

PRE-RETIREMENT ENTREPRENEURIAL IMPLEMENTATIONS (10 YEARS BEFORE RETIREMENT) AMONG CIVIL SERVANTS IN BENIN CITY

VICTOR AMADIN IDEHEN
Department of Entrepreneurship
Faculty of Management Sciences
University of Benin, Edo State, Nigeria
Email: victor.idehen@uniben.edu
ORCID: <https://orcid.org/0000-0003-1005-1562>

&
EWERE MAYOR
Department of Entrepreneurship
Faculty of Management Sciences
University of Benin, Edo State, Nigeria
Email: ewere.odeh@uniben.edu

Abstract

This study examined pre- retirement entrepreneurial implementations (10 years before retirement) of civil servants in Edo State. The objective of the study is to prepare individuals psychologically for retirement as well as developed small business information before retirement in other to spur entrepreneurial implementation among civil servants ten years before their disengagement. The research design is both explorative and quantitative. Primary data were elicited through the use of questionnaire. The data were analyzed and presented using statistical technique such as table and percentages. The result revealed that many civil servants do not have business 10years before their retirement. Based on the findings, it was recommended that the government and its various agencies should come up with policies on entrepreneurial plans and implementations 10years before retirement for every civil servant. Second, certain percentage of employee monthly salary and pension fund should be set aside for entrepreneurial start up 10years before retirement and finally, there should be adequate campaign and enlightenment of civil servants on the need to be entrepreneurial 10 years before retirement.

Keywords: Retirement, Employee, pre-retirement, entrepreneurial plan, Business ideas.

Introduction

Retirement is a complete discontinuation from paid employment. This period witnesses transition from one stage of development to another which comes with changes in the retirees attitude, expectations and experiences. If not well managed could lead to social isolation, illness and death due to ravaging poverty occasioned by delayed/meager payment of pensions and gratuities by pension funds administrators.

Employees should learn the opportunities of entrepreneurship 10 years to five years before retirement to provide alternative streams of income to retirees at retirement. Life after retirement may not really just be relaxing off from active service or only a time to plan oneself or a bird of roses. There are more practical experiences that the potential retirees would meet after respective retirement that they need to start preparing for years before they end their actual active service. Studies have shown that Nigerians are not adequately prepared to support themselves and their families in retirement. The reality is that employee could be self-employed after retirement and contribute to economic output.

The main objective of this study is to prepare individuals psychologically for retirement as well as developed small scale business information before retirement in order to spur entrepreneurial implementation among civil servants ten to five years before their disengagement. This study therefore will help in the eradication of psychological, sociological and economic challenges upon retirement through entrepreneurial competency development. In the light of the above, the research question is whether there is a relationship between pre-retirement intentions and entrepreneurship development among civil servant in Benin City. To achieve the above, we intend to elicit information through questions from civil servants who have ten years before retirement.

Accordingly, the research is organized into introduction; which highlights the motivations for the research work, literature review; which explained the theoretical and conceptual framework, empirical work, methodology; which explained the method of data collection and analysis, findings and discussion, implication, conclusion and recommendation.

Literature Review

Pre-retirement means occurring in a time before retirement. Preretirement planning improved the chances of making a good adjustment to retirement. People who have made preparation for retirement tend to be more adaptable to change (Shultz & Wang, 2011). Healthy retirement can lead to life of self-realization and fulfillment. There is need for a new mind set, that influence psychological make-up of the staff developing self-potential and running one's own business. Virtanen et al (2017) posits that individuals are more likely to engage in post-retirement employment, if they would have control over their work schedule and the job was not physically demanding. Risk tolerance and personality have also been described as possible predictors for self-employment interest and success. Economic condition may complicate the decision to pursue self-employment in later life as well as outcomes of such work.

