

**INTERNATIONAL JOURNAL OF
INNOVATIVE RESEARCH AND KNOWLEDGE**

ISSN-2213-1356

www.ijirk.com

**Preretirement Preparation Influence on Adjustment of Retirees:
A Case of Ministry of Industry, Trade and Cooperatives,
Nairobi County**

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Abstract

Retirement occurs when one leaves formal employment to other engagement that may not be part of their previous work. It can also be seen as cessation of one stage of life to a new one. Most studies have concentrated on allocation and disbursement of pensions and the experiences of the retirees. Few studies have identified psychosocial factors that influence the adjustment of retirees from civil service in Kenya. The focus of the study was on the retirees of MITC. The study's purpose was to establish the extent to which preretirement preparations influence adjustment of the retirees. The study was based on continuity theory, Jahoda's latent Deprivation model and Cognitive Behavioural Therapy (CBT). Descriptive research design was applied using both quantitative and qualitative approaches. The study established that the retirees from MITC were of the view that the Ministry did not do enough to facilitate various supportive programs that would have enabled them adequately plan and prepare for their retirement.

Introduction

According to Machina (2012), retirement is a phase of life when an individual has to move from formal employment to moving away from the workforce. It means leaving active work to a life with new roles from that of paid work. The transition may be accompanied by many challenges and opportunities which were not expected by one when they were still working (Wang & Shi, 2014). Most people have been found to experience the transition with a lot of anxieties as they exit from work activities of their life domains. For others, it is a time to take up new engagements in society that they would not carry out during their formal employment, while others are hurt by loss or threat of loss (Feldman, 2013). Retirees are likely to adjust better when the level of the activities they are engaged in are almost the same with what they did prior to their exit from work. This would mean that the retirees identify engagements that would replace their earlier achievement that they had during their active working life.

Retirement has been seen by many as another phase of one's lifetime where one is unable to continue being creative and is less capable of giving back to the community. It is often accompanied by a negative attitude towards life, assessment of one's life, and individual's general well-being (Centers for Disease Control and Prevention, 2015). However, recent study has reported no major retirement impact on retirees' life satisfaction (Henning, Lindwall & Johansson, 2016). Other studies indicate that the effects may vary from one individual to another over time. This may depend on how well one is prepared for retirement, the post retirement activities they are involved in and the social support they are getting from their family, friends and significant others (van Solinge, 2013). By equipping oneself with strategies for coping in retirement, negotiating this phase could satisfactorily influence the adjustment.

Organizations have come up with employee benefit schemes with pension topping the list. Employees expect their benefits when they exit work as guided by the policies in place and they view pension rightfully earned (NSSF, 2013). This is supported by the various constitutions of countries in the world. Kenya has also got this entitlement of their employees in the Public service entrenched in the HRPPM (2015). Public entities are therefore allowed to domesticate on the policy to come up with their own retirement schemes for their employees.

Many studies done on retirement have concentrated on issues of pension reforms and policy trends. During period of late 20th century, many countries were involved in reforming their pension system, having got to maintain their financial stability and at the same time apply fairness in the distribution of pension payments to the retirees (von Herbay, 2014). Though few individuals have had the idea that issues of government retirees need not be a major concern for study, there has been a trend where retired workers are experiencing various psychosocial problems globally, specifically from the less developed economies and this calls for some attention. This is especially so since some of retirees may still have their family depending on them for upkeep and also school and college going children and some of these countries may not be having well instituted welfares with less political and economic danger to their resources (Kithinji, 2012). This study sought to examine whether the retirees of MITC were adequately prepared for retirement.

Purpose of the Study

The study's purpose was to establish the extent to which preretirement preparations influence adjustment of the retirees.

Statement of the Problem

The population growth of the elderly in Kenya has been projected to rise from 4.3 to 8.7 between the years 2012 and 2050. This means that the population of retirees who fall under this category will also increase by the same

rate. It has also been indicated that 37 percent of the current civil servants will retire by 2030 (Mboga, 2014). This is a large number of retirees that needs to be checked to reduce the dissatisfied number joining the already dependent lot. Many retirees face problems of adapting to the new changes that come with retirement.

