CONTRIBUTORY PENSION SCHEME AND EMPLOYEES' PRODUCTIVITY IN THE NIGERIAN PUBLIC SERVICE: A THEORETICAL REVIEW

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Abstract. The focus of this paper is the understanding of the impact of the contributory pension scheme on workers productivity and its importance considering the fact that productivity of workers is key determinant of organizational efficiency and effectiveness. Hence, the significance of increasing levels of productivity for the well-being of nations, sectors, enterprises, and individuals cannot be overstated. Pension plays a crucial role in enhancing the well-being of workers during their elderly years by providing them with a source of income. Also, pension encourages workers' loyalty to continue working for the organisation and thereby lessens employers' cost of recruitment and training associated with high labour turnover. The paper adopts the exploratory and content method analysis of various relevant literatures to review the concepts of contributory pension scheme and employee productivity in the Nigerian public service. It concludes that the implementation of the scheme is hampered by challenges of delay in payment of retirees' benefits, lack of adequate investment of pension funds and low monthly pension paid to pensioners. Also, retired employees in the Nigerian public service find it difficult to access their retirement benefits as and when due, thereby making life difficult for them and the ugly situation occupied the minds of workers in Nigeria and has contributed to low productivity in the service. The review of the Act establishing the contributory pension scheme be done to address the challenges bedeviling its operations. Specifically, the National Pension Commission be empowered to regulate pension operations, criminalize non-payment of benefits to retired employees, enhance fund management, increase employee involvement, ensure profitable investment, and extend pension coverage to the informal sector.
Keywords: *pension, contributory pension, employee productivity, public service*

Introduction

In Nigeria, what makes public service attractive to employees is the assurance of job security and continuous payment after retirement. According to Dixit (2020), Public sector employment has remained very attractive for two important reasons: job security and an assured pension. The implementation of pension schemes has been shown to effectively mitigate the issue of old-age poverty by providing financial support to employees once they retire. Ghosh (2022) opined that globally, pension schemes provide avenues for individuals to save money to assist in the financial well-being of retired individuals or elderly people. This support serves as a kind of remuneration for their previous employment and serves to stabilize their income throughout their lifetime (Ditch, 1999). According to Aggarwal and Goodell (2013), the pension system plays a crucial role in enhancing the well-being of workers during their elderly years by providing them with a source of income. Also, pension schemes motivate workers to remain loyal to the organisation, reducing the need for employers to spend on recruiting and training new employees due to high turnover rates (Nyong and Duze, 2011; Terry and White, 1997). The primary purpose of a pension system or plan is to ensure that

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young motivated employees, as they age and eventually leave the workforce, have a plan of action in place to protect their long-term financial security and well-being during retirement (Omwombo and Abdul, 2022; Danquah, 2019).

In 1999, Nigeria transitioned from military governance to democratic governance. Following a global trend, the country reformed its pension systems in 2004, moving from a defined benefits scheme to a defined contribution scheme. Nigeria specifically implemented the contributory pension scheme (CPS) as a substitute for the old defined benefit scheme, adopting the variant of the defined contribution scheme (Aliu, 2019). The contributory pension plan was seen to be trustworthy and efficient, with the ability to continue serving the intended purpose. The introduction of the contributory pension system consolidates and harmonises the two predominant elements of pensions and retirement policy in both public and private sectors. Additionally, it guarantees a profound alteration that will revolutionise the management of pensions in the nation. This is a comprehensive and financially supported programme that requires contributions from employees in both the public and private sectors (Marcellus and Osadebe, 2014). To reduce the likelihood of pension funds being misappropriated, the contributory pension scheme established a tripartite system with three important autonomous players-the regulator, the administrator, and the custodian (Oigbochie and Chenge, 2023). The pension system had originally been established under the Pension Reform Act of 2004, however it was later cancelled and replaced by the Pension Reform Act of 2014. Section 4 of the Act stipulates that both the employer and employee are required to contribute a minimum of ten and eight percent (10% and 8%) correspondingly, based on the employee's monthly total salary. This requirement establishes the plan as a contributory one (LF and Samson, 2024). The National Pension Commission regulates the private pension fund administrators that oversee the funds (National Pension Commission, 2021). Ihejirka (2020) opined that the adoption of the contributory pension scheme, which was targeted at addressing the problem of the old pension scheme, has not yielded any fruitful result. The pension scheme (CPS) appeared to have done little or nothing to address the problem of delayed and inadequate payment of retirement benefits to pensioners. Therefore, the thought of life after retirement is a heartbreak for the Nigerian worker. This ugly scenario usually sends jitters down the spines of those still in active service. The persistence of this problem could trigger a lack of commitment to duties from active public servants and contribute to brain drain and the mass exodus of public servants to developed countries to seek greener pastures. An employee who does not have the assurance of getting his pension and gratuity at the right time will not be productive at work.

