



Effect of Contributory Pension Scheme Administration on Performance of Imo State Public Civil Service

Authored by

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Abstract

The study evaluated the effect contributory pension scheme administration on the performance of Imo state public civil service. The specific objectives were to: the effect of sustainable pension system on the employee retention; and the effect of empowering the worker to gain control over his retirement savings Account (R.S.A.) on the employee Punctuality of Imo state public civil service. The area of the study was effect of contributory Pension scheme administration on performance of Imo state public civil service. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. A total population of 1883 staff was used. The adequate sample size of 319, using Freund and William's statistic formula at 5 percent margin of error was used. 245 staff returned the questionnaire and accurately filled. Data was presented and analyzed using Likert Scale and the hypotheses using Pearson correlation coefficient (r). The findings indicated Sustainable pension system had significant positive effect on the employee retention, $Z(96, n = 245) = 5.478 < 6.692, p < 0.05$. Empowering the worker to gain control over his retirement savings Account (R.S.A.) had significant positive effect on the employee Punctuality of Imo state public civil service $Z(96, n = 245) = 5.478 < 7.778, p < 0.05$. The study on effect of contributory pension scheme administration on performance of civil service concluded that sustainable pension system and empowering the worker to gain control over his retirement savings had significant positive effect on employee retention and employee punctuality. The study recommended amongst others that Civil service commission should employ qualified human resource personnel that will oversee the affairs of employee compensation as this will remove the bottleneck surrounding the non-implementation of employees' compensation.

Keywords: *Contributory Pension Scheme Administration; Imo State Public Civil Service; Performance; Employee Retention*

Retention

Introduction

Every individual in the public service prays to retire after years of service in a workplace. As individuals approaches retirement age, the prayer from friends and family is simply that one lives not only to receive his/her retirement benefits but to live long to enjoy the benefits. But the reverse has been the case to that of public service workers in Nigeria. In Nigeria, the non-contributory pension scheme faces a lot of administrative embezzlement of pension funds, and delay in the payment of retirement benefits to retirees and on time. Consequently, the proportion of persons entitled to pension is, thus, rising and so is the volume of total pensions required to support these individuals who, for a complex mix of social, economic and psychological factors, can no longer support themselves through participation in the labour market. Pension offers benefits and costs to different categories of people globally but to their civil and public servants counterpart in Nigeria, it can be seen as a death facilitator while it offers joy to politicians and political appointees (Tella, 2023).

The civil service has over the years evolved as the central institution through which government implements its policies and programs designed to meet political aims and provide social services. In reference to the State, the civil service provides the semblance of government. Nigerians expect the civil service as the primary machinery of public administration to not only implement government policies on a day-to-day basis, but also to play significant roles in formulating and implementing development strategies and programs that will stimulate accelerated positive social and economic development (Onyema, 2021). The five-year periodic review of civil servants' pensions under the employment of State governments in Nigeria is essentially an unfulfilled Constitutional promise as such pensioners' income is swallowed up by inflation in Nigeria. In other words, the contributory pension scheme was introduced basically to arrest the arbitrary increase in the cost of paying retirement benefits and to remedy the inefficiencies in the Pension Administration System. The 2004 Pension Reform Act was later amended and repealed by the Pension Reform Act 2014, to continue to govern and regulate the administration of the uniform contributory pension scheme for both the public and private sectors in Nigeria (National Pension Commission, 2018).

Performance in public service delivery means that public sector outputs efficiently contribute to policy objectives. Employees enter the workforce with unique experience and backgrounds that affect their perception of work rules, expectations of work, and personal concerns. The performance of the Nigerian civil service in recent times has been a major source of worry to Nigerians due to its negative impact on national development. A performance orientation in the public sector means that achievements matter, as well as probity and economy and that managers or agencies should pursue defined standards (The World Bank, 2014). In budget formulation and program planning, a performance orientation rests on the robust use of performance monitoring and evaluation information at key decision points, combined with a budget structure in which the costs and benefits of major programs can be identified. The contributory pension scheme covers all employees in the Public Service of the Federation, Public Service of the Federal Capital Territory, States, and Local Governments, the Private Sector. Gratuity that is taken for granted elsewhere is the first battleground. Most public servants in Nigeria find it hard to live a meaningful life after retirement as a result of both failures of the governments towards provision for pensioners and also that of the retirees for the rainy day. The study seeks to evaluate the effect of contributory pension scheme administration on performance of Imo State Public service.

Statement of the Problem

Pension scheme is a type of long-term savings plan. It is a tax-efficient way to save during your working life. The Pension Act provides that employers with at least 15 employees are required to participate in a contributory pension scheme for their employees. Pension schemes can provide protection in the form of lump sums and pensions to dependants in the event of a member's death; in order to encourage pension schemes, the State provides tax relief on contributions made to pension schemes and the growth in their investments.

A State Government's failure to duty to pay pensions is a breach of a Constitutional duty. in order to encourage pension schemes, the State provides tax relief on contributions made to pension schemes and the growth in their investments. As people develop through their lifetime, they have an expectation that a time will come when they will be able to retire. For some people the State pension is sufficient to provide a basic level of income during retirement, but most a time this assumption often fails due to unsustainable pension system and inability to empower workers to gain control over their retirement savings Account (R.S.A.).

