

## RETIREMENT AND ADJUSTMENT LEVELS: A CASE STUDY OF RETIREES IN OGUN STATE

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### ABSTRACT

This study examined the level of adjustment (positive or negative) of retirees in Ogun State, Nigeria, as well as their perception (positive or negative) of retirement and the level of adjustment. A self-developed questionnaire was used for data collection. The subjects for the study were 72 retirees (34 males and 38 females), drawn from public, private and government owned companies in Ogun State. Results of the study revealed that respondents had positive perception of retirement and positive level of adjustment in retirement. The relationship between perception and level of adjustment was not statistically significant [ $p \geq 0.05$ ] which indicates that factors other than perception contribute to the positive level of adjustment of the respondents.

### INTRODUCTION

A retiree is one who either voluntarily or involuntarily withdraws from long years of service of paid employment. Hera Clitus is credited with the saying that nothing is permanent except change. Retirees in Nigeria are really facing enormous challenge and find it difficult to adjust in living a good life in the society. Retirement is a major life change, which causes a shift in roles; a change in social relationships and interaction, possibly a constraint in financial resources and most importantly the time for great adjustment (Lopata, 1996). Retirement can be suffocating period coupled with new opening and challenges or stressful transition that bring boredom, laziness, lack of focus and discouragement, depending on an individual's perception and planning. Goldfard (1994) had stated that pre-retirement planning is a strategy to improve the chances of successfully adjusting to the new life style. Thus, either individual adjust

to retirement positively or negatively depending on how retirement is being perceived. Consequently, an individual who perceives retirement in a positive manner would experience success in retirement while an individual who perceives retirement in a negative manner would have an unsuccessful experience. In this study therefore, the level of adjustment of the successful one is termed positive while that of the unsuccessful is negative.

In a nutshell, four states have been identified as to how people perceived retirement and its expectations. Hansion and Walner (1994) described these four modes in the following way:

- ◇ Transition to old age/rest: a time to show down and live a quieter life in preparation for aging.
- ◇ New beginning: It depicts a new phase of life where one can have the freedom

to pursue long-awaited goals and live life to the fullest.

- ◇ Continuity: retirement is not a major event; it is just another transition in life, one that allows more time for valued activities.
- ◇ Imposed disruption: the retiree feels that his job is irreplaceable and therefore, retirement is meaningless and frustrating.

In essence, there is the probability that those who perceive retirement as new "beginning" and "continuity" would have positive retirement while those who perceived retirement as "transition to old age/rest" and imposed disruption" would experience negative adjustment in retirement. It should be noted, however, that several other factors according to researchers (Quoce and Moen, 1998; McKinney, 2003 and Selles, 2004) influence the level of retirement of a retiree in retirement. Research has shown that adjustment to retirement is likely to be more successful in the course of planning ahead and making right-ful decisions.

Furthermore, McKinney (2003) asserts that financial security, which is often based on long-range retirement planning, significantly influences the success of the retirement experience. The duration of retirement depends largely on accumulation of money and assets. An individual benefits a lot in retirement so far he/she rightly plans for it and takes a good decision. The earlier the person starts planning for retirement the more wealth he/she accumulates and the more likely that he/she has a successful retirement experience.

The strength of marriage and enjoying marital stability has also been identified as a fac-

tor in determining the level of an individual's adjustment to retirement. Being married in retirement is found to contribute to greater retirement satisfaction and successful adjustment to being retired for both men and women (Atchely, 2000). Other notable factors which contribute to the successful adjustment of retirees according to McKinney (2003) include the health status, contacts with others and family responsibilities. The ongoing suggests that several factors contribute to the level of adjustment of a retiree in retirement out of which perception of retirement, planning ahead and financial security seem to be major factors. What then is the level of adjustment of retirees in Ogun State.

Different views have been categorically stated that planning ahead of retirement intimately influences the success or enjoyment of the retirement. However, these writers observed that many retirees in Ogun State do not begin to plan in due course for retirement until the retirement period is near their doorstep. In addition, majority of the retirees are not opportuned to attend pre-retirement training programmes, (seminars and workshops) which could have provided financial, psychological and health information as well as motivation for planning ahead. One is, therefore, poised to look at the level of adjustment of retirees in Ogun State to ascertain the probable effects on perception of retirement.

The purpose of the study was to investigate the level of adjustment of retirees in Ogun State, to ascertain their perception of retirement and the type of relationship that exists between perception of retirement and level of adjustment.

**Questions**

Two questions were generated for the purpose of these studies. These include:

1. How do retirees in Ogun state perceive retirement?
2. What is the level of adjustment of retirees in Ogun state?

**Hypothesis**

There is no significant relationship between perception of retirement and level of adjustment to retirement.