The significance of this paper lies in its capacity to bring to fore the implementation of the contributory pension scheme in Nigeria and how it affects the productivity of employees and the welfare of retired retirees. The findings should make an important contribution to the field of public policy as it will provide the Nigerian government with information on how to improve the implementation of the contributory pension scheme This section lays the foundation for the article, while the next section conceptualizes the major terms- pension, contributory pension scheme and conceptual clarification of employee productivity and the analysis of productivity in the Nigerian public service as well as the issues surrounding retirees' welfare. The concluding part of the study offers policy recommendations.

Literature review

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Conceptual review

Pension

The concept of pension has often been a subject of debate. Depending on the context and meaning being given, there are as many definitions and intepretations of the concept of pension as there are authors. Researchers have made efforts to provide a precise definition of pension in order to explain its uniqueness from other components of social security (Aliu, 2019). It can be seen as an act of transferring resources from ones working life to post retirement when income dries up (Modigliani and Muralidhar, 2004). Hinrichs (2021) viewed pension as the financial aid given to an employee who is no longer in service due to old age, retirement, disablement or the compensation given to dependent children or widow of the employee by the employer, the funds which both the employee and the employer have contributed over time. Adewumi (2022), stated that a pension is a benefit or stipend set aside for an employee in compensation for the service rendered to an organization which gives an employee the assurance of life after retirement. A pension scheme is a policy of social security designed to cater for the welfare of employees after meritorious years of active service. It is also designed to cater for the welfare of dependents in the event of death (Nwanna and Ogbonna, 2019). Pension in the opinion of Garcia (2017), is social security deployed to cater for the welfare of employees which is the obligation of employers in the case of death or at retirement. According to Ying (2014), pension system is targeted at reducing financial burden of the elderly and to guarantee seamless transition from active service period to life after service. Ubaydullayevna (2022) states that the pension system aims to improve the living conditions of individuals with disabilities and those in need through the execution of economic, legal, social, and organisational measures. The primary objective of the pension system is to safeguard individuals from destitution during their later years, ensuring a predetermined amount of certain income based on their pre-retirement earnings, and shielding this income from any deterioration in their quality of life.

Contributory pension

The contributory pension plan has meaningfully developed since its introduction for the first time (Curtin, 2009). The defined contribution system is established through a mutual agreement between the worker and their employer to allocate a specific sum of money into the worker's retirement account. The benefit lies in the fact that all of the contributions and the accrued interest are disbursed to the retiree (Ebere, 2016). The contributory system in Chile, which Nigeria adapted, is overseen by specialised entities known as pension fund administrators. According to this system, workers are required to contribute at least 10% of their earnings to their retirement accounts, which are overseen by specialised companies they choose. The worker's contributions are allocated to different types of securities, including stocks and fixed income instruments, among others. Both the contributions and the profits are eligible for tax deductions (Vergara, 2003). Curtin (2009) states that employers have increasingly shifted away from defined benefit plans and towards defined contribution plans. The introduction of the contributory pension programme in Nigerian public administration is very recent, and workers express concerns about its long-term viability.