Paying pension does not depend on the government's discretion but is governed by the rules and the Constitution. There is a need for salary and pension reforms in Nigeria. Paying workers low wages and failing to pay pensioners their entitlements in time or at all promote corruption in the civil service and as well leads to lack of employee retention and punctuality of the present employees in the civil service. As a result of these challenge most workers have resorted to use their official time for private concerns to shore up their salaries and allowances as well as steal funds whenever they have or create the opportunity to embezzle to prepare them for retirement. In other to cover these loop holes observed by the study and those unmentioned in this study, the study aimed to assess the effect of contributory pension scheme administration on the performance of Imo State Public Service.

Objectives of the Study

The objective of the study was of contributory pension scheme administration on the performance of Imo state public civil service. The specific objectives were to:

- i. Examine the effect of sustainable pension system on the employee retention of Imo state public civil service.
- ii. Ascertain the effect of empowering the worker to gain control over his retirement savings Account (R.S.A.) on the employee punctuality of Imo state public civil service

Research Questions

The following research questions guided the study

- i. What is the effect of sustainable pension system on the employee retention of Imo state public civil service?
- ii. What is the effect of empowering the worker to gain control over his retirement savings Account (R.S.A.) on the employee Punctuality of Imo state public civil service?

Statement of the Hypotheses

The following Hypotheses guided the study

- i. Sustainable pension system has no positive effect on the employee retention of Imo state public civil service?
- ii. Empowering the worker to gain control over his retirement savings Account (R.S.A.) has no positive effect on the employee Punctuality of Imo state public civil service

Significance of the Study

The study will be beneficial to the following

Government: the study will help the government to understand the importance of issuing pension to pensioners, because it will help the present workers, know that after their years of service, the state government will appreciate them by not only paying them their due pension but also their gratuity.

Pensioners: these set of people will benefit from the study as it will help them realize that they as they are working in the civil service they should as well prepare for the rainy days. They should know that they must not die in service but there is a time of rest. The study will also help them to understand the importance of planning.

Researchers: This study will also help the researcher to understand more about pension and retirement. The study will also serve as a reference material to future studies.

Scope of the Study

The study was on effect of contributory pension scheme administration on the performance of Imo state public civil service. The key variables of the study was sustainable pension and empowering the worker to gain control over his retirement savings account as the components of the (CPS) dependent variable while employee retention and employee punctuality were the components of performance (Independent variable). The geographical scope of the study was Imo state, Nigeria. The time scope of the study was 2021-2023.

Review of the Related Literature

Conceptual Review

Pension Scheme

A pension plan is an employee benefit that commits the employer to make regular contributions to a pool of money set aside to fund payments made to eligible employees after they retire. In the United States, traditional pension plans, or defined-benefit plans, have become increasingly rare and replaced by retirement benefits that are less costly to employers, such as the 401(k)-retirement savings plan. A pension plan requires contributions by the employer and may allow additional contributions by the employee. The employee contributions are deducted from wages. The employer may also match a portion of the worker's annual contributions up to a specific percentage or dollar amount, (Investopedia Team, 2023). A pension scheme is a scheme or other arrangement which is comprised in one or more instruments or agreements, having or capable of having effect so as to provide benefits to or in respect of persons on retirement, on death, on having reached a particular age, on the onset of serious ill-health or incapacity or in similar circumstances (Lexisnexis, 2023).

Administration

Administration is the act of directing people towards accomplishing a goal. It is a process of systematically arranging and coordinating the human and material resources available to any organization for the main purpose of achieving stipulated goals of that organization (Amadi-Eric, 2008). Administration deals with gathering, processing and communicating information. According to Haimann, "Administration means overall determination of policies, setting of major objectives, the identification of general purposes and laying down of broad programs and projects". Also, according to Newman, "Administration means guidance, leadership and control of the efforts of the groups towards some common goals" (Abdul, 2023). The goal of administration is to ensure smooth running of the organizational processes by coordinating people participating in the processes and providing them with information needed for completing their assignments.

Contributory Pension Scheme

Contributory Pension Scheme (CPS) is an arrangement where both the employer and the employee contribute a portion of an employee's monthly emolument towards the payment of the employee's pension at retirement. contributory pension scheme therefore is a pension plan in which both worker and employer jointly contribute regular, defined amount or stated percentage of worker's salary, perhaps on monthly basis and to be kept in a fund that will be invested (Odo, Ani, & Agbo, 2021). The dejection and helplessness of pensioners waiting to be paid pension benefit under very frustrating verification process occasioned by impunity in pension fund administration led to the Pension Act of 2004. This ushered in the Contributory Pension Scheme that replaced the Defined Benefit Pension Scheme with attendant review in 2014 to check mismanagement. The Contributory Pension Scheme is a welcome idea which when properly implemented will eradicate the pensioners harsh life thereby making their dream a reality (Aibieyi & Oyemwinmina, 2016).

Components of Contributory Pension Scheme that formed part of the objectives of the study

Sustainable Pension System

Shifting from the Defined Benefit Pension Scheme to Contributory Pension Scheme, successes have been recorded majorly on the management of the scheme (Eze, 2012). The Reformed Act provided a uniformed set of rules, regulation and standards for the administration and payment of pensions. Pension is classified as contributory and non-contributory (Defined Benefit) (Chukwuemeka, 2010), in the public service, there are four types of pension, thus: Retiring Pension: this type of pension applies to an officer who has served in the public service for a stipulated time period. Compensatory Pension: this deals with granting an office whose permanent post or office is abolished and his employer is unable to provide him with alternative employment. Superannuation: this type of pension is applied to an officer who retired at the prescribed age. Compassionate Allowance: when an officer is not entitled to pension but is removed from office on account of misconduct. In this case, such an officer is paid allowance to compensate him for the meritorious service he rendered to his employer.

