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Effects of Contributory Pensions Scheme on Workers' Performance in Nigeria Universities: A Study of Federal Universities in South East, Nigeria.

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Abstract

This study is on the "Effect of Contributory Pensions Scheme on Workers' Performance in Nigeria's Universities; a study of Federal Universities in South East Nigeria". The contributory pension scheme was meant to assist Nigerian workers to save in other to cater for their livelihood after retirement. The broad objective is to assess the effect of Contributory Pensions Scheme on Workers Performance. The specific objectives included; to determine the extent the Contributory Pension Scheme has enhanced workers attitude to work, to determine how Contributory Pension Scheme has helped to attract and retain qualified workers, to ascertain the effects of contributory pension scheme on workers morale and satisfaction. The study combined Co relational and Cross Sectional Survey research design. The population of the study is Six Thousand Eight Hundred and Fifty (6850) comprising of the staff of five Federal Universities in South East Nigeria. The sample size was determined using the Taro Yamane statistical formula. The data for the study was obtained from the respondents with the help of structured questionnaire and were tested with T-test statistical test. The study revealed that Contributory Pension Scheme has enhanced workers attitude to work, to determine how Contributory Pension Scheme has helped to attract and retain qualified workers Contributory Pension Scheme has helped to attract and retain qualified workers, Contributory pension scheme on workers morale and satisfaction This study recommended among others that Universities in Nigeria especially State and Private Universities should ensure adequate implementation and strict compliance with the provisions of Pensions Reform Act 2004.

Keywords: Pension Contributory Pension, Workers Performance.

Introduction

Background of the Study

Life after detachment from active service as full time employee is of paramount importance to every employee. Retirement is a vital and demanding phase in the life of a worker. Thus, a retiree looks forward to a financial parting reward in lump sum or periodic payments that would enable him or her manage the stress of old age without having to solicit for his upkeep and that of his or her family members. Any employee whose life after retirement is adequately and appropriately taken care off makes gracious exit from an active work into the peace and tranquility of old age. Employees are attracted to join organizations with well established pension schemes. A good pension plan offers a financial lifetime to the retiree and also serves as an incentive to motivate an employee to behave in ways that are in the organizations best interests. In the words of Ugwoke and Onyeanu (2013) “a good pension scheme does not only serve as an incentive but helps to attract and retain experienced staff. Pension is highly valued by the employee to the extent that its availability in an organization causes the employee to perform in certain ways. The ability of an organization to guarantee its employer certain comfort and tranquility when he or she retires is very critical to the organizations survival.

Brown (2004) noted that pension is a financial lifeline that is so desirable considering that in retirement one has little or no opportunity to engage in very serious economic activities that can guarantee immediate financial needs. Pension is therefore a psychological process whose presence or absence in an organization is inferred from observed performance and employee turnover rate. It was in recognition of the above submission that the first ever known pension plan was conceived in England in 1770 (Macnico 1998). However, the genesis of pension scheme or policy in Nigeria dates back to the colonial government. The colonial government in 1951 enacted the first pension law in Nigeria tagged the Pension Ordinance of 1951 with retroactive effect from January 6, 1946. (Elegbana, 2004) This pension scheme covered the public sector only and was primarily designed to motivate the itinerant expatriates to perform at high levels and minimize their agitations as they held top offices in her majesty’s service in the colony of Nigeria (Ahmed, 2010).

The ordinance empowers the Governor-General to grant pension and gratuity to itinerant expatriates officers within the vast British Empire and maintain continuity of service wherever they were posted.

Similarly, the law became applicable to indigenous workers in the public service in Nigeria with limited application immediately after independence. Ugwoke (2004) posits that pension under the ordinance was not an automatic right of Nigerians as it could be withheld at the flimsiest reason as no indigenous officer by the law had automatic right to Pension and gratuity. Nevertheless, due to the limited nature of the Pension Ordinance of 1951, its application became problematic, when the government discovered that this ordinance never addressed the aspirations and demands of Nigerian workers.