Understanding the psychosocial issues that retirees of MITC have to deal with, like social support, is crucial in designing intervention measures following retirement. This is only possible through empirical research. Therefore, the current study aimed at investigating the psychosocial challenges influencing the adjustment of civil servants after retirement. It is expected that interventions would be structured to include not only those who are in service but also as a follow up for the retirees. It is for this reason that the researcher found the study justified.

Literature Review

Pre-retirement Preparation and Adjustment to Retirement

Retirement is an event in life which comes with many changes to those who undergo it, yet many enter it totally unprepared. The reviewed literature shows that preretirement preparation has effects on adjustment in retirement (Thuku, 2013, 2015; Barbosa, Monteiro and Murta, 2016; Amoah-Mensah & Darkwa, 2016; Obodo, 2017; Topa, Lunceford, Boyatzis, 2018). For instance, a study done by Yeung (2013) among Hong Kong retirees found that more pre-retirement preparations enabled retirees to acquire a positive perception of the eventualities encountered in retirement hence life satisfaction during the transition. A related study on potential retirees and those who were already retired in Hong Kong suggested that retirement planning activities enabled retirees to adjust satisfactorily to retirement life. With such activities in place the retirees were likely to view retirement as encouraging and be well prepared for it (Yeung & Zhou, 2017). Machima (2012) also agreed with the previous writers who plan for their exit early enough before the transition were found to adapt better after cessation of work. Furthermore, a study on knowledge transfer preferences of employees in northern California in the United States revealed that planning for retirement facilitated the potential retirees to transfer all they gained from their work experience to those that would take over their duties. This would in turn influence the wellbeing of the retirees as they leave a legacy at work. He suggested that mentorship program would be ideal for an intergenerational knowledge transfer from the retiring staff to the younger ones. The fact that the potential retirees impart knowledge to the incoming staff could motivate them to realize the legacy they leave behind in the organization hence their satisfaction in retirement (Harvey, 2012). In addition, a qualitative study done in Iran found that nurses had issues with their identity and this created a challenge to the process of adjustment in retirement. Preretirement planning could have addressed this problem before the time of exit (Nobahar, et al, 2013).

Although, some studies have linked pre-retirement preparation with retirees' adjustment in retirement, other studies have found otherwise. For instance, a British study on civil servants revealed that mental health accounted for better adjustment in retirement, and reported the contrary (Fleischmann, Xue and Head, 2020). Similarly, a study conducted in Egypt among 210 elderly retirees who had retired for one year and above indicated that adjustment to retirement was not linked to pre-retirement preparation, but other factors like the age, education and spousal standing. The findings also indicated that adequate means of social, physical, financial and psychological capability had positive influence on the adjustment of retirees (Fadila & Alam, 2016). Another finding by Alcover et al (2014) among retirees also agreed on their meta-analysis that retirement preparations did not impact on retirement satisfaction. This could imply that the effects retirement planning vary between and within individuals. It also depends on voluntariness and involuntariness in retirement. If one retired out of their own volition then it would mean that the individuals have no attachment to work and could therefore go through the transition smoothly.

A study in Nigeria among 288 retired civil servants found that there was lack of awareness and poor preparation to retirement leading to maladjustment or poor adjustment to retirement by retirees (Ju, et al., 2017). Furthermore, a study conducted by Barbosa and colleagues reported that 56.5% of the participants had prepared for retirement. The remaining number who were not prepared may have experienced problems in adjusting well to the transition (Barbosa, Monteiro & Murta, 2016).

In Kenya, a study conducted by Thuku (2013) among retirees in Nyeri County found that planning for exit from work and led to retirees' life satisfaction. Another study in the law enforcement officers found that there were no preretirement activities in existence and this could hamper with their adjustment indicating the importance of planning for the exit for retirees' life satisfaction (Muthondeki, Sirera & Mwenje, 2014).