Empowering the Worker to Gain Control over his Retirement Savings Account

Retirement Saving Account (RSA) is a dedicated account opened with a Pension Fund Administrator as specified under Section 11 of the Pension Reform Act of 2014. RSA is a pension account maintained with a Pension Fund Administrator (PFA) followed by the issuance of a unique Personal Identification Number (PIN) by the National Pension Commission (PenCom) and monthly contributions of employer and employee are paid in the ratio 10:8% respectively.

Performance

Performance is an act of staging or presenting a play, concert, or other form of entertainment. In the work place, job performance is the hypothesized conception or requirements of a role. There are two types of job performances: contextual and task. Task performance is dependent on cognitive ability, while contextual performance is dependent on personality (Ivan and Cary, 2015). Task performance relates to behavioral roles that are recognized in job descriptions and remuneration systems. They are directly related to organizational performance, whereas contextual performances are value-based and add additional behavioral roles that are not recognized in job descriptions and covered by compensation; these are extra roles that are indirectly related to organizational performance (Paul, 2011).

Components of Performance that formed part of the Objectives of the Study

Employee Retention

Employee retention is the organizational goal of keeping productive and talented workers and reducing turnover by fostering a positive work atmosphere to promote engagement, showing appreciation to employees, providing competitive pay and benefits, and encouraging a healthy work-life balance (Baker and Shaun, 2021). Employers are particularly interested in retaining employees during periods of low unemployment and heightened competition for talent. Employee Retention refers to the techniques employed by the management to help the employees stay with the organization for a longer period of time. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work (Prachi, 2022).

Employee Punctuality

Punctuality is a wonderful trait of a person, one to be admired and respected. Punctuality displays a person's respect for people and time. In a scheduled appointment, the late-comer usually gives an impression that he/she doesn't value the other person's time or considers his/her time more important than that of the other. Punctuality is more important at the workplace because it is here that you get paid for the hours you put in and Employees are expected to be punctual and dependable in order to meet the needs of their department and the organization (Kajidori, 2015). Punctuality shows that you are organized, you are a dependable employee and colleague, you enhance your company's reputation, reflects professionalism and attention to detail and you respect your co-workers (Robert, 2021). Morale is higher in the workplace when everyone is punctual. The natural flow of work is disrupted when someone is chronically late, as other team members adjust to cover for the delay. Employees waiting for a shift change can become agitated and anxious to realize that their replacement is always late (Kimberlee, 2019).

Conceptual Framework of the Study

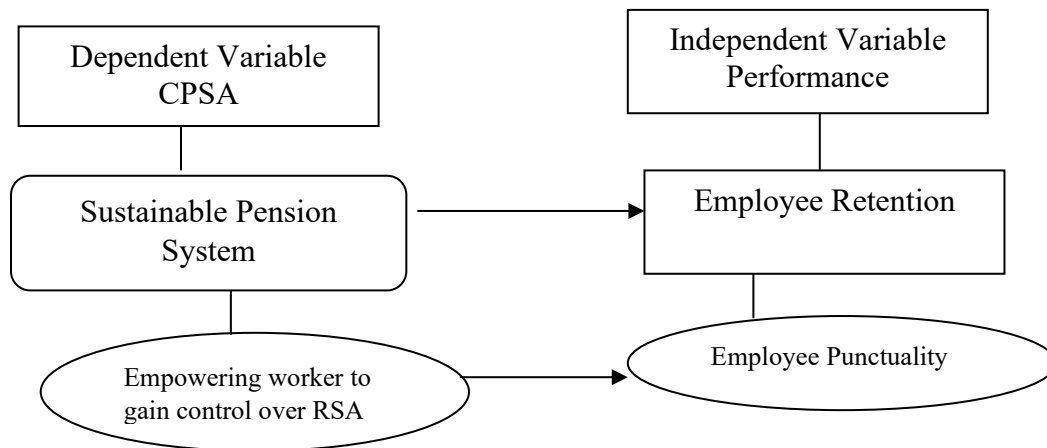


Fig 1: Conceptual Framework of the Study

Theoretical Framework

Life-Cycle Income Theory

This theory according to Fisher (2010), posits that it is an economic theory that is based on spending and saving of people over the course of a lifetime. The theory states that individuals seek to smooth consumption throughout their lifetime by borrowing when their income is low and saving when income is high. In the context of this study, it is a known fact that employees make savings through counterpart contribution from their income to the pension commission. Modigliani was awarded the Nobel Prize for his pioneering research in several fields of economic theory that had practical applications. One of these was his analysis of personal savings, termed the life-cycle theory. The theory posits that individuals build up a store of wealth during their younger working lives not to pass on these savings to their descendants but to consume during their own old age. The theory helped explain the varying rates of savings in societies with relatively younger or older populations and proved useful in predicting the future effects of various pension plans (Modigliani, 1988).

