
Human Resource Management and Retirement Counselling For University Lecturers

Irechukwu Ogechukwu URIAS
Department of Educational Management
Faculty of Education
Ignatius Ajuru University of Education, Nigeria.
ireeurias@gmail.com

Abstract

The paper examined the roles of Human Resource Management in retirement counseling for lecturers. Human resource management was found to have very important roles to play in lecturers' retirement counseling. These roles are basically gathering and dissemination of information relevant to retirement. Another is training in coping strategies for the challenges of retirement. Some recommendations were made, some of which are that the university should routinely invite investment houses to hold seminars. Lecturers should also receive training on how to set up multiple sources of income. It was concluded that retirement counseling is rare in the universities, but that it is a very crucial responsibility and obligation that the university owes her lecturers.

Keywords: Human Resource Management, Retirement, Retirement Counseling, Accumulation, Decumulation, Stock, Bond, Financial Investment, Coping Strategies, Stress, Eustress.

INTRODUCTION

As the saying goes whatever has a beginning has an end. So it is with work life or career. The peaceful end and seamless transition from a regulated work life to a life of rest and preparation for old age is called retirement. Retirement is a time of transition from work to rest. Perception of and attitude to retirement varies with individuals. Some have mixed feelings for it while some look forward to retirement gleefully. Yet, some others are dolefully slipping into evil days they would have wished to postpone.

Whether retirement is perceived negatively or positively depends on what conscious preparations the retiree has made in his active working days. Financial preparations need to be made by way of savings and other forms of investment that should become financial buttress when salary ceases. A worker nearing retirement should begin to decelerate socialization and gradually descend into a low profile life to avoid landing with a jolt when he finally retires. A worker ought to start planning for retirement from the first year of work.

Why do most workers not plan for their retirement? They are ignorant of the fact that present income is meant for present and future needs. Even those who know are unaware of how to conserve income in the face of the harsh economy and the continuous diminishing of the value of the currency. Lecturers need a lot of information concerning legal provisions pertaining to retirement and pension. In addition, they require counseling to enhance their coping ability in the

face of the psychological and emotional impact of retirement on their finance and personality. Retirement appears to have a slight stigma. Retirement counseling is an important role of the Human Resource Management of a university. It is an obligation they owe the lecturers in their university.

CONCEPTUAL CLARIFICATIONS

Concept of Human Resource Management

Every organization has stipulated goals and objectives. To realize those objectives, the organization needs human and material resources. The maintenance of the human and material resources of an organization is the function of management in a nutshell. In other words, management is generally concerned with the proper mobilization of men, materials, machine and money for the achievement of the set objectives of the organization (Amah, 2016).

Stein (1967) described human resource as the body of persons employed in any work, undertaking or service. Human resource management can therefore be described as the component of management that is saddled with the responsibility of mobilizing men towards the achievement of organizational goals. Human Resource Management is concerned with obtaining, organizing and motivating the human resource required by an enterprise (Armstrong, 2012).

Maduagwu and Nwogu (2006) defined human resource management in education as a systematic approach towards the acquisition, motivation, development and control of human resource in any given educational sector.

In the universities which this study covers, Human Resource Management is the engagement, development, retention, compensation, discipline of all the adults who have compensated roles on campus (Sorrenson & Goldsmith, 2009). Bhattacharyya (2017) summarized human resource management as the management of employees from recruitment to retirement. This summary definition captures the fact that human resource management has functions that it performs towards employees concerning their retirement.

The Concept of Retirement

Retirement is the peaceful and planned separation of aged personnel from the organization's workforce. This is important to provide room for the elderly to cope gracefully with the challenges of old age and to relax and enjoy the fruit of their labour while the organization can then give opportunity to younger and more energetic people to join the organization and seek to make a career thereby maintaining the quality of the institution's productivity. The key essence of retirement from the point of view of the organization is to maintain continuity of the organizational workforce.

Retirement is a process in which an individual withdraws from a regular work performance (Akinboye, 2004 in Saeed, Sarwar & McMillan, 2016). The possible causes of retirement include old age, poor health, social pressure or apathy (Abdulazeez, 2015). It is the final stage of an individual's working experience when he quits from his occupation either voluntarily or compulsorily, which also signifies transition to old age (Ode, 2005). Retirement therefore can be said to mark an end to a phase and a beginning to another phase in a person's life: end to work life and the beginning of old age. The ultimate impact is retirees are often

vulnerable. Government makes provision for this period in the life of lecturers through the pension scheme.

