

# Retirement Planning and Psycho-Social Adjustment in Post-Working Years Among Teachers in the Tarkwa Municipality, Ghana

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## ABSTRACT

The study examined the effect of retirement planning on psycho-social adjustment during retirement among teacher retirees in the Tarkwa Municipality. The study was mainly a descriptive survey employing the qualitative approach to inquiry. Nineteen (19) retired teachers were selected using the purposive sampling technique. Data was collected using a semi-structured interview protocol and was analysed using content analysis. It was found that Ghana Education Service (GES) did not organise retirement seminars for the retirees prior to retirement, however, they were able to do some financial preparation for retirement though not inadequate. Also, those who did adequate planning were psychologically well adjusted. It was recommended that the GES through the Guidance and Counselling Unit, Financial Institutions, Non-Governmental Organisations (NGOs), and other stakeholders organise workshops and seminars to empower teachers for proper planning and adjustment towards retirement.

**Keywords:** Counselling, Financial Planning, Psycho-Social Adjustment, Retirement.

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## I. INTRODUCTION

### A. Background of the Study

Many studies have been done in the area of retirement planning due to its pervading nature. Retirement affects every worker irrespective of the field of work. Studies such as those done among the Queensland Police Service of Australia (Marcus, 2007); elderly people of Hong Kong (Ho, 1995); and among Civil Servants of Nigeria (Inaja & Rose, 2013); cover retirement age, preparation, perception, and attitude towards pre-retirement counseling, are but a few. The teaching field has not been left out. Teachers like other workers also retire. After years of teaching, imparting knowledge, and developing minds, the teacher finally puts the chalk to rest to enjoy the benefits of his/her labour. Quite a number of research has been conducted in the field also. For example, Petters and Asuquo (2008) studied the attachment of teachers to their work and how that influences their retirement plans in Nigeria. In Ghana, some studies done span the perception of retirement, the need for retirement planning, and the challenges faced in the process and adjustment to retirement (Asamoah, 2012; Doh, 2012; Wilson & Aggrey, 2012; Pokuah, 2012).

Also, while some work has been done on adjusting to retirement years, it has only been described in broad terms. Adjustment, on the other hand, is a multidimensional psychological construct with subcategories. Thus, discussing it at a broad level will not provide a vivid image or reveal the type of adjustment being dealt with. This research focuses on psycho-social adjustment, a sort of adjustment that involves not just the individual as a person but also how he interacts with his surroundings. Then again, most of the research done focused on the views of teachers still teaching. Meanwhile, even though the views of teachers in active service are valuable, the real impact of proper planning or otherwise can only be felt by those who are experiencing it; the retirees.

### B. Statement of the Problem

Many people are afraid of retirement and approach it with trepidation, which is a cause for concern. This is because most people refused to plan ahead of time or did not envisage retirement soon. This puts them at risk of 'untold hardships,' such as illness, inebriation, suicide, financial challenges or premature death (Inaja & Rose, 2013). Further, Aninakwa-Bonsu (2016) in his 'Evaluating post retirement experiences of pensioners in Ghana' study, listed the following findings as challenges facing retirees: inability to pay bills and wards' fees, family issues, ill health and lowered social status.

In the Tarkwa Municipality, it has been observed that some teachers upon reaching the retirement age of 60 years are unprepared and so dread exiting the field. Others after retiring lived in conditions that are appalling. This study sought to explore financial planning (if any) done by teachers and the effect this has on their psycho-social adjustment during the period of retirement.

### *C. Objectives of the Study*

The objectives of the study were to:

- i. Assess the financial preparation made by teacher retirees in the Tarkwa Municipality for psycho-social adjustment during retirement.
- ii. Explore effects of financial preparation on psycho-social adjustment among teacher retirees in the Tarkwa Municipality during retirement.

### *D. Research Questions*

The following research questions were formulated to guide the study:

- i. What financial preparation do teacher retirees in the Tarkwa Municipality make for psycho-social adjustment during retirement?
- ii. How does financial preparation affect psycho-social adjustment among teacher retirees in the Tarkwa Municipality during retirement?