Empirical Review

The effect of Sustainable Pension System on the Employee Retention

Okwudili and Edeh (2017) carried out a study on the Effect of Compensation on Employee Performance in Nigeria Civil Service: A Study of Rivers State Board of Internal Revenue Service. The present study examines the effect of compensation on employee performance in Rivers State Board of Internal Revenue. It adopted a cross-sectional research survey. Target population comprises employees of Rivers State Board of Internal Revenue Service. Accessible population for this study is 45. Sample size is 40 using Krejcie and Morgan (1970) sample size determination table. Only 32 questionnaires were completed and returned. Convenience sampling technique was adopted. Spearman Rank Order Correlation Coefficient was used with the aid of Statistical Package for Social Sciences (SPSS) version 20.0. The finding of this study revealed that direct compensation is positively associated with employee performance. Secondly, indirect compensation was found to significantly associate with employee performance. The study concludes that civil service should see compensation as a tool that will enhance employee performance. The study recommended that civil service commission should employ qualified human resource personnel that will oversee the affairs of employee compensation as this will remove the bottleneck surrounding the non-implementation of employees' compensation. Secondly, allowances due to workers should be promptly paid to them to avoid ineffectiveness in the civil service.

Ukwandu and Onyema (2019) conducted a study on the Effects of the Monetisation Policy on employee performance in the Nigerian civil service. This article examined the enormous financial burden placed on the Federal Government of Nigeria by the management and maintenance of its civil servants. The cost of governance in Nigeria continues to

rise mainly because of the provision of fringe benefits (such as free residential accommodation, medical services, transport facilities and utilities, including telephone service, water and electricity) to public servants. Yet, public employees' performance continues to decline, which leads to low levels of human and physical infrastructure development. Aim: This article examines the effects of the rising cost of governance in Nigeria and how to enhance employee performance. The article interrogates the effects of the monetisation of fringe benefits policy (the Monetisation Policy) of the Obasanjo Administration (2003–2007). Setting: The study was conducted in the Federal Civil Service Secretariat in Owerri, Imo State, Nigeria. This article is anchored in social exchange theory. The study participants comprised 1007 federal civil servants selected from 32 federal establishments. The participants were selected using the total population sampling technique. A structured questionnaire with a reliability coefficient estimate of 0.742 was used to generate the data for the study. The Statistical Package for the Social Sciences (SPSS) aided the presentation and analysis of data relating to the research objectives using frequency distribution tables and testing research hypotheses with chi-square statistics and Pearson's product-moment correlation statistic. The findings revealed that the monetisation policy has helped to enhance employee payment packages. A statistically significant positive correlation was found between high monetised benefits and high employee performance. The study found that the Monetisation Policy has had positive effects on employee performance in the federal civil service in Imo State. This study concludes that the Monetisation Policy has helped to enhance employee motivation and morale, and to reduce employee work-related stress, which are vital indicators of work efficiency. These factors do not only affect the contextual performance of the civil servants, but also predispose their task performance.

Okoroafor and Iheriohanma (2020) carried out a study on a morale, productivity and sustainable industrial development in Nigeria. This paper is an analytical discourse on the interface and relationship between morale and productivity and how these have impactful influence on sustainable industrial development in Nigeria. Nigeria is a developing economy that direly needs a strong root and drive for productivity and economic development. This may not be feasible except if the drivers of the economy, particularly the human factor in the production process are not appropriately motivated to energize their morale. This paper that dwelt more on library and secondary sources of materials identified that morale and productivity, though related to each other in many facets, are at the lowest ebbs in Nigeria to essentially drive sustainable industrial development akin to competitive global integrated market economy. It also observed, among others, that certain government truncated policies and poor economic environment within which the human element as factor of production do their work challenge the morale of the operators of the economy.

Onyema (2021) conducted a study on a Contributory pension scheme and employee work attitude in the Nigerian Federal Civil Service. This study investigated the effects of Contributory Pension Scheme on employee work attitude in the Nigerian Federal civil service. The study which is anchored on expectancy theory adopted a cross-sectional survey design. A sample of 1007 federal civil servants selected using total population sampling technique constituted the study participants. A structured questionnaire with a reliability co-efficient estimate of 0.742 was used to generate the quantitative data. The Statistical Package for Social Sciences (SPSS) aided the presentation and analysis of data relating to the objectives of study using frequency distribution table and, the test of research hypothesis with chi-square statistic. The study's findings suggest that contributory pension scheme has had positive effects on employee work attitude in the Nigerian Federal civil service in Imo State. The study found a statistically significant relationship between the new contributory pension scheme and improved employee work attitude in the Nigerian federal civil service in Imo State. Based on the findings, the study recommended that government should strengthen the administration of the contributory pension scheme to further improve the work attitude of Nigerian civil servants and to enhance their efficiency.