Employee productivity

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The term Employee productivity refers to how efficiently an employee produces things or services in relation to the resources used, such as cost, time, and effort (Uzochukwu et al., 2024). Every organization desire to be productive. In short, high productivity is the main goal for the existence of any organization (Fatile, 2014). It is widely agreed that one of the problems facing human resource managers is how to influence the productivity of their employees. Most organizations today are faced with the demand to raise their workers' productivity, which has become a pressing issue for organizations (Morikawa, 2020). This was the main reason why Fatile (2014) argued that the issue of productivity is the only motivaton for all the numerous reforms programs that is being implemented in many public establishments so as to make them effective. In this era of Globalization, market economy, hyper competition and fast changing atmosphere, the accomplishment of an organization hinge on the employees' productivity (Keitany, 2014). Hanaysha (2016) posited that enhancing employee productivity has been a focal point in previous research conducted in both the manufacturing and service sectors. This is due to the fact that enhanced staff productivity can have an impact on the entire performance of an organization and its competitive advantage. Employees' productivity is an important prerequisite if an organization is to maintain its drive towards the achievement of predesigned objectives. According to Ugoani (2016), productivity has an important consequence for the business organization and for the entire country. For instance, for organizations that are nonprofit, it connotes lower cost while for organizations that are profit-based, productivity is a vital factor in determining how competitive an organization is. For a country, the rate of productivity growth is very important. According to Razak et al. (2014), the study of productivity has significant importance for an organisation in order to enhance competitiveness, uphold strategic and financial well-being, accomplish established objectives, and fulfil stakeholder value proposition. Moreover, increased productivity has a propensity to elevate the competitive advantage by reducing costs and improving the quality of production (Hanaysha, 2016).

Theoretical review

Policy diffusion theory

Political science and public policy analysis both employ policy diffusion theory to describe how and why certain policies got diffused to various countries or geographical areas. Research on diffusion has emerged as a significant area of study in political science, with the diffusion of innovation. Globalisation has provided policy makers with the chance to access policy opportunities and overcome policy limitations that influence the agendas of policy makers at the local, regional, and international levels. Policy diffusion is described as an approach in which numerous states or organizations adopt a policy that is an innovation for that state or organization but shares similarities in intent, goal, and design to a policy adopted in the first innovative country (Orenstein, 2005). It infers that innovative policy models, ideas, and practices aren't developed in a vacuum but rather draw inspiration from other locations' perspectives and actions. The process of policies spreading throughout political units is known as policy diffusion, and its distinguishing quality is interdependence. In contrast to structural analysis, policy transfer focuses on the description of the transfer process at the micro level (Bender et al., 2015). Policy diffusion, as defined by Dolowitz and Marsh (2000), refers to the transfer of knowledge regarding policies, administrative structures, institutions, and

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ideas from one political context to another, with the aim of influencing the development of policies, structures, institutions, and concepts. It is important to emphasise that policy diffusion theory has a large body of work in political science and public policy, its application to social policy has received little attention. This represents a significant knowledge gap in social policy studies.

Mechanisms for policy diffusion

The common denominator of diffusion research has evolved into four macro-level mechanisms (Obinger et al., 2013). These are:

(1) Learning: This mechanism focuses on the process of transnational learning. To lessen the uncertainty of the policy effects, national policy makers who are faced with specific problem pressures are oriented to successful policies adopted overseas under the banner of "best practices" when picking policy options (Obinger et al., 2013). Learning outlines the procedures by which fresh knowledge (based on one's own or other experiences) modifies the policy actors' beliefs (Kuhlmann et al., 2020). In the opinion of Marsh and Sharman (2009), learning may occur solely bilaterally, through transnational problem-solving in global policy networks or epistemic communities, or it may result in the full or partial transfer of policy.

(2) Emulation: This describes the act of replicating foreign models in terms of symbolic or moral elements as opposed to a technical or rational concern with functional efficiency. Different countries imitate the practices and institutional structures of social leaders (either advanced nations or models supplied by international organizations) and are thus viewed as advanced, progressive, and morally commendable by others and themselves (Marsh and Sharman, 2009). According to Obinger et al. (2013), emulation refers to political actors' desire to adhere to international trends and be a part of an international norm-based community.

(3) Competition: Competition arises when policy choices are made to acquire economic benefits (or prevent drawbacks) compared to other jurisdictions (Fundytus et al., 2023). Policy diffusion through competition generally pertains to the dissemination of economic policy. Government authorities prioritise investor-friendly measures in order to attract capital in global markets (Tavares et al., 2023). Economic competition according to Shipan and Volden (2008), is frequently linked with learning and it is these two processes which are the most common when explaining policy diffusion). Governments with a deep understanding and know their competition very well can diffuse policies to have competitive edge.