In 1977, the Local Government Pension Scheme was established by military fiat while in 1979 the Federal Government, Promulgated the Basic Pension Decree No 102 and the Armed Forces Pension Scheme Created under Decree 103. These were popularly known as Pension Act of 1979. The Pension Right of Judges Act No 5 of 1985 was created to cater for Judges in the country as amended by Amendment Decree No 51 of 1988, 29 and 62 of 1992 respectively (Ugwoke & Onyeanu, 2013). Police and other Agencies Pension Decree No 75 of 1993 which took retroactive effect from 1990 represented another landmark development in the history of Nigeria Pension Scheme. The essential feature of these extant pension schemes/ decrees is employer sponsorship of the scheme. It was characterized by poor coverage of the entire Nigerian workers, inadequate funding and administrative inefficiency.

However, the Contributory Pensions Scheme was introduced in Nigeria in 2004 with the coming into effect of Pension Reforms Act 2004 (Ahmad, 2006). The Act was a shift from non-funded and non-contributory Defined Benefits Pension Scheme (DBPS), pay-as-you-go system inherited from the colonial government. Contributory Pension Scheme is a fully funded pension that tries to generate adequate funds through savings are meant to satisfy the interest of the employee at retirement.

The Pension Reform Act 2004 introduced the Contributory Pension scheme in the public and private sectors. Section 3 sub-section (2) of the Pension Reform Act 2004 in Nigeria summarized the key objectives of the Act as thus:

1. To ensure that all workers in public service and private sector receive benefits as at when due.
2. To assist individuals to save in order to cater for livelihood during old age.
3. To establish uniform method of administering payments of retirement benefit in public and private sector.
4. To empower employees to have a control over their retirement savings account (RSA).
5. To promote labour mobility and minimize incentive for early retirement.
6. To ensure transparent and effective management of pension funds, and
7. To promote wider coverage of pension scheme in Nigeria.

Statement of the Problem

Pension guarantees employee comfort in his or her inactive years. This is critical to the sustenance of the workers zeal to perform assigned tasks to meet or surpass predetermined standards. In Nigeria today, most employees both in public and private organizations are not covered by any reasonable form of retirement benefit arrangement. This has hampered the ability of most employees such organizations to contribute effectively to the achievement of the organizations objectives. Majority of pensioners in Nigeria live in object poverty and neglect as a result of the failure of the country’s pension scheme.

The contributory pension scheme in Nigeria is confronted with the following problems

1. Remittance of the benefit to the Retirements Savings Account (RSA) by firms, employers and employees may be difficult.
2. How genuine are our pension fund administrators and custodians that have licensed; were the licenses given to those competent and qualified.
3. What are the legal frameworks put in place by government such that in spite of political changes, the scheme is sustained by subsequent government?
4. How do we ensure effective implementation of penalties in the act of non-compliers regardless of their status and origin?
5. How will government and national pension commission monitor, supervise, and enforce the provisions of the pension Reform Act 2004?
6. What happen if PFAS and PFCS default or went into liquidation?

Objectives of the Study

The broad objective of this study is to assess the effect of Contributory Pension Scheme on workers' productivity in Nigeria. The specific objectives include:

1. To determine the extent the Contributory Pension Scheme has enhanced workers attitude to work.
2. To determine how Contributory Pension Scheme has helped to attract and retain qualified workers.
3. To ascertain the effects of contributory pension scheme on workers morale and satisfaction.

Statement of Hypotheses

The following hypotheses were stated to guide this study;

1. Contributory Pension Scheme has enhanced workers attitude to work in Nigerian Universities
2. Contributory Pension Scheme has helped to attract and retain qualified workers in Nigerian Universities
3. Contributory Pension Scheme effect the workers morale and satisfaction.

Scope of the Study

This research work is limited to the assessment of the Contributory Pension Scheme on workers' performance in Nigeria; a survey of Federal Universities in South-East Nigeria (2004-2015). The researcher is aware that most of the State owned universities in South East have not adopted the scheme and therefore restricted himself to Federal Universities in South East Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual Review

The Concept of Pension

Ngwu, in Anikeze (2013) defined pension as a fixed amount other than wages paid at regular intervals usually in monthly installments to a person in consideration of past services, age, merit, injury or loss sustained. It is a social security arrangement whereby workers draw retirement benefits for service rendered in the past. Onifade (2011) sees pension as an amount of money paid regularly by a government or a company to someone who is officially considered to be too old to earn money by continuing to work. Pension is therefore a benefit, usually money paid regularly to retired employees or their survivors by private or public (Government) organization.