## II. THEORETICAL FRAMEWORK

The theories that guided the frame of the study were Erickson's Psycho-social Theory and Rational Emotive Behaviour Therapy. The theories espoused key ideas that are worth considering and applicable to retirement as well.

Synthesizing the ideas of these theories suggest their acknowledgement of the stages of life. Every individual goes through the stages of life thus making them unavoidable. This characteristic (of being inevitable and unavoidable) calls for a closer look to be taken at it to see how these stages can be made more enjoyable for individuals. Also, the stages of life are characterised by unique needs and challenges. Each of the stages has its own needs that must be met for one to be comfortable and face life with confidence. Not meeting these needs spells the doom of the individual as it makes life unbearable at that particular stage in life and beyond. Individuals are born with the awareness and ability to make choices. This is a right that cannot be taken away from a person. As a result, each individual has the freedom to choose whether or not to think and act correctly, and vice versa. These decisions have a favorable or negative impact on his personal life and the lives of people who are important to him. As a result, intentional and suitable decisions must be made.

Though man has the right to choose, this right goes hand in hand with responsibility. The responsibility to either carry out choices made and or the responsibility of owning up to the consequences of wrong choices are daily with the individual. Knowing that giving oneself a good life is one's responsibility, requires that one takes calculated actions to make it a reality. Also, he has the responsibility of owning up to consequences of wrong decisions and again taking steps to remediate. One may need or seek help where it is needed (Erikson, 1963; Lahey, 2009; Corey, 2009).

## III. METHODOLOGY

### *A. Sample and Sampling Procedure*

In sampling retirees, purposive sampling was used. Purposive sampling is considered the appropriate method for selecting subjects knowledgeable and well abreast of the subject matter of interest (Asamoah, 2012). Retirees, experiencing the impact of their planning at the time of the study were in a position to give a more first-hand experience account. Purposive sampling was therefore used to select 19 retired teachers between the ages of 60 and 65 from the group of retired workers assembled (as retirees' monthly meeting is not for only teacher retirees but all retired workers). This 60–65 age range was chosen because responses from these participants were retrospective in nature and to ensure proper recollection of planning, the choice of a closer age range to the retirement age was considered more appropriate. The Snowball technique was used to sample participants on the day of administration. It was useful in identifying the first set of participants and by reference, other participants were sampled (Creswell, 2014).

### *B. Instrumentation*

The instrument used to collect data was a semi-structured interview. The researcher designed and collected information for an in-depth understanding of the specific planning done as unique to respondents and how planning for retirement impacts on adjustment psychologically to those years. The choice of

instrument was grounded in Creswell's (2003) proposition that qualitative studies should make use of instruments that elicit responses to open-ended questions.

The interview guide had two sections, A and B. Section A was on demographic characteristics and Section B elicited the experiences of participants. The interview protocol was chosen for the study because it elicits responses that are unique to each participant, gives an in-depth insight into the experiences of retirees, and also makes room for clarification which is lacking with a questionnaire.

### C. Validity and Reliability

Validity refers to 'the extent to which the interpretation of the results of a test is warranted, which depends on the particular use the test is intended to serve' (Kimberlin & Winterstein, 2008). The instrument should also possess the ability to measure what it purports to measure. Therefore, validity will not only be attributive to the instrument alone, but also to the 'interpretation or specific purpose of the assessment tool' (Sullivan, 2011). The types that were relevant to the study are face validity (which concerns how the items look), and content validity (which relates to what makes up the items with regards to breadth and depth of knowledge (Nation & Macalister, 2010; Brown & Abeywickrama, 2010). Face validity was determined by arranging items in a coherent way, and also by colleagues. Content validity was determined by ensuring the representation of themes discussed in the literature review. Their corrections served as a very important source of input in the validation process. Reliability which concerns the consistency of outcome on an instrument (Brown *et al.*, 2010), was also considered. This was determined by pilot testing the instruments in Takoradi town which had similar characteristics to Tarkwa Municipality. Ambiguities, misunderstood terms or aspects, and other problems involved in the instrument were duly attended to for the improvement of the instrument in order to increase its reliability.

