation into influence of the new retirement policy (pension pre form act) 2004 as reviewed in 2014 so far indicates that payment of retirement benefit to retirees is far from being achieved as many academic staffs and other employees are facing difficulties in getting their benefits paid as and when due. The results also show that, the none or delay payments of retirement benefits has diminished academic staff trust in the new policy and has caused them to seek other employments elsewhere. It is also concluded that, the new retirement policy is still poorly administered because of its inability to meet its set targets of enhanced retirement package, timely payment and the continued mismanagement and misappropriation of pension funds that have characterized the old PASYG system still persist. This suggests for the need of Shang administrative machineries to be put in place against the current multiple arms involved in the administration of the retirement system.

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