In the opinion of Eme and Uche (2014), a pension is a contract for fixed sum to be paid regularly to a pensioner, typically following retirement from service. To them, it is different from severance pay because the former is paid in regular installments while the later is paid in one lump sum.

Ayegba *et al*. (2013) viewed pension as a payment a person receives upon retirement, usually under pre-determined legal and/or contractual terms.

Ozor (2006) posits that pension plan may be contributory or non-contributory: fixed or variable benefits; group or individual: Insured or trustee: Public or private and single or multi-employer. Pension is generally divided into two: Defined Benefit Plan (DBP) or pay-as-you-go and Defined Contributory Plan (DCP). This is broadly categorized by the way the benefits are financed either by the employer or both the employer and the employee.

Ugwoke and Onyeanu (2013) noted that the essence of a Defined- Benefit pension plan is that it provides a “defined-benefit”- a pre-specified annuity either in absolute currency or as a fraction of a measure of salary (for example, a defined percentage of the final salary or an average of some past years of salary). Defined Benefit (DB) plan is employer-sponsored pension scheme. It specifies amount of retirement benefit ahead of the time of retirement. According to Oladipo and Fashagba (2012) a defined benefit plan includes a benefit formular that specifies how much each covered employee will receive when the employee retires. The use of fixed formular for calculating the benefits is emphasized in the defined benefit plan. While many authors emphasized the use of formular to determine in advance the amount of the retirement benefits, Skiper and Kwon (2007) argued that the plan benefit can be predetermined and some benefits amounts vary by salary level. The employees number of years of service, and last average salary are import concepts considered while determining the benefit amount. Under the contributory pension plan (Defined contribution), the employees make monthly contribution or payment to the pension savings account. Madukwe (2005) sees define contribution scheme as a type of retirement plan in which the amount of the employee’s annual contribution is specified. The contribution payment is made to pension fund to raise a fund that will be sufficient for retirement when it is due. The contribution is monthly or annual payment made by the employer alone or jointly contributed by both employer and employee to the pension plan.

Booth and Chadburn (2005) noted that “each member has an individual account in which the contributions are paid for the member and accumulate until retirement. Employee receives as pension benefits the accumulated contributions in the employees retirement saving account and the return on the investment. As a fully funded scheme, the pension benefit or fund is provided for while the employee is on active service.

Contributory Pension Scheme in Nigeria

As stated earlier, the federal government of Nigeria in 2004 brought about a change in the management and administration of pension funds in the country with the enactment of the Pension Reform Act 2004.

The Pension Reform Act 2004 mandated all public and private organizations in Nigeria where the total number of employee is up to 5 or more to join the contributory scheme. The Act exempted persons and workers who have three (3) years or less to retire in accordance with the terms of their contract of employment. Under this system, the employees are required to contribute a minimum of 7.5% of their basic salary while their employers contribute 7.5% in the case of public and private sector. In the case of the military, the government contributes 12.5%of their monthly salary and 2.5% from the military. An employer is obliged by the Act to deduct and remit contributions to a custodian within 7 days from the day the employee is paid his salary while the custodian shall notify the PFA (Pension fund Administrators within 24 hours of the receipt of contribution. The contribution and retirement benefits are tax exempted.

Furthermore, the Act under Section 4 allowed for additional voluntary contributions by self-employed and those working in organization with less than 5 employee. It is mandatory for every organization or employer to specify the number of employees it maintained and failure to comply will attract sanction. The PRA 2004 established National Pension Commission (PENCOM) to regulate, supervise and license Pension Fund Administrators (PFAs) to manage the scheme, while the custody of the Pension Fund Assets are provided by licensed Pension Fund Custodians (PFCs). The employee opens an account to be known as a "Retirement Savings Account" in his name with a Pension Fund Administrator of his choice. This individual account under the Act belongs to the employee and will remain with him through life. The account is transferable to another organization which means the employee may change employer or organization but the account remains the same. The Act empowers the employee to withdraw from the account at the age of 50 or upon retirement thereafter. It also empowered the employee to withdraw a lump sum of 25% or less amount of the balance standing to the credit of his retirement savings account if he/she retired before 50 years and could not secure a new job after six months.