### D. Data Collection

The Tarkwa Pensioners Association granted authorization to access retirees in order to collect statistics. Informed consent was also observed, which is an ethical requirement in counseling and research. Before administering the instruments, the researcher obtained consent or approval from the subjects. Even though respondents were told that their involvement in the study would assist advance knowledge and practice in a significant way, they were also told that if they chose to opt out, their decision would be honoured. Kusi (2012) agrees that if these procedures are followed correctly, participants will become cooperative and vice versa. The instrument administration or data collection process took the health of respondents into consideration. For this, the researcher ensured that no harm, psychological or physical, came to respondents. The administration of the interview schedule took 15 minutes, on average, for each participant. Responses of participants were recorded on a recorder.

### E. Data Analysis

Content analysis was performed to analyze participant replies in accordance with the qualitative method. It was utilized to get feedback from participants on the planning that had been completed as well as the influence that the planning had on retirees. The interview was chosen because of its ability to investigate a topic in greater depth, provide a deeper knowledge and explanation of statistical data, capture responses that are unique to individual respondents, and allow for clarification (eVALUED, 2006). Responses on the interview were recorded, transcribed, and coded. The codes were developed from similar responses of respondents while some of these responses were categorized for analysis. Themes were then developed from the coded responses and used to analyze the experiences of participants (Mayring, 2000). The form of coding used was inductive, using themes from respondents as a template.

## IV. FINDINGS

### A. Demographics of Participants

Table I represents the age of respondents. All the respondents were between the ages of 60–65. This age range was selected based on the fact that memory reduces with age and since responses of teacher retirees required making recollections from the past, a closer age range to retirement age was considered more helpful.

TABLE I: DISTRIBUTION OF AGE RANGE OF RESPONDENTS

| Age of Respondents | Frequency (N) | Percentage (%) |
|--------------------|---------------|----------------|
| 60-65              | 19            | 100            |
| Total              | 19            | 100.0          |

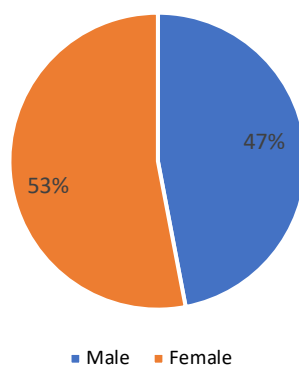


Fig. 1. Gender of Respondents.

Fig. 1 is the pictorial representation of the gender of respondents. In the pie chart, it shows that 53% of the respondents were females while 47% were males (10 and 9 respectively).

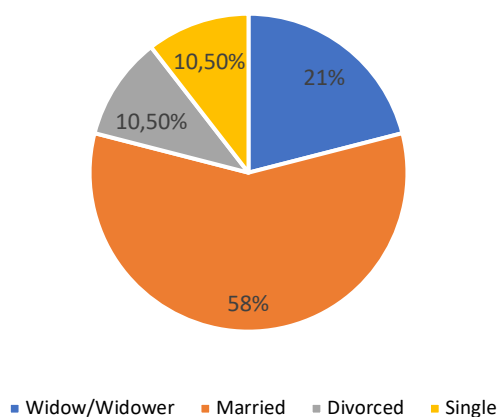


Fig. 2. Marital Status of Respondents.

Fig. 2 shows the marital status of respondents. It shows that while 11(58%) of the respondents were married 2(10.5%) were single, 2(10.5%) were divorced and 4 (21%) were widows or widowers.

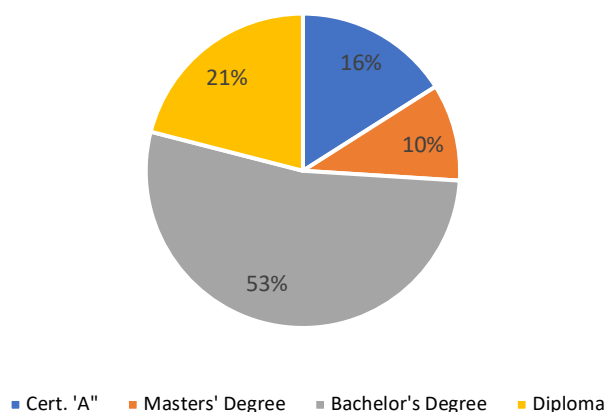


Fig. 3. Professional Qualification of Respondents.