While examining retirement preparation, some of the studies did not find any link pre-retirement planning and adjustment to retirement while others have focused on income, gender, education, happiness as predictors of adjustment to retirement. In so doing, they have neglected the psychosocial dimension of retirement preparation. In view of the above, this study identified psychosocial domains to explain the employee retirement planning and retirement preparedness for staff of MITC to facilitate their adjustment to retirement and hence fill the gap in knowledge.

Methodology

Descriptive design was chosen to describe the influences on retirement adjustment on retirees of MITC. The design was appropriate in setting up the connection that exist among varying factors enabling the gathering of data that would be used for verifying the parameters for the respondents. The research also addressed the existing phenomenon or state of affairs of the retirees without any manipulation of the variables. The results of the report were applied widely to the whole group under investigation and so the design became suitable for better consideration of the psychosocial changes of life for retirees, an area which had not been receiving much attention and not much had been documented. The descriptive research was appropriate to the study as it was easier to get and translate data by utilizing plain illustrative numbers.

Participants of this report formed officers of varying categories who had retired between 2014 and 2018 from the Ministry in Nairobi. The researcher believed that sampling from the three State Departments, that is, Industry, Trade and Cooperatives, in Nairobi would provide adequate information that would address the concerns of this study. Staff records at the Ministry headquarters indicated that the average number of employees who retire every year is 60 (Njeru, 2018). This projected to a period of 5 years which meant that there was an average of 300 retirees from the Ministry. To obtain members needed for the research from the sum of 300 retirees targeted, stratified method was applied to assemble them in three separate sections. This was done to have proportionate representation from each of the stratum for the study. This method was chosen to have existing sub-groups fairly and randomly represented within the sample. A sample was taken of 150 retirees including both men and women. This was 50% from each category of the total targeted population which gave a reasonable number in case some of the retirees would not be reached.

Since the numbers would not be sufficient, the study applied the technique of snowballing or chain sampling. This was made possible when the available participants were requested to employ their friends who had retired at around the same time or even a bit earlier for the interview. Records of some of them did not have their phone contacts or email addresses hence the use of snowballing. It was also easy to access the associations from MITC where some of the retirees belonged and this enabled telephone interviews with them. Table 1 is an overview of the population and sample.

Table 1: Sample Size

| Population components | No of population | Sample proportion of population | Total in sample |
|------------------------------|-------------------------|--|------------------------|
| Industry | 110 | 50% | 55 |
| Trade | 100 | 50% | 50 |
| Cooperatives | 90 | 50% | 45 |
| TOTAL | 300 | 50% | 150 |

Data was gathered using questionnaires and interview schedule from retirees of MITC. Quantitative data collection method relied on survey questionnaire with closed-ended questions while the semi-structured interviews were for the qualitative inquiry. Likert-type scales were adopted from previous studies to assess retirees' adjustment to retirement. The retirees coming to the pension office were interviewed using the questionnaire. Qualitative data collection methods relied heavily on interactive interviews where key informants were interviewed several times to follow up on particular issues, clarify concepts. These were questionnaires, interview schedules and telephone interviews. Some questionnaires were administered through the internet where the participants were requested to complete them online and return them in the same manner. Permission was sought from the relevant authorities that is, MITC, NACOSTI and Ministry of Education to carry out research and gather information from the participants.

After collection of the questionnaires, the researcher read through to ascertain their numbers and check for any errors and omissions in the responses. This being a mixed method research, quantitative and qualitative data was analyzed. Quantitative data was coded and keyed in using computer spreadsheet SPSS version 24. The software provided general statistical information about the participants investigated as regards to the psychosocial factors that influence the adjustment of civil servant retirees. Descriptive statistics was used in the distribution of scores for the quantitative data.

The study sought to establish the degree to which pre-retirement preparations impacted on adjustment of retirees of the MITC headquarters in Nairobi, Kenya. Respondents were requested to show the extent to which the MITC facilitated supportive programs while planning and preparing for retirement. Responses were analyzed using a self-rated scale of 1-4 from 1-not at all, to 4-more than enough and reported using mean and standard deviation. Qualitative findings reported in verbatim complemented the descriptive findings.