Pension Reform Act and Administrative Efficiency

Reform generally has to do with improvement on what has been existing or changing the form or structure to enhance performance.

Pension reform is an attempt by the government to give attention to the critical and structural problems associated with the old pension plan in the country and to place the retirees in a smiling condition. It was equally meant to give hope on employees currently working that their old age are certainly taking care of. And finally, to ensure that employees retire at the anticipated date instead of staying back until their skills and strength become worthless.

This fact was captured by Osler (1910) thus:

> *The main idea of positive theory of social security is that social security programs and intergenerational transfers are a way to buy the elderly out of the labour force. The reason why societies may want to do such a thing is that output per capital is higher if the elderly do not work, even though the private marginal product of an old workers (and therefore his spot market wage rate) may be positive. In other words, transfers are a way to achieve higher economic efficiency.*

Also Graeben, (1980) give support to Osler's view by stating thus:

> *Main idea is that pensions are a means to induce retirement. That is to buy the elderly out of the labour force. The reason is that aggregate output is higher if the elderly do not work.*

Finally, contributory pension scheme has a close relationship between performance and efficiency.

Conceptualization of Performance

Performance is a concept, is a subject open to wide variability as it is a somewhat imprecise word when it functions as a placeholder in research. Performance is a fact of life. Any activity where we input even momentary attention, performance can be factor, at least, deduced if necessary (Paul Folani, Jim Browne and Harinde Jagdev).

Performance is a determination of how the issue under consideration was performed. Thus, performance can be seen as the result of activities (e.g. of an organization) over a given period of time. Performance measurement is the process of quantifying the efficiency and effectiveness of past action. Thus, it is the process of measuring how well organizations are managed against their targets and value they generate for their stakeholders.

Factors Affecting Employee Performance

a. **Stress**: Stress has a positive effect on employees of any organization but up to certain extent up to which an employee can cope with it. Mostly, it exceeds the bearable limits and has a negative result on employee performance. Aliya Igbali, Maiya Ijaz, Farah Latif and Hina Hushtaq (2015) noted that stress exists in every organization either big or small the work places and organizations have become so much complex due to which it exists. The further stated that, work place stress has significant effects over the employees job performance and the organizations.

b. **Long Working Hours**: Long working hours has negative effect on employee's performance as well as in their families, the employer and community. Aliya *et al* (2015) opined that employees who are allowed for some rest time during their job and they work few hours shows greater efficiency and effectiveness at their job as they are fresh and energetic during their job.

c. **Employee Training**: The importance of keeping human resources up-to-date can never be over-emphasized. Thus, training have positive impact on employees performance as he/she will be confident and fully aware about his tasks comparative to the employee who is not being trained for important roles (Aliya *et al*., 2015).

d. **Communication Barriers:** Communication barriers create huge hurdles for employee to discuss their routine problems and to get their solutions for the upper management. So, when they feel confused to talk with their managers they feel hesitation and fear that they will be scolded and abused by their managers and decide at their own which may lead them towards wrong decisions and it can affect their efficiency.

e. **Financial Rewards:** There is a strong relationship between financial rewards and employee performance. Noted that if performance is backed by financial rewards, then employees work more energetically. To them, financial reward is considered a great motivator for employees. It is obvious that incentives increase the employees' commitment which ultimately results in good performance. Thus, pension as a financial benefit or reward results in the positive performance of employees at work.

Theoretical Review

This study was anchored on the Positive Theory of Social Security, propounded and popularized by Osler 1910. The main assumption of positive social security theory is that social security programme induce retirement that is, to buy the elderly out of labour force. This is modeled through positive externalities in the average stock of human capital because skills depreciate with age. The elderly have lower-than-average skill and as a result, have a negative effect on the productivity of the young. When the differences between the skill level of the young and that of the old is large enough, aggregate output in an economy where the elderly do not work is higher (Mulligan and Sala-i-Martin, 1999).

Osler (1910) the proponent of the theory centrally holds the view that men are old at 40 and worthless at 60. The idea is to encourage the young to save enough for their inactive years (old age) and to induce the elderly to retire so that their jobs could be given to more productive young workers.