Remi and Agbolahan (2021) conducted a study on an Assessment of the Impacts of the Pension System Reforms on Employees' Performance and Retention in Nigeria Distilleries Limited, Lagos Nigeria. Consequently, upon many decades of inefficient and corrupt pension management system in Nigeria, public servants in Nigeria dreaded retirement because of the reported plight of retirees who were seen dying on queues or living under the bridges at the Federal Capital City of Abuja. While an average worker in other parts of the world looks forward to a decent and enjoyable post-work life, Nigerians lived in fear of ageing and retirement resulting in several malpractices such as multiple declarations of age with intent to keep them at work far past the official retirement age. Factors arising from pension inadequacies, poor funding, embezzlements and long arrears especially in the public sector led to the initiatives for restructuring of the country's pension system and the enactment of the Pension Reform Act of 2004

and its review Act of 2014. The reforms aimed at making pension administration more effective, efficient, to make and improve on the question of adequacy and fund security. However, key problems in the management of the new pension system involve the perception of the degree and significance of its impact and whether key objectives are satisfied according to the intent of the reforms. This study was designed to examine whether the reforms have contributed significantly to addressing employees' post-work-life concerns and how such assessments impact their performance. Specifically, the paper examines if a relationship exists between the new pension reform act and employee retention, as well as organizational performance using a sample of employees of Nigerian Distilleries Ltd. Three hypotheses were tested at a 0.05 level of significance, using the inferential statistics of Regression Analysis with the aid of Statistical Package for Social Sciences (SPSS version 20). The findings show that there is a significant relationship between the New Pension Reform Act and employee's performance. Also, the New Pension Reform Act has a positive effect on employee retention, compensation design must reflect this option in order to attract, motivate and retain employees. With further evidence that the pension system has the propensity to align the individual and corporate goals by increasing their job commitment, performance and motivation, the paper concludes that proper implementation of the provisions of the pension reform act is a prerequisite for achieving its objectives.

The Effect of Empowering the Worker to Gain Control over his Retirement Savings Account on the Employee Punctuality

Ndukwe (2017) conducted a study on a Pension Scheme Management and Employee Commitment in Ebonyi State Civil Service: A study of Ministry of Power Abakaliki. This study examined Pension Scheme Management and Employee Commitment in Ebonyi State Civil Service with Ebonyi State Ministry of Power Abakaliki as the point of reference. The objectives of the study were to examine the extent administration of pension fund influence workers attitude to work in Ebonyi State Ministry of Power; investigate the extent the inability of the government to allow workers choose their Pension Fund Administrators (PFAs) affect workers commitment in Ebonyi State Ministry of Power and ascertain the extent to which underfunding of pension scheme by government influence worker's attitude to quality service delivery in Ebonyi State Ministry of Power. This study adopted descriptive survey design with the theoretical framework based on „Deferred Wage Theory“ propounded by Malaski, Firend and Capeli in 1981. A sample size of 223 was drawn from a population of 505 civil servants. Findings revealed that there is significant positive relationship between administration of pension fund and workers attitude to work in Ebonyi State Ministry of Power. Likewise, that there is significant positive relationship between inability of the government to allow workers chose their Pension Fund Administrators (PFAs) and worker's commitment in Ebonyi State Ministry of Power. The study submits that the contributory pension scheme should be sustained and spread across all agencies in Ebonyi State, as this will boost workers morale at work knowing well that government cares for them through pension scheme. The study recommends that workers should be allowed to choose their own Pension Fund Administrators as it will give them more confidence on the prudent and transparent management of their pension funds. The study calls on Government of Ebonyi State to ensure that they contribute their own counterpart fund to the pension scheme as this will make the workers to have enough funds take care of themselves and their families after retirement, among others.

Ogoh, et al. (2019) conducted a study on the Implications of Motivation on Employees' Performance in the Nigeria Civil Service. The Motivation of employees is a necessary principle for greater productivity, success, survival, growth and development of any organisation that wants to avoid employee turnover. The performance of the Nigeria civil service is becoming a source of concern. It was anticipated that poor motivation was responsible for low productivity the Nigeria Civil Service. In other to investigate this anticipation, the random sampling technique was used to determine the sample size of 399 Nigerian civil servants across the various ministries. The Likert four scale questionnaires and Chi-Square non parametric tool approach were used to determine the correlation between motivation and performance. At the end of the study, it was found that those who got confirmation of their appointments were sure of job security and they performed better on the job. The study also revealed among others that job security is guaranteed in the Nigerian civil service because civil servants who have confirmation of appointment may work to the mandatory retirement age of 60 years or 35 years of service which in itself is a source of motivation according to Herzberg Two Factor Theory adopted for this study. To further promote productivity, the paper recommends that promotion in the civil service should be done annually. Suggested among others as a policy implication that promotion of staff from grade to grade should be done annually to avoid backlash and congestion

in the service institution. In the conclusion it is argued that the higher the motivation, the greater the level of performance in an organization.

Dumale & Asawo (2020) carried out a study on the Employee Empowerment and Employee Turnover in Deposit Money Banks in Port Harcourt. This study examined the relationship between employee empowerment and employee turnover in Deposit Money Banks in Port Harcourt, Nigeria. The study adopted the cross-sectional survey in its investigation of the variables. Primary data was generated through self-administered questionnaire. The population of the study was 202 employees of 21 Deposit Money Banks in Port Harcourt. The sample size of 134 was determined using the Taro Yamane's formula for sample size determination. The research instrument was validated through supervisor's vetting and approval while the reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. Data generated were analyzed and presented using both descriptive and inferential statistical techniques. The hypotheses were tested using the Spearman's Rank Order Correlation Statistics. The tests were carried out at a 95% confidence interval and a 0.05 level of significance. The findings revealed that employee empowerment positively and significantly influences employee turnover in Deposit Money Banks in Port Harcourt, Nigeria. The study recommended that the management of Deposit money banks should endeavour to empower their staff. In an organization where employees are empowered, collective decision-making and the balanced distribution of authority and responsibility not only increase the employee's efficiency, work satisfaction and organizational commitment, but also improves the employee's capacity of meeting expectations and of adapting to change.