Objective that followed sought to explore the influence of post-retirement activities on adjustment of retirees of M.I.T.C headquarters in Nairobi, Kenya. This required respondents to specify the degree of their participation in different activities after formal retirement. The responses were analyzed using a self-rated scale of 1-4 from 1 (not at all) to 4 (more than satisfactory) and reported using mean and standard deviation. Qualitative findings reported in verbatim complemented the descriptive findings.

Pre-Retirement Preparation and Adjustment to Retirement

This objective meant to establish the level at which pre-retirement preparations impacted on adjustment of retirees of the MITC headquarters in Nairobi, Kenya. The respondents were required to show the degree MITC facilitated supportive programs towards their retirement planning and preparation. The answers were gauged using a measurement of 1-4 indicating 1 for-not at all, to 4-more than enough. The outcomes are illustrated in Table 2:

Table 2: Facilitation of Supportive programmes and retirement preparation

| Statements | Mean | Std. Dev |
|---|------|----------|
| I was trained in adaptive psychological or life skills | 2.10 | 0.888 |
| I participated in leisure time management trainings | 2.17 | 0.980 |
| I participated in financial management trainings, seminars or workshops | 2.39 | 0.921 |
| I was given information about planning and preparations for retirement | 2.24 | 0.938 |
| I was informed on retirement date ahead of time to get prepared | 2.54 | 1.083 |

From the results, it is evident that participants shared the view suggesting Ministry's facilitation of various supportive programs for their retirement planning and preparation as being limited. This is reflected by the highest mean of 2.54 on informing retirement date ahead of time to get prepared and the lowest mean of 2.10 on adaptive psychological or life skill training. This indicates the retirees had a low level of or poor pre-retirement planning and preparation.

These findings on the level of pre-retirement preparation are also corroborated by feedback gathered through the semi-structured interviews where some of the interviewees said they were not ready for retirement. Participant 5 noted that:

“When the time came for me to go, I could not believe it and I wished I was given an extension of two to three years to prepare well.”

Age: 62 yrs

“I didn't expect the retirement life to be the way I am experiencing it. If I knew things would be the way it is now, I would have been better prepared when I was still working.”

Age: 61 yrs.

This study agrees with that of Yeung (2013), who carried out a study among 90 Hong Kong Chinese retirees and reported that retirees who attended pre-retirement preparation programs exhibited more positive approach towards retirement and exhibited improved life satisfaction. The findings also concurred with those of Wilson & Aggrey (2012), who found that there was general lack of awareness and poor preparation to retirement among the sampled civil servants. This led to maladjustment or poor adjustment to retirement by the retirees. The results also agreed with that of Chan, Gustafsson & Liddle (2015), who posited that plans for work exit improves on psychological, physical and social possession of a retiree contributing to their adjustment in retirement. They further suggested that the programs could assist potential retirees to plan for termination of engagement and the following lifetime.

This is an indication that the retirees had not adjusted to retirement as a result of not having been adequately prepared and this could have affected their psychological well-being. Pre - retirement preparation is necessary for employees as it enables them to adjust better towards retirement. There are many reasons why prospective retirees do not prepare well for exit from their work. One is that they find it hard to accept the realities of retirement life and in the process encounter problems even after retirement. Some may deny the fact that they are retired and may overestimate the benefits they expect and failure to meet this may lead to frustration compromising their adjustment to retirement (Thuku, 2015).

Conclusion, Summary and Recommendations

The current study divulge that the retirees shared the view that the Ministry had facilitated various supportive programs for their retirement planning and preparation including being informed of the retirement date in good time so as to get prepared; financial management trainings, seminars or workshops; information about planning and preparation for retirement, to a very limited extent. This implied that the retirees of the MITC were of the view that the Ministry did not do enough to facilitate various supportive programs that would have enabled them adequately plan and prepare for their retirement.

The study concluded that MITC had not adequately prepared retirees for retirement which may have contributed to challenges in retirement adjustment. Therefore, the MITC could advise and encourage retirees to invest in available public and private and social security schemes while they are working in order to safeguard their financial needs in retirement. The retirees could also build a diversified portfolio of investments that appreciates over time. This would help them to have financial security that would help them achieve their post retirement goals.

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