Pension scheme in Nigeria has undergone a number of reforms since independence. The most recent is the pension reform act of 2014 which was necessitated by some of the constraints of the old system such as poor funding, political intermeddling, record-keeping failure, lateness and default in payment. What forms of counseling services are extended to lecturers while in service to draw their attention to alternative or extra- governmental investment approaches to circumvent or shield themselves against the shock of the economic and social changes that tend to occur upon retirement?

Role of Human Resource Management in Personnel Retirement Counseling Process

An average worker in Nigeria lacks a clear understanding of the steps to retirement. It is the responsibility of the Human resource management of the university to bring this important information to both the academic and non-academic staff of the university, especially to the younger and newly employed staff and most critically to the aging and soon retiring staff. Human resource ought to go about this important responsibility in a very systematic way. The techniques of both interactive group counseling and individual personal counseling session should be employed. Other roles of human resource management include assisting in preparation for retirement in the area of financial planning and other retirement benefits (Rau & Adams 2012).

To play these roles effectively, the human resource counselor needs to be conversant with important and relevant information that must be made available to lecturers to enable them to make necessary preparation for retirement.

Challenges of Post Retirement Life

Some challenges that employees face in adjusting to life after retirement have been identified by Adebayo (2010) in Sokoh (2018) as:

The exit stage: This stage is a gruesome one for lecturers who go through bitter experiences of standing in queues and waiting for days for payment of pension. The pension payment process is rather clumsy and too disorganized for the lecturers who are used to an organized system.

Corruption at the pension board. Officials at the pension board have been accused of being very corrupt. Internet and other literature present that some of them demand portions of the pension from the retirees before they can attend to them. Some of the board workers fix the pension fund in the bank to yield interest for them while the retirees have to wait. This situation receives impetus from mismanagement and misappropriation of pensions fund, inadequate keeping of records and weakness in the supervision of the pension management firms (Fapohunda, 2013).

Physical disabilities and aging: One of the major challenges of retirement is old age. The body begins to appear irreversibly unattractive. In Nigeria, ageing attracts despite and contempt. They are regarded as senile and witches and wizards at times.

Anxiety about residential home. Some lecturers for one reason or the other fail to erect their own personal homes. When at retirement, they need to vacate the staff quarters; they are faced with the stark reality of nowhere to lay their heads. This is a very humiliating condition.

Discrimination by the society. As values are eroding and the survival of the fittest is fast becoming the prevalent social ideal, the aged (which is the class where the retiree fits) is the direct victim being vulnerable and weak. They are often side-tracked in the scheme of things.

Retirement benefits: Retirement benefits of workers in Nigeria are stipulated in the pension reform act of 2014 (FRN, 2014).

Financial preparations for retirement: To retire without planning is a grievous mistake. The best preparation for retirement is financial investment instead of savings. Money must be grown (Steiner, 2018). Financial investment means saving of money in such a manner that it will yield profit within an expected time. Financial investment has a number of merits which include securing your future. That is why another name for financial investments is securities. Financial investment controls ones expenditure habit (Fink, 2008).

Types of Financial Investment

Some types of financial investment are:

Mutual funds: These are investment funds that pool monetary resources from individuals or institutions who wish to acquire securities. Mutual funds are managed by professional investors. An investor in mutual funds can redeem daily returns to the effect that he always has some cash available at any time. Perhaps, the most comforting advantage is that mutual funds are under government regulation and oversight making risks the more minimal (Pozen & Hamacher, 2015).

Fixed deposit: This is a financial instrument normally provided by banks or non-banking financial institutions (NBFI) or non-banking financial companies (NBFC) (Dash, 2009). No withdrawal is possible by any means until maturity date. At inception an investor is certain of the amount of his return at maturity. A fixed deposit can serve as collateral for a loan up to 90% of the value of the fixed deposit (Warami, 2018)

Bond: Another name for a bond is fixed-income security. It is a debt instrument raised with the intent to raise capital for a given project. A debt instrument is a provision where the issuer of the bond is indebted to the investor until the maturity of the instrument when it is paid back (O'Sullivan & Sheffrin, 2003). Bonds are normally traded by institutions like the central bank, pension funds, insurance companies and the Nigerian Stock Exchange (NSE www.nse.com.ng). The investor is paid interest regularly until the bond matures.