Self-employment in later life helps see changes in health and well-being, as well as economic security, economic and social value. There are two psychological theories which suggest why some older adults are inclined to become self-employed and what type of work they may pursue in self-employment. The first is socio-emotional selective theory, which proposes that as individual age and they come to understand that they have less time left on this earth (perceived future time), they focus less energy on developing peripheral relationships and instead focus their energy on rich emotionally fulfilling and salient interaction (Carstensen, 1995). Erikson (1963) (as in Halvorsen & Howell (2017)) proposes that as individual age, they focus less on themselves and more on giving back to the society and

leaving legacy (Einolf, 2014). This however depends on the financial disposition of employees. Employees must prepare to face the fear of retirement and aging through entrepreneurship.

Business ideas for pre- retirement

Not all businesses are entrepreneurial. Entrepreneurship is quite different from self - employed business. Entrepreneurship has to do with innovation, creativity, risk taking and constructive destruction to create a novel idea to find solution to existing problem in the society. How then do entrepreneurs get their business ideas? You don't need to look too far, first, what are those things you think should be done differently or things you see that piss you up and you think, it would have been done differently. Take a look at that product again and add the expected value. Second, you may stay in an area that required certain product, you can avail yourself of that and provide such a product. Third, look at the job you presently do, it could be a starting point. You already possessed the technical know- how in that areas and rendered such services. Fourth, look at facilities available to you; do you have a large space in your compound or properties that can be used for business, take advantage of it. Fifth, check your relationships. Who are the people in your space. Think of how to leverage on them. Sixth, take a look at your family business, some of us came from families that are known for a particular business. Think of how to modernize it, repackage it and exploit it maximally. So look inward; what are your family, kindred, Village and tribe good at or know for, can you leverage on it? Sixth, socialized outside your circle; make new friends and exploit such connections. Seventh, some of us travel out and see some cultural products that could be useful to your country of origin. Inquire about it and see how you localized it. It could even be technological transfer, business display or arrangement. Whatever business you showed interest in, ensure you get acquainted with such business. Learn the rudiment of such business. Adequate knowledge of the business will enhance your survival.

Finance

There are many institutions you could raise money from, but start by taking advantage of where you work. Most establishments have cooperative societies or other bodies that gives out loans, there rate is always very low, many charges 1%. So, 10-5 years to retirement, take a loan and keep replenishing when necessary. Sacrifice that new car for a business start.

Importance of conducting a feasibility study

- It help determine the profitability of the business
- It help identify the flaws, business challenges, opportunities, threats and unforeseen circumstances
- It help estimate the financial, human and technological resources that will be needed
- It help determine the amount of capital required
- It help prove to the entrepreneurs, venture capitalists, vendors and investors on the viability of the business

Financial challenges for small business

- Limited cash flows
- Not using a budget
- No preparation for unforeseen expenses

- Not raising enough capital
- Too much debt
- Not paying bills on time
- Over paying bills
- Mixing business and personal finances
- Not having new customers.

Theoretical Review

This research work is hinged on Super's career development theory. Super (1980) postulate that each individual takes on multiple roles or life spaces often simultaneously and to varying degree (i.e citizen, worker, parent) and each of these roles is enacted in different theatres or life spans (e.g home and workplace). individuals move through five life stages at various rates and their career decisions are often made in the context of personal as well as situational career determinants. Super and Jordaan (1973) improving on the work of super posits that the last life stage decline, typically begins around the age of 65 and is divided into sub stages (i.e deceleration and retirement). These theories are apt to this research work since individuals must go through the last stage in life which is retirement, there is need therefore for adequate preparation to reduce the crisis at retirement.

Empirical Review

Ebito et al (2020) investigated the moderating influence of emotional intelligence development on the relationship between retirement planning and post retirement entrepreneurship in Nigeria. The study employed questionnaire in surveying the opinions of 118 retirees in Akwa Ibom State of Nigeria. Analysis of data was done with multiple regression analysis. The study established that there was significant relationship between retirement planning and post retirement entrepreneurship in Nigeria. Griffin and Hesketh (2008) investigated the prediction of post retirement work. Both paid and volunteer post retirement work. Using multinomial logistic regression analysis, a framework based on image theory was tested which include evaluations of pre -retirement work, attitude to retirement, behavioral style and demographics are used to predict both intentions to work in retirement in a pre-retiree sample (N=987) and actual work in retirement in a sample of retirees (N=725). Both volunteer and paid post –retirement work were strongly related to people's evaluation of their pre-retirement work and for pre-retirees, a proactive style of behavior was also predictive. Yeh (2020) investigated mechanisms through which financial literacy may be associated with saving for retirement, in the phases of the decision making process –information perception, information search and evaluation and decision making and implementation. The result indicated that financial literacy has significantly positive effects on one's awareness of post retirement financial needs, comparing alternatives when purchasing financial products, displaying fewer present time biases, and planning for and setting aside funds for retirement.