**METHODOLOGY****Study Group**

The retirees selected for the study were 72, comprising of 34 males and 38 females whose age at retirement ranged between 35 and 65 years. The subjects were drawn from public, private and government owned companies. Here, a public owned company is taken to be a public liability company, while individuals own private companies and government own government companies.

**Statement**

A 27 – item questionnaire was devised by the researchers and used to collect data for the study. The psychometric properties of the instrument were established through the academic input of a team of psychologists and a test-re-test reliability of 0.84 with two weeks interval. The instrument was divided into two sections, section A and B. Section A has 10 items which sought information on personal data such as sex, age at retirement, years in service and type of retirement. Section B has 17 items, which sought information on perception of retirement, retirement benefits and pattern of adjustment. Section A requires either “Yes” or “No” fill in the gaps or place a tick re-

sponse while section B has a scale ranging from 1-4. Each question was assigned values as; 1: strongly disagree, 2: disagree, 3: agree and 4: strongly agree.

**Procedure**

Copies of the questionnaire were administered to retirees through different organizations and retirees themselves. Ten organizations were randomly selected from each category of public, private and government establishments. A total of 30 organizations were involved in the study. Copies of questionnaire were given to organization to distribute to retirees who had left their service. Located retirees were also used as chain to connect other retirees (snow ball approach) a total of 100 copies of the questionnaire were handed out, out of which 72 were correctly filled and returned. The data obtained were analyzed with the use of SPSS for Windows version 11-5. Simple frequency counts, chi-square and the Pearson correlation coefficient (r) statistical measures were employed to present information gathered on the study. All analysis was held significant at 0.05 level of significance.

**RESULTS**

Results in Table 1 indicate the frequency counts and percentage of data generated on personal data. The results show that majority of the respondents are married (88.9%), aware that retirement should be planned for (86.1%), did not receive any pre-retirement training (70.8%), started planning for retirement few years before their retirement (80.7%) and, above all, majority retired because it was mandatory (69.4%).

Question one sought to ascertain how Ogun State retirees perceived retirement. The result in Table 2 presents the retirees percep-

tion of retirement. Respondents were grouped into two, based on their scores. The possible highest score attainable by a respondent for the 8 items (Q 11 –18 on the questionnaire) was 32, while the lowest score was 8. Group 1 are respondents whose scores fall in the range between 32. An individual whose score is between 1 and 22 has negative perception of retirement, while those whose scores are from 23 to 32 have positive perception of retirement.

**Table 1: Frequency Counts of Response to Personal Information**

ITEMS	Frequency	Percentage
<b>Sex</b>		
Male	34	47.2
Female	38	52.8
<b>Age</b>		
30-40 years	1	1.4
41-50 years	15	20.8
51-60 years	53	73.6
61 & above	3	4.2
<b>Marital status</b>		
Married	64	88.9
Divorced	2	2.8
Widow	6	8.3
<b>Were you aware retirement should be planned for?</b>		
Yes	62	86.1
No	10	13.9
<b>Did you receive any retirement training while in service?</b>		
Yes	21	29.2
No	51	70.8
<b>At what point did you start planning?</b>		
Few years to retirement	50	80.7
Middle Career	8	12.9
Onset of Career	4	6.5
<b>Reason for retirement</b>		
Mandatory	50	(69.4)
Sacked	2	(2.5)
Voluntary	19	(26.4)
<b>Source of income after retirement</b>		
Pension	23	(31.9)
Pension and Business	44	(61.1)
Children	3	(4.2)
Nothing	2	(2.8)

**Table 2: Retiree's Perception of Retirement**

	Perception of retirement		
	Group 1	Group 2	Total
Observed proper test	1 – 22	23 – 32	.
proper exact 80%	31 (43.1)	41 (56.9)	72
(1 – tailed)	0.4	0.6	1.0
	0.3		
	013		

\*\* Numbers in parentheses are percentages

The results shown in Table 2 revealed that 41 or 56.9% of the respondents had positive perception of retirement while 31 or 43.1% had negative perception of retirement. Thus, indicating that majority of the respondents had positive perception of retirement. However, one cannot categorically say 41 differs significantly from 31 except a test of significance is conducted because the difference may be due to chance. Thus, a binomial chi-squared test was conducted ( $2 \times 0.3 = P, 0.13 > 0.05$ ) since  $X^2$  is not less than 0.005 ( $X^2 0.05$ ) this signifies that ob-

served distribution is not different from distribution. This confirms that the perception of majority of the respondents or retirees is positive.

Results in Table 3 present the respondents' level of adjustment in retirement. As in questions 1, respondents were divided into two groups. In Group 1 were respondents whose scores were from 1 to 25 and are those whose level of adjustment to retirement is low while in Group 2 were those whose level of adjustment is high and their scores were from 26 to 36.