(4) Coercion: Most researchers are eager to give reasons for many forms of coercion as a possible explanation for developing parallels between different nations, institutions and policies. Such coercion may arise from influential nation-states or global institutions such as the IMF and World Bank, exerting pressure through the conditions attached to their loans. In actuality, though, very few researches identify coercion as a foremost instrument, which may be due to a significant case selection bias. Coercion plays a significant role in understanding the spread and transfer of ideas in developing nations. However, it is worth noting that the majority of research on this subject focuses only on countries inside the Organisation for Economic Cooperation and Development (OECD) (Marsh and Sharman, 2009). In the opinion of Obinger et al. (2013), financial aid connected to certain domestic changes outlined by donor countries and international agencies such as the International Monetary Fund or the World Bank is known as coercive diffusion. While this type of coercion is uncommon in developed democracies,

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recent EU pressure on Greece amid the European financial crisis to impose draconian austerity measures demonstrates that this mechanism still exists. Shipan and Volden (2008) argued in their own article that, in the international environment, for example, governments might force one another through trade policies and economic sanctions. They can use direct coercion or international institutions like the United Nations and the International Monetary Fund to push or persuade nations to take steps that fulfill common expectations.

Nigeria's adoption of the contributory pension scheme might be ascribed to emulation of successful policies established by other countries. As neighboring countries and international counterparts established contributory pension schemes, Nigeria felt compelled to follow suit in order to maintain competitiveness and improve its pension system. Because of the competitive pressure, Nigerian officials investigated and implemented the contributory pension programme. Moreover, global financial institutions such as the World Bank and the International Monetary Fund (IMF) coerced and mandated the implementation of the contributory pension scheme. These institutions gave financial assistance to Nigeria on the condition that it implement pension reforms. The enforcement of these requirements pushed the Nigerian government to adopt the contributory pension scheme as a requirement for receiving financial aid. The establishment of a contributory pension scheme in Nigeria has various implications for employee productivity. The scheme safeguards employees' financial strength during their retirement years and encourages organizations to make long-term commitments to the employees. Also, the existence of a well-structured pension scheme can be a decisive factor for individuals when deciding whether or not to join or remain with an organization, leading to a more productive workforce.

Materials and Methods

The primary aim of this section is to elucidate the methods and procedures employed in acquiring the essential data that serve as the foundation of the study, as well as the manner in which the data were analysed.. The paper adopts a qualitative approach based on content method analysis of various relevant literatures to review the concepts of contributory pension scheme and employee productivity in the Nigerian public service. The search phrases include "pension", "contributory pension", "employee productivity" and "public service". The search was conducted using databases such as Google Scholar, Web of Science, JSTOR and Proquest and other online libraries to search for relevant literatures. Content analysis involves the methodical selection of topics and categories, the establishment of a coding system to organise the data, and the examination of the data to identify patterns, developing themes, and significant findings (Baharuddin et al., 2024).

Results and Discussion

Contributory pension scheme in Nigeria and its challenges

The current pension scheme in Nigeria was initially established in 2004 through legislation passed by the National Assembly. Its main objective is to tackle the pension crisis in the country (Adeyele and Maiturare, 2012). Similarly, in the opinion of Alehile et al. (2020), the Nigerian government introduced the contributory pension scheme in

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2004 as part of the reform of the Nigerian pension sector through the Pension Reform Act 2004. The Contributory Pension Scheme replaced the defined benefit pension scheme (Pay as you Go) which was plagued by myriad of problems and suffers from several loopholes. The scheme aims to guarantee timely payment of retirement benefits to individuals who have worked in the Public Service of the Federation, Federal Capital Territory, or Private Sector. It also seeks to establish consistent rules and regulations for the administration and disbursement of retirement benefits across these sectors. Additionally, the scheme aims to support individuals in saving for their financial security in old age.

It is sad to remark that after more than fifteen years of implementation of the contributory pension scheme, and in spite of the fact that, the scheme is contributory, fully funded, and based on individual accounts, the implementation of the retirement policy has not helped in alleviating the suffering of retirees as a result of delay in payment of retirement benefits, low payment adequacy as compared to the defined benefit scheme, fraud, discrimination in benefits among ministries, departments and between male and females (Agboola et al., 2017). Similarly, Jongur (2018) opine that with more than a decade of the implementation of the retirement policy in 2004, workers are not only unsatisfied but expressed fear that the policy is unsustainable in view of the many challenges confronting it. Martins and Ofozie (2021) argued that almost 17 years of the existence of the new pension administration or pension scheme in the country, the sad and agonizing experience of retirees in accessing pension benefits that characterized the old pension scheme put in place in 1979 has similarly crept in into the new pension reforms. Some of the Challenges are as indicated below.