Methodology

The research adopted a quantitative research method and the research design is both exploratory and descriptive. The survey approach involves studying a purposive selected sample taken from the population. The technique used by the researcher to obtain data for analysis is questionnaire and interview.

A sample of one hundred (100) respondents which have 10-5 years before retirement was purposively selected. The research instrument is made of two sections. Section A and B. Section A sought information on demographic issues while section B contains 9 questions that will address the research question raised. In generating the required data for analysis, a response scale research instrument was used because it allows the respondents indicate how closely their feelings match the statement on a rating scale. The scale 5-1 was used for each of the questions. The questions were scored on a likert scale from strongly agreed (S.A), Agreed (A), Neutral(N), Disagreed (D), and Strongly disagreed (S.D) which were allocated score 5-1. The statistical package for social science (SPSS22.0) software was used. This statistical tool was used because it is suitable means of breaking down and analyzing the generated data into percentages and frequencies.

Findings and Discussions

Table1: Sex

	Frequency	percent
Male	46	46
Female	54	54
Total	100	100

Source: Researcher's field work, 2021

Table 1 shows the number of male is 46 and female 54 respectively out of 100 respondents. It represents equitable distribution of sex. Though the male are more entrepreneurial than female

Table2: Years of service.

	Frequency	Percent
21-30	54	54
31-40	31	31
41+	15	15
Total	100	100

Source: Researcher's field work, 2021

Table 1 shows that 54 respondents have put in 21-30 years in service, 31 respondents 31-40 years in service while 15 respondents have put in 41+ years in service. These figures reflect the desire of the researcher to use people who have put in long years in service and close to retirement.

Table3: years left in service

	Frequency	Percent
1-5	46	46
6-10	54	54
Total	100	100

Source: Researcher's field work, 2021

Table 3 shows 46 respondents have 1-5 years left in service while 54 respondents have 6-10 years left in service. These figures represent the mandate to elicit information from those who have 10 years to retirement.

Table 4: I have a business outfit in my 10 years to retirement

	Frequency	Percent
Strongly disagreed	16	16
Disagreed	30	30
Neutral	23	23
Agreed	23	23
Strongly agreed	8	8
Total	100	100

Source: Researcher's field work, 2021

Table 4 shows that 46 respondents do not have a business outfit in their 10years before retirement, 23 respondents were neutral while 31 respondents have business outfit in their 10years before retirement. The 31 respondents that have businesses show low consciousness among civil servants to prepare toward retirement. This may be the reason while many retired unprepared and lives in poverty, idleness and disease.

Table 5: I have no money to start business in my 10 years before retirement

	Frequency	Percent
Strongly disagreed	15	15
Disagreed	23	23
Neutral	31	31
Agreed	16	16
Strongly agreed	15	15
Total	100	100

Source: Researcher's field work, 2021

Table 5 shows that 38 respondents have money to start a business in their 10years before retirement, 31 respondents are neutral while 31 respondents do not have money to start business in their 10years before retirement. The 38 respondents that have money to start business are rather few, which means 72 respondents retired to uncertainty.

Table 6: I have a desire to start business after retirement

	Frequency	Percent
Neutral	15	15
Agreed	31	31
Strongly agreed	54	54
Total	100	100

Source: Researcher's field work, 2021

Table 6 shows that 85 respondents have desire to start business after retirement, while 15 respondents are neutral. Which mean there is a desire for most civil servants to be entrepreneurial after retirement.