Fig. 3 shows the professional qualification of respondents. All respondents were qualified teachers with a greater number of 10(53%) being Bachelor's Degree holders. This was followed by Diploma holders made up of 4(21%). The highest qualification among the respondents, Masters' Degree, had the lowest number of respondents of 2(10%) while Certificate 'A' holders were 3(16%).

The bar chart in Fig. 4 shows the number of years served by respondents. The highest number of years served (36–40 years) also recorded the highest number of respondents 7(36.8%). The year range 31–35 recorded the lowest with 2(10.5%). While those with the year range 16–20 and 21–25 recorded the same percentage of 15.8(that is 3 respondents each), the year range 26–30 recorded 4(21.1%).

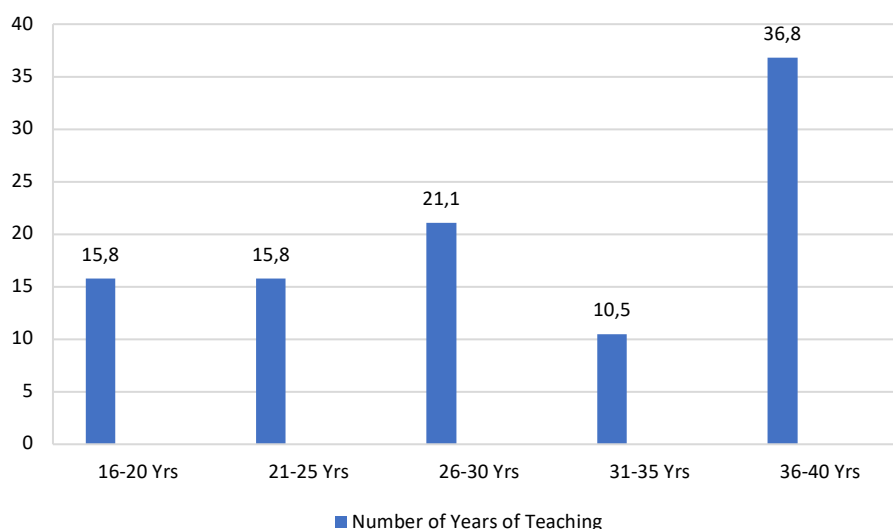


Fig. 4. Number of Years served by Respondents.

Fig. 5 is a graphical illustration of the rank of teacher retirees. The ranks of Deputy Director and Assistant Director I were 6(31.6%) each, while Assistant Director II recorded 5(26.3%). Senior Superintendent I and Principal Superintendent registered 1(5.3%) each.

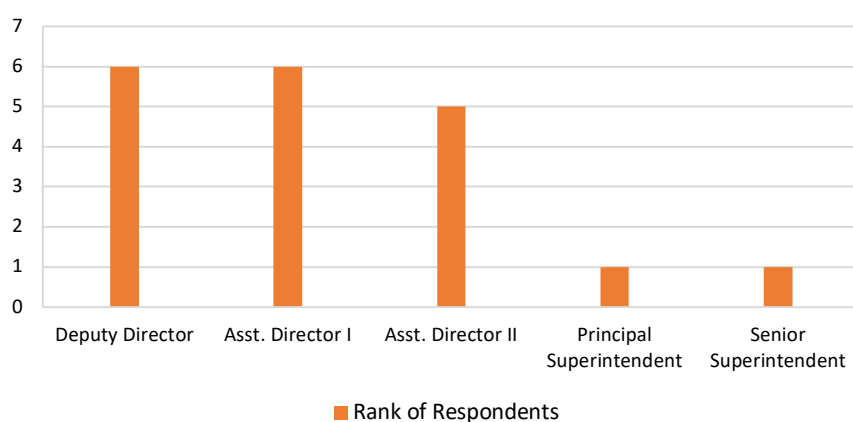


Fig. 5. Rank of Respondents.