**Table 3: Result of Test of Retiree's Level of Adjustment**

	Perception of retirement		
	Group 1	Group 2	Total
Observed proper test	1 - 22	23 – 32	.
proper exact 80% (1 – tailed)	31 (43-1)	41 (56.9)	72
	0.4	0.6	1.0
	0.3		
	013		

\*\* No in parentheses are percentages

The assumption was that about 70% of respondents would have successful adjustment to retirement. As hypothesized,  $0.3 = P, 0.308 > 0.05$ , this indicating successful adjustment of majority of the respondent and significantly ascertaining the difference between the scores of the two groups 24

(33.3%) differ significantly from 48 (66.7%).

Results displayed in Table 4 answered the third question: there is no significant relationship between perception of retirement and level of adjustment to retirement ( $r, 0.4.11 p, 0.000 < 0.01$ ).

**Table 4: Relationship between perception of retirement and level of adjustment**

		Level of Adjustment	Perception of Retirement
Level of adjustment	Pearson Correlation	1	.471 (**)
	80% (1-tailed	.	.000
	N	71	.71
	Pearson correlation	471 (**)	1.72
	80% (1-tailed	.000	
	N	71	

\*\* Correlation is significant at the 0.01 level

Though, results indicate a statically significant relationship however, since 0.471 is relatively not close to 1 then the hypothesis is upheld. There is no statistically significant relationship between level of adjustment and perception of retirement.

### DISCUSSION

Results show that most respondents indicated positive perception of retirement. According to the National Policy Resource Centre (NPRC, 1999) and Wapner (1994) a retiree's perception of retirement is critical to its success. Since retirement is perceived in a positive way, it is not surprising that the level of adjustment of majority of the respondents in this study was high ( $X^2 0.3 = P, 0.13 > 0.05$ ). Though majority (80.5%) did not start planning early, and did not have any training before retirement (70.8%) however, they strongly believed that retirement should be planned for. Out of the 72

respondents, 62 (86.1%) specified that retirement should be planned for.

Little wonder then, that the relationship between the level of adjustment and perception was low ( $r, 0.471; P, 0.000 < 0.01$ ). This is probably an indication that other factors as well as perception of retirement influence the level of adjustment of an individual in retirement. Protocol to retirement according to NPRC (1999) and Atchely (2000) are planning, good health, financial security, spousal/partner support and positive attitude about retirement. Quick and Moen (1998) added the decision about when or whether to retire to the list.

Consequently, the positive level of adjustment of this group of retirees could be attributed to other factors such as being married, financial status, and the condition of the respondents retirement. Majority of the respondents retired either voluntarily (26.4)

or because they have spent the maximum required time in service (mandatory, 69.4%) only a few were kicked out of work (2.8). Being married in retirement according to Atchley (2000) contributes to greater retirement satisfaction and successful adjustment to being retired. As in this case, majority of the respondents are married (88.9%). Though, the sample was not tested for compares, it is however recommended that further study should do a comparison retirees' levels of adjustment across marital status.

In addition, majority of the respondents had their sources of income beside their pension allowance, 61.1% of the respondents earn extra money from other jobs. Thus, this confirms Christine (2002) assertion that one's financial ability is the first step to successful retirement. Christine asserts that being financially secure increases the likelihood of comfortable, safe, and accessible housing, the likelihood of having more opportunity to pursue recreational and leisure activities as well as quality healthcare and support services. One is therefore tempted to pacify the respondents' success with their financial status.

The condition of the respondents' retirement is also a probable factor to their success in retirements i.e. retired either voluntary (26.4%) or because they have spent the maximum required time in service (mandatory, 69.4%) only a few were kicked out of work (2.8%). This supports the findings of other researchers that found that individual who voluntarily leave the work force are more likely to report greater satisfaction with the retirement experience (Quick and Moen, 1998; Atchley, 2000; Christine, 2002).

## CONCLUSION

The study had made an attempt to investigate its aim of investigating the adjustment level of retirees and their perception of retirement. It was found that respondents had positive perception of retirement and a successful or positive level of adjustment in retirement. The study revealed that retirees could adjust positively to retirement whether they started planning for retirement early or close to retirement.

It has also revealed that other factors contribute to the successful adjustment of retirees other than how retirement is perceived. Though this study did not examine the point at which success begin to emerge because the number of year's in retirement varies and activities had become a more important part of their daily life point at which success begin in relation to the level of adjustment.

In addition, it is recommended that further study should compare retiree's level of adjustment across marital status to establish the effect of marriage on the successes of retirement. Above all, instant pre and post retirement training is recommended.

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(Manuscript received: 7th June, 2007; accepted: 19th October, 2009).