Stock: When an organization needs to raise money, it divides its capital into minute units which are sold to individuals at a given price per share. The shares of an organization put together are the stock of that organization (Juneja, 2018). The money paid an individual for purchasing the shares of an organization is known as dividend. Dividends are a very rich source of income for a retired lecturer.

Real estate: By real estate is meant such property as land or houses or both. It can also refer to the business of buying and selling lands and houses or building and renting them out. A lecturer can invest his money in the forms described above. Some others buy land cheap in the outskirts of cities and sell at higher prices when those places begin to develop (Abiodun, 2018). An important advantage of real estate is that it appreciates over time.

Precious metals (gold/silver): Precious metals include platinum, iridium, palladium and rhodium (Helmenstine, 2018). Gold and silver are the most prominent of them all. They serve as money as well as ornaments and jewelry. They are good media for growing ones finance.

Precious stones: These are crystal minerals that are used for jewelry and other forms of ornaments. The list of precious stones runs into hundreds, but the following are considered the most precious: diamond, ruby, sapphire and emeralds (Wixon Jewelers, 2014). Precious stones also known as gemstones are a good source of rich return on investment. They are impervious to currency devaluation and acceptable in any economy (Kulshreshtha, 2016)

Retirement Coping Strategies

Iyortsuun and Akpusugh (2013) advanced some coping tips for retirees:

Part-time work: Retired lecturers who are still healthy and energetic can seek engagement to work part-time. Examples of such jobs have been cited and discussed earlier in this paper. They are means of maintaining a good income and self-worth for the retired lecturer.

Business start-up: Retired lecturers often develop businesses of their own. Examples are starting a school, an educational consultancy service company (by lecturers from the education faculty). Lecturers from engineering can float engineering firms.

Continuous investment: A retired lecturer should grow his finance by investing his money as discussed earlier.

Hobbies: Hobbies and other recreational activities help to maintain the health of the retiree. It helps to drive away boredom and possible depression. It rebuilds the social network lost through retirement and restores the sense of acceptance and belongingness.

Constituents of Retirement Counseling

Aigbekan (2008) has suggested some necessary constituents of pre-retirement counseling that Nigerian workers need to undergo before they retire and they are:

Social and emotional adjustment: A lecturer who is nearing retirement needs be brought face to face with some of the social and emotional challenges he/she is about to encounter and helped to prepare to accept them as a normal components of that phase of life he is about to enter into.

Stress management: The drastic changes that are concomitant to retirement do produce stress just like any other novel situation in life. Stress is of two types: eustress and distress (Aigbekan, 2008). If well handled, stress can have positive effects that propel towards greater accomplishment- eustress. If on the other hand stress is allowed to create negative effects that redound to organic or psychosomatic illness then it is distress.

Education/vocation: This aspect of counseling is necessary to equip the retiring lecturer for adequate engagements that serve as intellectual stimulus as well as income sources. Some of such engagements could be educational consultancy services, public speaking, farming and writing.

CONCLUSION

There is hardly any formalized and systematic retirement counseling that is in place for lecturers in the universities to prepare them for retirement knowing that retirement is inevitable. However, lecturers being intellectuals and researchers, many of them are able to obtain information by themselves. Yet, there are many that do not obtain such necessary information and actually get into serious trouble when they retire. It is the responsibility and obligation of the human resource

department of universities to see to the well-being of lecturers and to ensure that they do not go into penury after retirement. To do this, the university's human resource department needs to have some basic information. First and foremost, they need to be conversant with some of the challenges of post retirement life. Secondly, they should be abreast with the solutions or coping strategies to the challenges. The information should then be made available to staff through counseling.

It is also concluded that staff retirement is a necessary duty of human resource management to ensure the continuity of the university by making room for younger lecturers to join in research and teaching.

Recommendations

The following recommendations are made to the university and her human resource department:

Human resource counseling unit has to be set up vested with the responsibility of organizing routine seminars, workshops and trainings for various categories of staff towards retirement. For newly employed staff, it should form part of their orientation programme.