Adereti and Oladoyin (2021) carried out a study on an Assessment of Contributory Pension Reform in Nigeria. This paper appraised the level of success achieved in the implementation exercise of 2004 Pension Reform Act in selected Federal Universities in South western Nigeria. The study utilized both primary and secondary data. In Obafemi Awolowo University, Ile-Ife, stratified random sampling technique was used to select 403 respondents out of 4027, consisting of 1372 academic and 2655 non-academic staff, with a sample fraction of ten percent (10%); In Federal University of Technology, Akure, in the same way as OAU, Ile-Ife, 186 respondents out of a total of 1862, consisting of 555 academic and 638 non-academic with a sample fraction of ten percent (10%) was chosen using academic and non-academic classifications for stratification. Questionnaires and interviews were used to collect primary data from four hundred and four (404) respondents randomly selected in the study areas. The study found that the Government and the Pension Fund Administrators have not been effective enough in the administration of pension reform act 2004, and there are still recorded delay in payment of entitlement to Pensioners in the selected institutions owing to some problems stemmed from the need to present and secure approval for Budgets from the Federal Ministry of Finance, and need to seek confirmation and re-confirmation by the Pension Fund Administrators from the National Pension Commission, Abuja before payment of entitlements are executed. The paper concludes that the government should ensure proper implementation of the Pension Reform Act 2004 with regards to retirement policies and effective management of pension funds. There should in addition be a synergy between all sections in the National Pension Commission such that error of over remittance of contribution into Retirement Savings Account, which when discovered always stalls prompt payment of retirement benefit to retirees.

Majekodunmi (2022) conducted a study on the Contributory Pension Funds and Workers Financial Security in Ogun State, Nigeria. An employee who has worked for an organization for some years is entitled to some benefits which could be in form of gratuity and pension payable to such employee by its employer or an agent at the time of retirement or withdrawal of service. This paper examined how contributory pension funds contribute to the financial security of civil servants in Ogun State. The descriptive survey research design of the ex-post facto type was used for the study. The population of the study was made up of civil servants in Ogun State, Nigeria. Purposive and random sampling techniques were used to select one hundred and eighty respondents from five ministries/departments. The main instrument used was a self-constructed questionnaire tagged "Contributory Pension Fund and Workers Financial Security in Ogun State, Nigeria" with three subsections. Mean, Standard deviation and One-way Analysis of variance (ANOVA) were used to analyze the data collected at 0.05 level of significance. Findings of the study show the contributory pension scheme has a significant effect on workers' savings. Also, contributory pension scheme has significant effect on workers' investment. Based on these findings, recommendations are: pension fund administrators should educate the public more; especially the civil servants on contributory pension scheme so that they can have more implicit trust in the savings plans of the commission. Also, there should be an increase in

investment outlets of pension funds to ensure that investible pension funds are not limited to few investment classes which might lead to diminution of income of employees.

Gap in Knowledge

The few studies done were carried outside effect of contributory pension scheme administration on performance of Imo state Public civil service and did not focus to best of my knowledge on the sustainable pension system on the employee retention and empowering the worker to gain control over his retirement savings Account (R.S.A.) on the employee Punctuality of Imo state public civil service. Most of the studies reviewed analysed their data through descriptive survey design Spearman Rank Order Correlation Coefficient, Total population sampling technique, both descriptive and inferential statistical techniques, Cross-sectional survey design, statistics of Regression Analysis with the aid of Statistical Package for Social Sciences, Random sampling technique and Purposive and random sampling techniques respectively while the present study made use of Z test to test the hypotheses. Therefore, the study aimed at filling the research gap by evaluating the effect of contributory pension scheme administration on performance of Imo state Public civil service.

Methodology

The area of the study comprised of effect of contributory pension scheme administration on performance of Imo state Public civil service. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. A total population of 1883 staff from the state secretariat was used. The adequate sample size of 319, using Freund and William's statistic formula at 5 percent margin of error .245 staff returned the questionnaire and accurately filled. That gave 77 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.72 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z – test statistics tool.

Data Presentation and Analyses

Data Presentation

The effect of sustainable pension system on the employee retention of Imo state public civil service

Table 1: Responses on the effect of sustainable pension system on the employee retention of Imo state public civil service

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	A pension system attracts and retains talent in Imo state public service.	500 100 40.8	256 64 26.1	48 16 6.5	58 29 11.8	36 36 14.7	898 245 100%	3.67	1.472	Agree
2	The employee morale is enhanced with pension scheme.	415 83 33.9	256 64 26.1	75 25 10.2	36 18 7.2	55 55 22.4	837 245 100%	3.42	1.557	Agree
3	The pension is vital social security that eliminates old-age poverty.	425 85 34.7	312 78 31.8	78 26 10.6	40 20 8.2	36 36 14.7	891 245 100%	3.64	1.406	Agree
4	The pension is vital social security that eliminates old-age poverty.	480 96 39.2	280 70 28.6	21 7 2.9	84 42 17.1	30 30 12.2	895 245 100%	3.65	1.448	Agree
5	Each ministries put in force contributory pension scheme efficaciously and effectively so as	465 93 38.0	280 70 28.6	54 18 7.3	40 20 8.2	44 44 18.0	884 245 100%	3.60	1.499	Agree

to inspire and keep the employees.