Delay in payment of benefits to pensioners

The issue of employers failing to promptly disburse funds to retired employees' Retirement Savings Accounts (RSA) is a matter of significant concern (Etuk, 2022). The objective of the new contributory pension scheme is to ameliorate the sufferings associated with the payment of pension benefits but the present arrangement appears to have compounded the problem. Most Ministries, Departments and Agencies (MDAs) are not ready to comply with the pension law which enjoined employers to remit contributions to RSA immediately after payment of salaries. This is fraudulent in nature and it psychologically and emotionally affects contributors and hinders the smooth operation of the CPS (Okoh, 2022).

Low level of compliance in the private sector

A major characteristic to judge any pension scheme is the percentage of people that benefit from it (Bolle, 2000). The contributory pension plan largely covers public sector workers while leaving out a sizable percentage of the workforce, including self-employed individuals. As a result, there is a substantial gap in pension coverage, and only a few persons can benefit from the pension plan. Also, the consequence of this is the fact that the scheme has become highly unreliable, depending solely on workers of the public sector and those living in cities while abandoning those in private organizations and villages.

Lack of adequate supervision and control

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The regulatory body (Pencom) exhibited a lack of capacity to supervise and control pension fund administrators. The laxity on the part of the regulatory body to comply with the pension laws has made many organizations deduct and not transfer the funds to the Retirement Savings Account of workers (Etuk, 2022).

Low level of monthly pension

One of the major challenges of the CPS is a low level of monthly payment to pensioners. According to Fapohunda (2013), the newly introduced pension scheme lacks generosity compared to the defined benefit scheme, and therefore, it gives room for a narrow reallocation of economic resources among age groups.

Limited awareness

One among the major challenges of implementing the CPS in Nigeria is the limited awareness among the populace, particularly those in the informal sector. Many people do not understand the concept of pension and how the scheme works, which has led to low participation rates. A scheme as big as a pension should develop a mechanism for proper education and orientation of stakeholders. This is unhealthy as such programmes seem to be missing in the scheme.

Lack of adequate investment

An additional key challenge of the Nigerian contributory pension scheme is the absence of channels of investment for the accrued pension funds (Jongur,2018). Therefore, in order to have a valuable pension system that will have an impact on the economy, comprehensive investment and effective administration of pension fund assets are necessary (Edogbanya, 2013).

Corruption

It is quite disturbing that the beautiful objectives of the newly introduced pension scheme have been undermined as the looting of pension money by corrupt government officials have continued unabated (Anyim et al., 2014). The country has recently been projected by global financial institutions in a very bad image because of massive looting and fraud perpetrated by persons saddled with the responsibility of managing pension funds.

Pension and employee productivity in Nigeria: A discursive analysis

Globally, the success and productivity of an organisation are dependent on the commitment of its employees. When an employee has the assurance of a pension at old age or retirement, such an employee's commitment to the organisation would result in higher productivity (Anderson, 2017). A pension not only provides a tax-advantaged way to save for retirement, but it can also improve productivity. Pension benefits exert a significant impact on workers' behaviour, providing younger employees with a compelling incentive to remain employed by their employer as well as motivating older workers to retire at an appropriate time (Steyn, 2010). Retirement benefits such as pensions determines the type of employee an organisation recruits and can help an employer get employees who show desirable behaviour patterns. In most organisations, pension benefits have been fully institutionalised for most workers. Interestingly, retirement benefits become earned benefits in reward for years of service to a particular organisation, to an industry, or, more generally, to a productive society (Ejiogu, 1983).

Pension is one of the three methods of ensuring financial support for employees once they retire. The last two options are individual savings and government-funded social security. The duration of employees' tenure and its effect on the organization's well-being and productivity are determined by meeting their legitimate demands, such as pensions, in their current employment. Dorsey et al. (1998) posits that a pension is established with the purpose of acting as a moral stimulus for employees to perform at their highest level. He expressed the view that organisations make contributions to workers' retirement accounts because people have a strong inclination towards or a preference for pension savings over cash payments. In their own submission, Terry and White (1997) stated that pension schemes may also have the effect of encouraging workers not only to stay with the organisation but also to work productively, to the satisfaction of the organisation.