The unit should bring investment information to staff, encourage them to make investments and then follow up with them concerning the progress of their investments by inviting some investment companies to talk with lecturers routinely. Practical business start up and management trainings can also be conducted. Additionally, they can be encouraged to form co-operative societies. It is necessary to occasionally invite retired lecturers to university events. Students can be encouraged to organize honours events for their retired lecturers.

Finally, it is recommended that this study be replicated with the retirement counseling of senior non-academic staff of the university as one of the variables.

REFERENCES

- Abdulazeez, N. (2015). Pension scheme in Nigeria: history, problems and prospects. Maiduguri: *Arabian Journal of Business and Management Review*: www.omicsonline.org.
- Abiodun, D. (2018). Understanding real estate. Punch. Punchng.c
- Aigbekan, O.E. (2008). The counselor's role in pre-retirement education in Nigeria. Benin City. *Edo Journal of Counseling, 1*(1). Retrieved from www.ajol.info.
- Amah, E. (2006). *Human resources management*. Port Harcourt: Amethyst and Colleagues.
- Armstrong, M. (2012). *A handbook of human resources management practice*. London: Kogan.
- Bhattacharyya, B. (2017). *5 major functions of human resource management*. Hyderabad, India: Keka HR.
- Dash, A. P. (2009). *Security analysis and portfolio management*. I.K. International.
- Fapohunda, T.M. (2013). The pension system and retirement planning in Nigeria. *Mediterranean Journal of Social Sciences, 4*(2), 25-3
- Fink, M. P. (2008). *The rise of funds*. Oxform, UK: Oxford University Press
- FRN (2014). Pension Reform Act, 2014. pp. 10-11. Retrieved from www.pencom.gov.ng.
- Helmenstine, A. M. (2018). List of precious metals. Retrieved from www.thoughtco.com.
- Iyortsuun, A. S., & Akpusugh, K. T. (2013). Effective management of life after retirement and its impact on retirees from the public service: A case study of Benue State. Nigeria. *Global Journal of Management and Business Research Interdisciplinary, 13*(5).

- Juneja, P. (2018). Shares and stock market: an overview. Retrieved from www.managementstudy.com
- Kulshreshtha, A. (2016). Things to keep in mind before investing in gemstones. Retrieved from www.entrepreneur.com
- Maduagwu and Nwogu (2006). *Resource allocation and management in education*, Alakahia: Chadike Printing Press.
- NSE. (2018). Bonds. The Nigerian Stock Exchange. Retrieved from www.nse.com.ng
- O'Sullivan, A., & Sheffrin, S. M. (2003). *Economic principles in action*. New Jersey: Pearson Prentice Hall.
- Ode, T. A. (2005). Counseling for retirement adjustment: *conference proceeding for the 28th annual conference of the counseling association of Nigeria*.
- Pozen, R., & Hamacher, T. (2012). *The fund industry: how your money is managed*. Hoboken, N.J: Wiley Finance.
- Rau, B. L., & Adams, G. A. (2012). Aging, retirement and human resource management: a strategic approach. *The Oxford Handbook of Retirement*. Doi:10.1093/oxfordhb/9780199746521.013.0054.
- Saeed, S., Sarwar, A., & McMillan, D. (2016). Perception about social and financial issues of life after retirement: a case study of academic staff of public sector universities in Lahore Pakistan. *Cogent Business & Management* 3(1). DOI: [10.1080/23311975.2016.1236432](https://doi.org/10.1080/23311975.2016.1236432).
- Sokoh, G. C. (2018). The post retirement adjustment challenges confronting Local Government employees in Ethiopie East Local Government Area of Delta State. *Canadian Social Sciences*, 14(2), 25-34.
- Sorenson, R.D. and Goldsmith, L.M. (2009). *The principal's guide to managing school personnel*. Cowin Press.
- Stein, J. (Ed.). (1967). *The random house dictionary of the English Language* (unabridged ed.). New York: Random House.
- Steiner, S. (2018). *7 retirement investing mistakes to avoid*. California: Bankrate.
- Warami, U. (2018). Advantages and disadvantages of fixed deposits. Vanguard News Nigeria. Vanguardngr.com
- Wixon J. (2014). Guide to gemstones. Retrieved from www.wixonjewelers.com.