Total Grand mean and standard deviation	3.596	1.4764
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Source: Field Survey, 2023

Table 1, 164 respondents out of 245 representing 66.9 percent agreed that a pension system attracts and retains talent in Imo state public service with mean score 3.67 and standard deviation of 1.472. The employee morale is enhanced with pension scheme 147 respondents representing 60.0 percent agreed with mean score of 3.42 and standard deviation of 1.557. The pension is vital social security that eliminates old-age poverty.163 respondents representing 66.5 percent agreed with mean score of 3.64 and standard deviation of 1.406. The pension is vital social security that eliminates old-age poverty 166 respondents representing 67.8 percent agreed with mean score of 3.65 and 1.448. Each ministry put in force contributory pension scheme efficaciously and effectively so as to inspire and keep the employees 163 respondents representing 66.6 percent agreed with a mean score of 3.60 and standard deviation 1.499.

The effect of empowering the worker to gain control over his retirement savings Account (R.S.A.) on the employee Punctuality of Imo state public civil service

Table 2: Responses on the effect of empowering the worker to gain control over his retirement savings Account (R.S.A.) on the employee Punctuality of Imo state public civil service

		5 SA	4 A	3 N	2 DA	1 SD	ΣFX	- X	SD	Decision
1	The ability to be prompt at work was motivated by gain control over retirement saving account.	455 91 37.1	368 92 37.6	21 7 2.9	86 43 17.6	12 12 4.9	942 245 100%	3.84	1.235	Agree
2	Ensuring of retirement savings enhances my desire to attend appointments on time in the organization.	370 74 30.2	368 92 37.6	3 1 .4	76 38 15.5	40 40 16.3	857 245 100%	3.50	1.467	Agree
3	Assignments are submitted by the deadline due to pension assurance.	410 82 33.5	376 94 38.4	18 6 2.4	72 36 14.7	27 27 11.0	903 245 100%	3.69	1.359	Agree
4	As a result of pension assurance employees continuous to arrive at work at a designated time	455 91 37.1	296 74 30.2	69 23 9.4	12 6 2.4	51 51 20.8	883 245 100%	3.60	1.513	Agree
5	The employee having greater security at work and financial stability encourages punctuality.	520 104 42.4	236 59 24.1	42 14 5.7	84 42 17.1	26 26 10.6	908 245 100%	3.71	1.430	Agree
Total Grand mean and standard deviation							3.668	1.4008		

Source: Field Survey, 2023

Table 2, 183 respondents out of 245 representing 74.7 percent agreed that the ability to be prompt at work was motivated by gain control over retirement saving account with mean score 3.84 and standard deviation of 1.235. Ensuring of retirement savings enhances my desire to attend appointments on time in the organization 166 respondents representing 67.8 percent agreed with mean score of 3.50 and standard deviation of 1.467. Assignments are submitted by the deadline due to pension assurance 176 respondents representing 71.9 percent agreed with mean score of 3.69 and standard deviation of 1.359. As a result of pension assurance employees continuous to arrive at work at a designated time 165 respondents representing 67.3 percent agreed with mean

score of 3.60 and 1.513. The employee having greater security at work and financial stability encourages punctuality 163 respondents representing 66.5 percent agreed with a mean score of 3.71 and standard deviation 1.430.

Test of Hypotheses

Hypothesis One: Sustainable pension system has no positive effect on the employee retention of Imo state public civil service

Table 3: One-Sample Kolmogorov-Smirnov Test on sustainable pension system has no positive effect on the employee retention of Imo state public civil service

One-Sample Kolmogorov-Smirnov Test						
		A pension system attracts and retains talent in Imo state public service.	The employee morale is enhanced with pension scheme.	The pension is vital social security that eliminates old-age poverty.	Pension help employee to live a quality life and encourages them to remain in the service	Each ministries put in force contributory pension scheme efficaciously and effectively so as to inspire and keep the employees.
N		245	245	245	245	245
Uniform Parameters ^a , ^b	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.419	.350	.415	.428	.415
	Positive	.147	.224	.147	.122	.180
	Negative	-.419	-.350	-.415	-.428	-.415
Kolmogorov-Smirnov Z		6.564	5.478	6.501	6.692	6.501
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000
a. Test distribution is Uniform.						
b. Calculated from data.						