The Relevance of Positive Theory of Social Security to the Study

The contributory pension scheme was designed to encourage savings at young age and better workers retirement benefits; it was aimed at preventing vagaries of poverty and hardship in old age and retirement. This is to ensure that the employee who has worked would be able to receive his or her retirement benefits as and when due. Unfortunately many public workers in Nigeria dread retirement and continue to work beyond retirement age. This also have negative impact on their performance.

In Nigeria, if the basic assumptions of positive theory of social security are practiced it will engender sustainable social welfare for the aged. The delays and denial of retirement benefits will be minimized. It will also induce retirement in the country and create jobs for young Nigerians. The output of Nigerian economy will be higher if the elderly will retire.

Empirical Review of Related Literature

However, in a study on Assessment of the contributory pension scheme in the Nigeria Armed Forces, Oparah (2010) conducted a survey study. He found out that the administrative and management lapses that characterized the Pay-As-you-Go-scheme would be absent in the Contributory Pension Scheme. He further discovered that long delay in payment, perennial lack of funds and corruption that characterized the pay-as- you-go system will be eliminated in the contributory pension scheme. The researcher agreed with Oparah on his finding but was not comfortable the way he stated his findings without stating how the contributory pension scheme will eliminate corruption in Nigerians pension system.

Oparah (2010) recommended that Government and National Pension Commission should ensure effective monitoring, supervision and enforcement of the provisions of the pension Reform Act 2004.

Generally Oparah's study failed to tell us how contributory pension scheme has impacted on the effectiveness or ineffectiveness of Nigerian military. He contradicted himself when he stated that the Nigerian military has very low morale owing to deductions from their salary and they constituted a threat to Nigeria's democracy. This study failed to tell us how to handle the problem of low morale among the military which is caused by deductions in their salary.

Oladipo and Fashagba (2012) carried out a research on Evaluation of Compliance with the Stipulations of the Contributory Pension Scheme: A case study of Quasi Government Institutions in Nigeria. He adopted a survey study and used 117 University duly licensed to operate in Nigeria as at 2012. The study therefore has the objective of finding out if employers are complying with the requirements of the reform. The study discovered that universities are operating within the stipulated 7.5%. He recommended that universities with percentages that are normally different from 7.5% will require to correct this anomaly especially when operating below 7.5% the Act 2004 clearly and unambiguously defines.

The researcher here is afraid that Oladipo and Fashagba (2012) failed to collect any data from the right population. The choice of studying only the university management of the selected universities was totally wrong. They failed to source information or interview the regulating body (PENCOM) and the employees to compare their responses with that of university management. In their study they told us that Nigerian universities are operating within the stipulated 7:5%. This is far from the truth, recent studies have revealed that majority of private and state owned universities have not even started implementing the contributory pension scheme. The researcher believed that the lacuna in their study arise from the wrong selection of the population of the study which the researcher himself will try to fill in this study.

Iyiola (2013) carried out a study on “An Assessment of the Contributory Pension Scheme on Employee Retirement of Quoted Firms in Nigeria.” The study adopted Ex-post facto research design. The population of the study was 284 firms quoted in the Nigerian stock exchange and 10 quoted firms were selected as sample size. The Data were obtained from the annual accounts and reports of the 10 firms quoted that made up the sample size. The study concluded that even though the contributory pension scheme has positive impact on employee retirement benefits of quoted firms in Nigeria, variation in application still exists among them. He recommended effective monitoring, supervision and enforcement of the provisions of the Pension Reform Act 2004.

Iyiola in his study wrongly excluded the employees of the quoted firm from his study concentrating only on the annual accounts and reports of the 10 quoted firms that made up the sample size. His study failed to state the time frame for the study while this researcher still wondered whether he studied or made use of the annual reports of the 10 firms since their inception.

Edogbanya (2013) carried out a research on “An Assessment of the Impact of Contributory Pension Scheme to Nigeria Economic Development with relevance to pension fund manager, Domestic Product (GDP) in Nigeria.” The Study was aimed at suggesting the best way for handling the fear that the funds or Retiree Savings Account (RSA) contribution can be mismanaged by the existing trustees. Edogbanya found out that risk prevalent has positive effect on the pension fund management.