However, it is important to stress that research has shown that the type of pension plan, whether define benefit or define contribution, determines the productivity of employees. Even though both the DB and DC pension plans keep employees in the organisation, there is indication that the DB pension arrangement actually increase employee efficiency and productivity. In research conducted by Dorsey et al. (1998), as cited in Boivie (2011), it was discovered that various indirect evidence exposed that certain productivity gains can be attributed to DB pensions. In a recent analysis by Boivie (2011), it was found that organisations that switched from a defined benefit (DB) to a defined contribution (DC) retirement plan between 1995 and 2000 suffered productivity losses. This was particularly evident when comparing them to organisations that kept their DB plans. He emphasised that the decrease in productivity could be attributed to the greater turnover rate of workers who switch to the DC system. As a result, these individuals leave the company before they have gained all the job-specific skills required to achieve higher productivity (Boivie, 2011).

In Nigeria, the implementation of a pension system is seen by workers as very important, as it motivates people to exert more effort and contribute efficiently to service delivery at their workplace. The provision of a government-sponsored retirement plan for workers will motivate and inspire them to maintain a high standard of service in the Ministries, departments, and agencies where they are employed, as they will have confidence in their future financial security and the well-being of their families in old age. However, in the opinion of Agba et al. (2010), many government administrations have faced criticism for failing to pay pensions to retired workers. This has resulted in severe consequences for those now employed, leading to a decrease in their level of commitment and productivity. In addition, Ndukwe (2017) opine that a significant obstacle to pension administration in Nigeria is the insufficient funding of the pension system, which has been shown to impact workers' commitment to their jobs. This is due to the government's refusal to release its own portion of the payment, which has an impact on the balance in employees' retirement savings accounts. Agbanero (2023) argues that the government frequently overlooks pensioners, resulting in a negative impact on the productivity of those currently employed. Certain retired individuals rely on active service members for support. When individuals are subjected to unfair treatment, it serves as a warning to others now serving that they too may face such mistreatment in the future, which ultimately impacts their overall performance. Therefore, the government should enhance the welfare of retired individuals.

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Productivity in the Nigerian public service

In Nigeria, the civil service has gradually developed into the primary institution responsible for implementing government policies and programmes aimed at achieving political objectives and delivering social services (Okoroafor et al., 2024). The public service is widely recognised as the greatest employer of workers because the three levels of government-federal, state, and local-each employing public servants in various government ministries, agencies, and parastatals (Uzochukwu et al., 2024). According to Osawe (2015), the public service encompasses several entities such as the civil service, Armed Forces, Judiciary, Police, Government Institutions, Parastatals, Government owned Companies, and Statutory Agencies. Similarly, Oikhala (2021) postulated that "the public service is structured into a civil service that comprises the ministries and the parastatals, which consist of extra-ministerial agencies. All of these consist of institutions and employees of federal, state, and local governments. It is envisaged that with proper maintenance and control of public service and identification of blurring activities, the initiatives and responsibilities for tackling them will earn Nigeria the status of good governance". Globally, the public service's efficient and effective performance determines the health and stability of a nation (Adebayo, 1989). According to Oikhala (2021), "in all parts of the world, governments maintain a sustainable and efficient public service that will be competent and good enough to provide services, which are needed to achieve the well-being of citizens and develop the country. Hence, a country cannot develop beyond the capacity of its public service". Their functions and importance cannot be overemphasized, as they are the key drivers of the political and socio-economic interface of the service delivery of the government and its citizens. These functions include the design and implementation of economic, political, and social development policies of the government, government revenue generation and mobilization for effective use in providing quality services to the citizenry, as well as monitoring and evaluation of performance for overall national growth.

The public service's efficient productivity has a compounding impact: it creates employment opportunities, generates sufficient funds for organizational expansion, generates and provides salaries, encourages organisations to provide training to enhance staff skills for improved efficiency, and ensures employee incentives and motivation. However, if productivity within the public service is inefficient, it will have a detrimental impact on the national economy, affecting the general progress of the nation (Nwambe and Ede, 2019). According to Adeyemo and Salami (2008), the public service of every nation makes a significant contribution to its national growth. This may explain why a significant percentage of the Nigerian national budget has been allocated to the establishment and maintenance of public agencies. Productivity is directly linked to various positive outcomes such as improvement, progress, higher income, better living standards, increased availability of goods and services, enhanced quality of life, social and material progression, and greater control over one's environment (Nwambe and Ede, 2019). Recent advancements in the global economy have demonstrated that countries with high productivity play a crucial role in shaping the global balance of power. Examples of such countries include Japan and Germany. Additionally, these countries serve as hubs of economic growth, attracting global resources, including labour, away from countries with low or declining productivity (Obadan and Odusola, 2000).