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternate hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – values ranges from $5.478 < 6.692$ and on Asymp. Significance of 0.000, responses from the respondents as displayed in Table 4.2.1 is normally distributed. This affirms the assertion of most of the respondents that sustainable pension system had significant positive effect on the employee retention of Imo state public civil service

Decision

Furthermore, comparing the calculated Z- values ranges from $5.478 < 6.692$ against the critical Z- value of 0.00 (2-tailed test at 96% level of confidence) the null hypothesis was rejected while the alternate hypothesis was accepted which states that sustainable pension system had significant positive effect on the employee retention of Imo state public civil service

Hypothesis Two: Sustainable pension system has no positive effect on the employee retention of Imo state public civil service

Table 4: One-Sample Kolmogorov-Smirnov Test on empowering the worker to gain control over his retirement savings Account (R.S.A.) has no positive effect on the employee Punctuality of Imo State Public Civil Service

One-Sample Kolmogorov-Smirnov Test						
		The ability to be prompt at work was motivated by gain control over retirement saving account.	Ensuring of retirement savings enhances my desire to attend appointments on time in the organization.	Assignments are submitted by the deadline due to pension assurance.	As a result of pension assurance employees continuous to arrive at work at a designated time	The employee having greater security at work and financial stability encourages punctuality.
N		245	245	245	245	245
Uniform Parameters ^{a,b}	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.497	.428	.468	.423	.424
	Positive	.049	.163	.110	.208	.106
	Negative	-.497	-.428	-.468	-.423	-.424
Kolmogorov-Smirnov Z		7.778	6.692	7.331	6.628	6.644
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000
a. Test distribution is Uniform.						
b. Calculated from data.						

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternate hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – values ranges from $5.478 < 7.778$ and on Asymp. Significance of 0.000, responses from the respondents as displayed in Table 4 is normally distributed. This affirms the assertion of most of the respondents that empowering the worker to gain control over his retirement savings Account (R.S.A.) had significant positive effect on the employee Punctuality of Imo state public civil service

Decision

Furthermore, comparing the calculated Z- values ranges from $5.478 < 7.778$ against the critical Z- value of 0.00 (2-tailed test at 96% level of confidence) the null hypothesis was rejected while the alternate hypothesis was accepted which states that empowering the worker to gain control over his retirement savings Account (R.S.A.) had significant positive effect on the employee Punctuality of Imo state public civil service

Discussion of Results

Sustainable Pension System had Significant positive Effect on the Employee Retention of Imo State Public Civil Service

Hypotheses one showed the comparing the calculated Z- values ranges from $5.478 < 6.692$ against the critical Z- value of 0.00 which states that sustainable pension system had significant positive effect on the employee retention of Imo state public civil service. In view of this study, Ukwandu and Onyema (2019) conducted a study on the Effects of the Monetisation Policy on employee performance in the Nigerian civil service. This article examined the enormous financial burden placed on the Federal Government of Nigeria by the management and maintenance of its civil servants. The cost of governance in Nigeria continues to rise mainly because of the provision of fringe benefits

(such as free residential accommodation, medical services, transport facilities and utilities, including telephone service, water and electricity) to public servants. Yet, public employees' performance continues to decline, which leads to low levels of human and physical infrastructure development. The findings revealed that the Monetisation Policy has helped to enhance employee payment packages. A statistically significant positive correlation was found between high monetised benefits and high employee performance. The study found that the Monetisation Policy has had positive effects on employee performance in the federal civil service in Imo State.

Empowering the worker to gain control over his retirement savings Account (R.S.A.) had significant positive effect on the employee Punctuality of Imo state public civil service

Hypotheses two revealed the calculated Z- values ranges from $5.478 < 7.778$ against the critical Z- value of 0.00, which states that empowering the worker to gain control over his retirement savings Account (R.S.A.) had significant positive effect on the employee Punctuality of Imo state public civil service. Adereti and Oladoyin (2021) carried out a study on an Assessment of Contributory Pension Reform in Nigeria. This paper appraised the level of success achieved in the implementation exercise of 2004 Pension Reform Act in selected Federal Universities in South western Nigeria. The study utilized both primary and secondary data. In Obafemi Awolowo University, Ile-Ife. The study found that the Government and the Pension Fund Administrators have not been effective enough in the administration of pension reform act 2004, and there are still recorded delay in payment of entitlement to Pensioners in the selected institutions owing to some problems stemmed from the need to present and secure approval for Budgets from the Federal Ministry of Finance, and need to seek confirmation and re-confirmation by the Pension Fund Administrators from the National Pension Commission, Abuja before payment of entitlements are executed.

Summaries of Findings

The findings at the end of the study include the following:

- i. Sustainable pension system had significant positive effect on the employee retention of Imo state public civil service $Z(96, n = 245) = 5.478 < 6.692, p < 0.05$
- ii. Empowering the worker to gain control over his retirement savings Account (R.S.A.) had significant positive effect on the employee Punctuality of Imo state public civil service $Z(96, n = 245) = 5.478 < 7.778, p < 0.05$

Conclusion

The study on effect of contributory pension scheme administration on performance of civil service concluded that sustainable pension system and empowering the worker to gain control over his retirement savings had significant positive effect on employee retention and employee punctuality. The civil service has over the years evolved as the central institution through which government implements its policies and programs designed to meet political aims and provide social services. Pay in the civil service sector has been graduated in the sense that different positions are assigned different grades or levels or some other designation that differentiates base pay based on the perceived value or difficulty involved in fulfilling the demands of that position. Linking pay increases to length of service helps keep workers on the job and reduces turnover. This can lead to savings in training costs for new hires and allows the staff time to learn and become expert at what they do.

Recommendations

The following recommendation were made by the study

- i. Civil service commission should employ qualified human resource personnel that will oversee the affairs of employee compensation as this will remove the bottleneck surrounding the non-implementation of employees' compensation.
- ii. A carefully designed pay-for-performance scheme should be instituted by the state government while desiring to improve productivity in the public sector. It is also important to choose the appropriate locus of control, which is deciding where goals and objectives should be set.

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