Kaufman *et al.* (2015) carried out research on employee performance: what causes great work? The objective of their research was to understand what organizations can do to cause employees to produce great work on a consistent basis, to discover what types of motivating parks and practices are currently being used by different organizations, and how effective each is at actually causing employees to produce great work. Their finding are: recognition drives great work. The study revealed that high remuneration and employee recognition are the major factors that drive great on a consistent basis.

Kalu *et al* (2015) undertook a research on "the impact of contributory pension scheme on workers' savings and investment in Nigeria using Anambra State as a case study." The objectives of their study included: to find out the extent contributory pension scheme has impacted on the workers savings and investment, to examine the institutional factors that hinders the effectiveness of contributory pension scheme and determine the policy options open to government to ensure efficiency of the contributory pension scheme. Their findings are: that majority of the respondents prefers to save outside any pension scheme, most respondents are not aware of their employers own contribution to their contributory pension scheme. Their study concludes that among other things that the Nigerian government should create more awareness and enlightenment campaign on the workers contributory pension scheme geared towards retirement.

Ojekeye (2017) carried out a study on "the Impact of Remuneration on Employees' Performance: A Study of Abdul Gusau Polytechnic, Talata-Mafara and State College of Education Maru, Zamfara State." The study adopted survey research design. The objectives of the study are to examine the role of salaries, wages, bonus and incentives play as motivational tools in improving employee performance. To determine the relationship between remuneration and employee performance. The data was analyzed using regressive and correlation analysis. The study discovered that remuneration is a source of motivation on employees performance; there is a positive and significant relationship between remuneration and employee performance which reinforces the reinforcement and expectancy. The study recommended among others that employers of labour must not take the remuneration of their employees for granted because it will result in poor performance.

Yusufu (2016), perception of university employees on the impact of contributory pension scheme on employees welfare. The study adopted Pearson correlation coefficient and chi-square. The objectives of the study are to assess the impact of the new pension policy on the welfare of retirees of federal universities in Nigeria, to assess the relationship between pension benefits paid to retirees and the accumulated deductions by Pension Fund Administrators (PFAs). The statistical analysis results revealed that the new pension scheme gives the employees the choice as to how their pension funds are managed and gives them the assurance about the security of their retirement benefits. The result of the analysis also revealed that there was no significant relationship between awareness of new pension scheme and the welfare of employees of federal universities in Nigeria.

METHODOLOGY

Research Design

This study combined co relational and cross sectional survey research design to fully ascertain the impact of contributory pension scheme on workers' productivity in Nigeria which cannot be determined effectively using only available literature.

Co relational research design shall deploy the relationships among variables. Co relational research investigates one or more characteristics of a group to discover the extent to which the characteristic vary together. The logical argument is to demonstrate the extent (x) relates to (y), this infers that (x) as an independent variable relates with (y) as dependent variable. In applying the correlational design to our study, it involves observing the independent variable (contributory pension scheme in Nigeria) and dependent variable (workers performance in Nigeria). The cross-sectional survey involves the collection of data from a sample drawn from well defined population. The study dealt with a cross- section of the population of the 5 Federal Universities in South East Nigeria.

Sources and Method of Data Collection

This research adopted both primary and secondary sources. Primary data in this study were gathered through in-depth interview and structured questionnaire. This corroborated with official documents and information from reputable journals, internet data and textbooks.

Population of the Study

The population of the study represents the population of the employees of 5 (five) federal universities in the South East, Nigeria. The total population of the study was 6850 comprising academic and non-academic staff of the universities.

Population Distribution Table

		Population	**Percentage**
1	UNN	1519	22.2
2	FUTO	2126	31
3	FUNAI	663	9.7
4	NAU	1200	17.5
5	MOUAU	1342	19.6
		6850	**100**

Source: National Universities Commission, 2016.

Sample Size Determination

The sample size of this study was determined using the Taro Yameni (1963) statistical formular as shown below:

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

Where n = Appropriate sample size

N = The total population

e = Margin of error

1 = Constant

Five percent (0.05) is the error of margin allowed. Substituting therefore we have;

$$n = \frac{6850}{1 + 6850(0.05)^2}$$

$$n = \frac{6850}{1 + 6850(0.0025)}$$

$$n = \frac{6850}{1 + 17.125}$$

$$n = \frac{6850}{18.125}$$

$$n = 377.931$$

$$n \cong \mathbf{378}$$

Method of Data Analysis

The researcher employed the T-test distribution statistical test. The T-test distribution is a statistical test used when nominal or ordinal independent variable and an interval dependent variable make up the data for analysis. The T-test statistics is commonly used when checking if there is a difference or change between two mean and when using the difference in the proportion of responses of the respondents.