Table 7: I intend to seek for another paid job after retirement

	Frequency	Percent
Strongly disagreed	39	39
Disagreed	23	23
Neutral	23	23
Agreed	15	15
Total	100	100

Source: Researcher's field work, 2021

Table 7 shows that 62 respondents do not intend to seek for another paid job after retirement, 23 respondents are neutral while 15 respondents intend to seek for another paid job after retirement. Which mean majority of the civil servants must be entrepreneurial after retirement to enable them meets their needs and curb idleness.

Table 8: I intend to do voluntary job to give back to the society after retirement.

	Frequency	Percent
Strongly disagreed	23	23
Disagreed	8	8
Neutral	39	39
Agreed	15	15
Strongly agreed	15	15

Source: Researcher's field work, 2021

Table 8 shows that 31 respondents do not intend to do voluntary job after retirement, 39 respondents are neutral while 30 respondents intend to do a voluntary job after retirement. The 70 respondents that do not intend to do voluntary job must be entrepreneurial to curb retirement crisis.

Table 9: I do not intend to have a business in 10 years before retirement

	Frequency	Percent
Strongly disagreed	31	31
Disagreed	31	31
Neutral	8	8
Agreed	30	30
Total	100	100

Source: Researcher's field work, 2021

Table 9 shows that 62 respondents intend to have a business in their 10 years before retirement, 8 respondents are neutral while 30 respondents do not intend to have a business in their 10years before retirement. Which means, majority of the employees need to have

adequate information about entrepreneurship to enable them think of start up in their 10years before retirement.

Table 10: I intend to use my pension payment to start business

	Frequency	Percent
Neutral	23	23
Agreed	54	54
Strongly agreed	23	23
Total	100	100

Source: Researcher's field work, 2021

Table 10 shows that 77 respondents intend to use their pension payment to start business while 23 respondents are neutral. Which mean there is need for adequate plans and training to support such huge number to be entrepreneurial after retirement. There is need to deconstruct such thinking to start business after retirement and reinforce the need to start 10years before retirement.

Table 11: Employers should set aside certain percentage of monthly salary, which will be released 10 years to retirement for business

	Frequency	Percent
Strongly disagreed	7	7
Disagreed	23	23
Neutral	8	8
Agreed	31	31
Strongly agreed	31	31
Total	100	100

Source: Researcher's field work, 2021

Table 11 shows that 62 respondents agreed that certain percentage of their salary should be set aside from monthly salary to start business 10years before retirement, 8 respondents are neutral while 23 respondents disagreed. Which mean, finance could be a major hindrance to most civil servants starting their business.

Table 12: Certain percentage of pension fund should be given to employees to start business 10years before retirement

	Frequency	Percent
Disagreed	8	8
Neutral	23	23
Agreed	39	39
Strongly agreed	30	30
Total	100	100

Source: Researcher's field work, 2021

Table 12 shows that 69 respondents believe certain percentage of their pension fund should be given to them to start business 10 years before their retirement, 23 respondents are neutral while 8 respondents disagreed. This further demonstrates that finance is a major problem of

civil servants not to think entrepreneurial. Adequate plans and sensitizations will help stimulate and reduce impediment to be entrepreneurial.

Implications

The study shows that 31 respondents have a business in their 10 years before retirement. These few respondents represent lack of awareness among civil servants to plan and implement entrepreneurial intentions 10years before their retirement. Most civil servants are impoverished and suffer poor health, idleness and misery after retirement due to lack of adequate plan toward retirement. Life after retirement could be more complicating and not a bird of roses and certainly not the time to plan. The prospective retirees must be guided toward entrepreneurship 10years before retirement to enable them adjust to reality while still in service. There is need to ameliorate the pains in retirement. The study also revealed that 38 respondents have money to start business in their 10 years to retirement. The implication is that most civil servants are not entrepreneurial because of fund. Most civil servants can hardly make savings out of their monthly salary due to economic reality. There is need to adequately informed them to think of other alternative to start business probably outside the government source of funds. Most civil servants can make use of their cooperative to fund their business 10years before retirement which they replenish successively. The civil servants must be adequately guided to look inward as most funds in their domain have 1% interest rate which is a good start up funds. This unfortunate situation of lack of fund is collaborated by 62 respondents who intend to start a business 10years before retirement and 85 respondents who believed they will start business after retirement. Retirement period is not a time to plan, there are a lot of uncertainty at retirement. The thought of using pension funds to start business after retirement evident from 77 respondents have plunge many civil servants into more poverty and confusion. There is a need to start business plan early and implement 10years before retirement for proper adjustment and follow up. Since only 15 respondents intend to seek for another paid job after retirement, the 85 respondents that will not seek for another paid job need to be properly guided to be useful to themselves, families and Nation after retirement. Retirees are known to contribute to socio economic development of their communities and families.