All 19 teacher retirees had taught in public schools. This data is represented in Table II. Since it is one type only, the most appropriate method of representation was the table.

| Type of School | Frequency (N) | Percentage (%) |
|----------------|---------------|----------------|
| Public         | 19            | 100            |
| Total          | 19            | 100.0          |

The level of schools taught by respondents at the time of retiring is displayed in Fig. 6. In it, 13(69%) of the respondents were teaching in Junior High Schools (JHS). Twenty six percent (26%), making 5 out of the 19 respondents were in the Primary Schools while 1(5%) was in the kindergarten (KG).

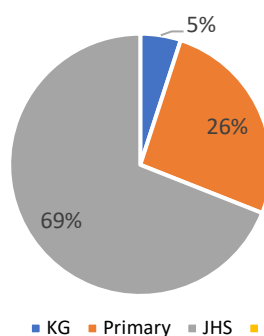


Fig. 6. Level of Schools taught by Retirees.

## V. FINDINGS AND DISCUSSIONS

### A. Financial Planning and Retirement Planning

The interview question on Research Questions 1 and 2 sought to elicit specific financial preparation done by respondents before going on retirement. These responses coalesced into financial planning and retirement planning.

**Question:** “did you attend any seminar or counseling organized by GES on preparation for retirement.”

**Respondent 10:** “I don’t remember attending any workshop organized by GES on retirement for Us”.

**Respondent 14:** “GES never organized any workshop on retirement planning for us. But in my church, an insurance person was invited to talk on financial planning that’s why I was able to plan properly.”

**Respondent 19:** “I was once told I could visit the counseling unit of GES for retirement counseling but because it was not mandatory so I did not go. I was expecting them to organize a retirement seminar but they never did.”

**Question:** ‘What financial preparations did you make in preparation for retirement?’

**Respondent 1:** ‘I joined CUA where I saved some little amount of money towards retirement. I took to farming too which will supplement my salary. I was also in GES Welfare. I have also built 4 chambers and hall that I’m renting now.

**Respondent 4:** ‘I saved some money for retirement. I was not collecting all of my salaries at the end of the month. I was also selling some farm products.’

**Respondent 5:** “Mmm, what financial preparations did I make? Well, I bought a taxi that runs in Tarkwa town here. I also bought a container for my wife and set up a provision shop for her. I also saved something small every month for retirement.”

Another retiree explained:

*I saved some money; I allocated some amount of money that I saved..... I also had an insurance policy with SIC and because I am with Mutual Fund, they also deducted some amount of money every month. In fact, I increased my contribution to them. I spend wisely, not wasting money on things like expensive clothes and hair, and I avoided taking unnecessary loans because many people have suffered because of that so I don’t think too much. Because of this, I feel very comfortable now (Respondent 6).*

It was very obvious that the Guidance and Counselling Unit of the Ghana Education Service in the municipality did not organize seminars or workshops on retirement planning for teachers while in active service. The Counselling Unit expected the teachers to seek voluntary counseling services from their outfits. This is supported by the work of Pokuah (2012), which observed that most teachers do not seek counseling prior to retirement.

Secondly, Teacher retirees’ financial preparation before retirement, as evident from their responses in the interview, was in the areas of savings (CUA, GES Welfare, teachers’ fund, other financial institutions), cash crop and subsistence farming, investment (building houses to rent for income).

Retired teachers appeared to have engaged in some financial preparation for retirement. Their planning focused on savings, investment and farming. This is evident from responses in the interview. Some of their activities like farming (both cash crop and subsistence) which were hobbies had turned into money earning ventures. This finding paralleled the study 'What every older Canadian should know about: Financial planning' where they actually found savings, investment and consideration of other sources of income as factors key in financial planning towards retirement (Government of Canada, 2015).