The formular for calculating;

Tn -1 $\overline{X} - U$

$$\frac{S}{\sqrt{n}}$$

Where T=test statistics

S = Sample standard deviation

(n-1 = degrees of freedom

$\overline{X}$ = Sample mean

U = population mean

n = Sample size

Decision Rule: The researcher adopted a decision rule that we accept or reject the null hypothesis if the calculated t-value at 5% level of significance exceeded or is less than the critical t-value otherwise, accept the null hypothesis.

DATA PRESENTATION AND ANALYSIS

This section embodies three sub-headings in line with our three hypotheses that guided this study. The opinions of the respondents as contained in our questionnaire were subjected to T-test statistical analysis. The result of the hypotheses tested using T-test statistics were presented as follows;

TEST OF HYPOTHESIS

Hypothesis One

This Hypothesis Seeks To Ascertain the Relationship Between Contributory Pension Scheme and Workers Attitude to Work in Nigerian Universities

Ho_1: Contributory Pension Scheme has not significantly enhanced workers attitude to work in Nigerian Universities.

Hi_1: Contributory Pension Scheme has significantly enhanced workers attitude to work in Nigerian Universities.

Decision Rule: The researcher adopted a decision rule that we accept or reject the null hypothesis if the calculated t-value at 5% level of significance exceeded or is less than the critical t-value otherwise, accept the null hypothesis.

T-test statistics for the test of Hypothesis one

Respondents' responses to Contributory Pension Scheme has not significantly enhanced workers attitude to work in Nigerian Universities.

T-test: Two-Sample Assuming Unequal Variances

	Variable 1	***Variable 2***
Mean	3.09561753	3.186915888
Variance	0.366820717	0.643978134
Observations	378	107
Hypothesized Mean		
Difference	0	
Df	160	
t Stat	-1.055636416	
P(T<=t) one-tail	0.146362862	
t Critical one-tail	1.654432902	
P(T<=t) two-tail	0.292725724	
t Critical two-tail	1.974901524	

$\alpha = 0.05$

Sources: Field Survey January, 2018.

Findings:

The T-test above in Table 4.1 indicated that Contributory Pension Scheme has significantly enhanced workers attitude to work in Nigerian Universities.. This was evidenced from t-statistics of 1.055636416 less than the t- critical of 1.974901524 and 0.292725724>0.05 is significant at

5%. Given our decision rule, we therefore, accept H_i which indicated that Contributory Pension Scheme has significantly enhanced workers attitude to work in Nigerian Universities.

Hypothesis Two

This hypothesis seeks to determine how Contributory Pension Scheme has helped to attract and retain qualified workers in Nigerian Universities.

Ho_2: Contributory Pension Scheme has not significantly helped to attract and retain qualified workers in Nigerian Universities.

Hi_2: Contributory Pension Scheme has significantly helped to attract and retain qualified workers in Nigerian Universities.

Decision rule: The researcher adopted a decision rule that we accept or reject the null hypothesis if the calculated t-value at 5% level of significance exceeded or is less than the critical t-value otherwise; accept the null hypothesis.

T-test Statistics for the test Hypothesis two

Respondents' responses to Contributory Pension Scheme has significantly helped to attract and retain qualified workers in Nigerian Universities.

T-test: Two-Sample Assuming Unequal Variances

	Variable 1	***Variable 2***
Mean	2.087649402	2.112149533
Variance	1.064286853	1.081643449
Observations	378	107
Hypothesized Mean Difference	0	
Df	199	
t Stat	-0.204530235	
P(T<=t) one-tail	0.4190741	
t Critical one-tail	1.652546747	
P(T<=t) two-tail	0.838148201	
t Critical two-tail	1.971956498	

$\alpha = 0.05$

Sources: Field Survey January, 2018.