The study further revealed that 62 respondents believes certain percentage of monthly salary should be set aside and released 10years before retirement to fund start up . This may likely be the way to go for those who do not have enough startup capital. Certain percentage of the pension fund can also be set aside for employees to start up business 10years before retirement. This policy can help curb many of the crises that employees go through after retirement.

Conclusion

There is a need for proper re-orientation of the civil servants to make adequate plans and implement entrepreneurial intentions 10 years before retirement. Employees should start preparing for retirement from the first day of employment. There should be need for proper campaign and enlightenment of the civil servants by government agencies who could initiate policy directives to support such initiative. Certain percentage of the monthly salary could be set aside by employers to enable the civil servants to fund start up 10years before retirement.

The pension fund could also be reviewed to enable certain percentage to be set aside for civil servants to fund start up 10 years to their retirement.

Finally, every employee must be encouraged to make use of the various funding in their place of work. Their cooperatives are veritable tools for such purpose.

The paucity of information on 10years before retirement was daunting task for the research. Most employees live in the illusion that 10years before retirement is a long period and they are saddled with family issues. I will suggest that further research should be done on government policy initiatives for business start up for every civil servant 10years before retirement. This paper finally recommends that government and its various agencies to come up with policies on entrepreneurial plan and implantation 10years before retirement for every civil servant. Second, certain percentage of the employees monthly salary and pension fund should be set aside for entrepreneurial start up 10 years before retirement, finally, there should be adequate campaign and enlightenment of civil servants on the need to be entrepreneurial 10years before retirement.

References

- Carstensen, L.L. (1995). Evidence for a life-span theory of socio emotional selectivity. *Current Directions in psychological Science*, 4,151-156
- Ebito, I.N., Umoh,V.A&Ufot, S.I (2020). Retirement planning and post retirement entrepreneurship in Nigeria: Investigating the moderating influence of emotional intelligence development. *International Journal of Research and Scientific innovation*, vii (xi), 105-110
- Einolf, C. (2014). Stability and change in generative concern: Evidence from a longitudinal survey. *Journal of Research in Personality*, 51, 54-61
- Griffin, B. &Hesketh, B (2008). Post retirement work: the individual determinants of paid and volunteer work. *Journal of Occupational and Organizational Psychology*,81 (1), 101`-121
- Halvorsen, C.J., & Howell, N.M. (2017). A conceptual framework on self employment in later life: Toward a research agenda. *Work, Aging and Retirement*, 3 (4), 313-324
- Shultz, K.S. & Wang, M. (2011).Psychological perspectives on the changing nature of retirement.AM. *Psychol*,66,170-179
- Super, D.E (1980). A life – span, life-space approach to career development. *Journal of Vocational Behavior*, 16, 282-298
- Super, D.E &Jordaan, J.P. (1973). Career development theory. *British Journal of Guidance and Counselling*,1,3-16
- Virtanen, M., Oksanen, T., Pentti, J., Ervasti, J., Head, J. Stenholm, S., VahteraJ. &Kivimaki, M. (2017). Occupational class and working beyond the retirement age: A cohort study. *Scandinavian Journal of Work, Environment & Health*,43(5), 426-435
- Yen, T. (2020). An empirical study on how financial literacy contributes to preparation for retirement. *Journal of Pension, Economics & Finance first view*, 1-23