Prudent spending was also an intentional effort on the part of the retirees to achieve their aim. Hence, things like fashion trends which often draw some to buy things that they do not need did not affect them. Fashion trend was mentioned by only some females, suggesting an area that both draws money and could lead to debts. O'Donnell et al, (2004) offer guidance in this regard by saying that a person should minimize the cost of living by living frugally, e.g., using durable second-hand items rather than designer ones which are expensive and whose branding changes with producers' desire to influence market demands in their favour.

Also in line with prudent spending is the refusal to take unnecessary loans. Quite a number of financial institutions market loan facilities and high purchase items in attractive ways that make some teachers access these even when they did not need them. This put some in unwanted and avoidable debts. It was however evident that no respondent sought financial guidance. This could be responsible for the seeming inadequate preparation done by the retirees as this often leads to underestimation of financial challenges and the steps to take to meet needs during retirement. This was a major concern of Stanford Centre on Longevity (2012) which advanced that many people did not know how much they should be saving for retirement; how to allocate their investments; how to draw on their investments; and how much money they will need to live in retirement.

#### *B. Financial planning and Psycho-social Adjustment*

The interview question, 'What has this brought about in your life?', sought to uncover how the financial preparation of retirees was affecting their psycho-social adjustment to the period of retirement.

*'I retired 30<sup>th</sup> May, 2015 and by the first week of June I started reaping from my savings. So even though my SSNIT benefits took 6 months, I didn't lack money. It was from the savings that I took care of my wife who had a stroke after fighting diabetes for a number of years. And when she passed away, I was able to bury her well. The benefits which came later I have invested in another thing' (Respondent 6)*

Another retiree explained:

*'Actually, it has helped me. It took 8 months before my benefits came so I relied on what I saved with CUA. I rely on my farm produce also' (Respondent 4).*

#### **Respondent 2**

*'One spends a lot of money during retirement on drugs and other things due to ageing. With the money that will come from all these (investments he made), I will be able to tackle challenges that may come, buy the needed drugs, attend to basic needs and when I am called by the family or community to contribute some money, I can give it. And you know some people depend on their children during retirement, I will not because I have my own.'*

Another retiree put it simply:

*'Money coming from my savings during retirement gives me security. I'll have financial security' (Respondent 4).*

Retirees' financial planning resulted in additional income, comfort, feelings of security, and reliance on produce from the farm. Retirees were psychologically well adjusted. This confirms the findings of Retirement Confidence Survey (RCS) a survey that studied retirement confidence in the USA for 25 years. They found that general retirement confidence rises with adequate retirement planning, and the confidence of being able to meet basic needs (including health care needs) during the period follows the same pattern (EBRI Education and Research Fund, 2015). Clark, d'Abrosio, McDermed, and Sawant (2003) in their study 'Retirement Education and Retirement Savings' also stated that financial planning towards retirement has adequate income during the period as its target.

## VI. RECOMMENDATIONS

From the study findings, the following are recommended:

1. Teachers should seek financial guidance in retirement planning to enable them to plan well.
2. Financial institutions and insurance companies should be encouraged to offer guidance on financial preparation for retirement.
3. The Guidance and Counselling Units, together with other stakeholders such as the Human Resource Unit should team up and organize seminars for teachers on retirement planning.
4. Teachers should begin retirement planning early.

## VII. CONCLUSION

The purpose of this study was to explore the impact of retirement planning on the psycho-social adjustment of teacher retirees in the Tarkwa Municipality of the Western Region in Ghana. It sought to understand and describe financial planning done for retirement and how it impacts psychological and social adjustment during the period. It was concluded from the findings of the study that GES mostly does not organize seminars on retirement planning for teachers while at post; Teacher retirees in the Tarkwa Municipality made financial plans without seeking financial guidance and these plans were inadequate; retirees who planned properly towards retirement were psychologically well adjusted to retirement. This situation clearly supports the honeymoon claim which holds that the first five years after retirement are so classified because it has the time for fun activities and so retirees neither feel bored nor strained.

## CONFLICT OF INTEREST

The authors of the paper declare that there is no conflict of interest.

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