Findings:

The T-test above in Table 4.2 evidenced Contributory Pension Scheme has significantly helped to attract and retain qualified workers in Nigerian Universities(Sig.) of the t-statistics at -0.204530235<-1.971956498 and 0.838148201which is greater than 0.05 is significant at 5%. Given our decision rule, we therefore, accept H_i which indicated which indicated that Contributory Pension Scheme has significantly helped to attract and retain qualified workers in Nigerian Universities.

Hypothesis Three

This hypothesis seeks to ascertain if Contributory Pension Scheme has any positive effect the workers morale and satisfaction.

Ho_3: Contributory Pension Scheme does not have any positive effect the workers morale and satisfaction.

Hi_3: Contributory Pension Scheme have positive effect the workers morale and satisfaction.

Decision rule: The researcher adopted a decision rule that we accept or reject the null hypothesis if the calculated t-value at 5% level of significance exceeded or is less than the critical t-value otherwise, accept the null hypothesis.

T-test statistics for the test of hypothesis three

Respondents’ responses to Contributory Pension Scheme does not have any positive effect the workers morale and satisfaction.

t-Test: Two-Sample Assuming Unequal Variances

	Variable 1	***Variable 2***
Mean	2.788844622	3.158878505
Variance	0.31923506	0.738670428
Observations	378	107
Hypothesized Mean Difference	0	
Df	147	
t Stat	-4.09250531	
P(T<=t) one-tail	3.50548E-05	
t Critical one-tail	1.655285437	
P(T<=t) two-tail	7.01096E-05	
t Critical two-tail	1.976233277	

$\alpha = 0.05$

Sources: Field Survey January, 2018.

Findings:

The t-Test above in Table 4.3 indicated that Contributory Pension Scheme does not have any positive effect the workers morale and satisfaction. Hence, the significance (Sig.) of the t-statistics at -4.09250531 less than the critical of 1.976233277and 7.0109>0.05 is significant at 5%. Given our decision rule, we therefore, accept Hi_3 which indicated that Contributory Pension Scheme have positive effect the workers morale and satisfaction.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

SUMMARY OF FINDINGS

The Contributory Pension Scheme was a clear determination of the federal government to provide a system that is financially sustainable, simple and transparent, less cumbersome and cost effective as well as encourage savings among workers. The scheme was introduced to ensure that employees who has worked would be able to receive his or her retirement benefits as and when due. This would definitely prevent the vagaries of poverty and hardship in old age and retirement.

From the review of related literature, analysis and interpretation of data collected and results of the hypotheses test, the study revealed that Contributory Pension Scheme has significantly enhanced workers attitude to work in Nigerian Universities. The study also established that Contributory Pension Scheme has significantly helped to attract and retain qualified workers in Nigerian Universities. Contributory Pension Scheme have positive effect the workers morale and satisfaction.

CONCLUSIONS

The Contributory Pension Scheme is an eye opener for the larger percentage of workers to concentrate on their pension contributions from the first day of employment. This study is a wakeup call to those institutions/organizations as well as individuals who have the archaic believe of pension been scam should rather sit up and learn about the Contributory Pension Scheme. The study is an eye opener of the obvious benefits in the Contributory Scheme in enhancing performance. The contributory pension scheme is quite a laudable and advantageous scheme to the workers as some vital issues have been addressed. Workers and their employers should be committed more than before to Pension contributions so as to benefit from major changes which were made in the Pension Reform Act (2004) to alleviate the sufferings of the Nigerian workers from the shackles of pension problems.

RECOMMENDATIONS

The study recommended as follows:

i. Universities in Nigeria especially State owned universities as well as private universities and other organizations must ensure effective implementation and compliance with the principles of the Contributory Pension Scheme. These were spelt out in the Pension Reform Act 2004.

ii. The National Pension Commission should ensure strict enforcement of the provisions of the Pension Reform Act (2014) which enthroned Contributory Pension Scheme in Nigeria.

iii. The National Pension Commission must ensure that workers receive alerts on their savings as a way of encouraging them.

i. The study calls on the appropriate authorities to commission public enlightenment campaign on contributory Pension Scheme to encourage staff of federal universities to save more than their monthly deductions. States and Private universities need to be encouraged to comply with the provisions of PRA 2004. Private individuals need to open Pension Fund Account in order to save for their old age.

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