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Despite the growing consensus regarding the significance of productivity, numerous countries have failed to prioritize efforts to enhance their productivity. According to Onyekwulunne (2020), it is regrettable that Nigeria's public service, which should play a crucial role in driving the national development agenda, has consistently demonstrated a lack of capability to effectively enhance the nation's economy, hence the current economic challenges. Data from Nigeria indicates that both the national and sectoral indicators of productivity have consistently demonstrated a decrease over the past three decades (Obadan and Odusola, 2000). The public service currently exhibits an obvious lack of productivity, which is caused by a substantial number of its workforce not exerting their utmost effort. Some individuals are idle, while others consistently arrive late to work, and a few are absent without being given permission (Imasuen, 2019). There is a prevailing lack of commitment among workers who hold the conviction that government work is not the responsibility of anyone. This explains why Nigerians are unable to cope with the competitiveness in the global market, which can be partly attributed to low productivity, particularly in the public service (Imasuen, 2019). In a similar submission, Adedire (2015) opined that research conducted over the years has revealed that the productivity and performance of the civil service have been steadily declining. This can be attributed, in part, to a lack of commitment on the part of employees to government work and their low morale. This condition has impeded service delivery in the public sector. Hence, it is imperative to restore trust and boost morale among the workforce in order to achieve the Sustainable Development Goals (SDGs).

Since gaining independence, Nigeria has consistently faced several challenges, including allegations and proven instances of inefficiency, ineffectiveness, and low productivity among public officials. These allegations are exacerbated by substandard and insufficient training facilities, lack of staff motivation, flawed approvals, promotions, and irregular processes. Despite multiple initiatives by different governments aimed at reversing the negative trend in productivity, the situation has continued to deteriorate. Undoubtedly, it is undeniable that this has exacerbated the public's frustration. This situation is detrimental to the progress of the public service, the improvement of productivity, and the delivery of expected services (Nwambe and Ede, 2019). Consequently, in recent times, the productivity of public servants in Nigeria has become a subject of debate among scholars. There have been numerous calls on the public service to increase its productivity, enhance quality service delivery and get value for money (Asamoah et al., 2013). The calls are coming as a result of the fall in productivity among workers and the inability of the service to address the myriads of social and economic problems bedevilling the country. To stem the tide and improve the capacity of civil servants to be productive, serious efforts have to be put in place to initiate motivation strategies. According to Agbanero (2023), employees need motivation in order to attain the desired outcomes. An employee's performance is hindered when their remuneration fails to provide sufficient motivation. In order to attain an efficient public service in Nigeria, the government needs enhance the working conditions of its employees. This can be accomplished by raising wages. It is an indisputable fact that workers in Nigeria live below the poverty line, as their monthly salaries are not enough to take care of their basic needs. The end result of this ugly scenario is a lack of commitment to duty.

Furthermore, the pitiable condition of retired public servants is another issue of utmost importance that needs to be addressed by the government. This is because the ugly situation is sending a very wrong signal to active public servants and contributes to a lack of commitment and brain drain in the public service. Thus, addressing these challenges will go a long way in boosting the morale of the workers to commit themselves to their duties and contribute to nation-building at this critical time when Nigeria is facing an array of social and economic problems.

Issues surrounding contributory pension scheme and retired employees' welfare in Nigeria

The implementation of the contributory pension scheme in 2004, initiated by President Olusegun Obasanjo, aimed to establish a durable pension system capable of attaining the primary objective of establishing a secure, predictable, and sufficient retirement plan for Nigerian employees (Ubhenin, 2012). Scholars and public commentators continue to ask whether the newly introduced contributory pension scheme has improved the welfare of retired public servants in Nigeria. More than one decade after the introduction of the new scheme pensioners still find it very difficult to access their retirement benefits. The new pension scheme is riddled with so many problems. First and biggest problem is the non-remittance of pension contributions. There is also the problem of delay in payment of retirement benefits as well as monthly pension inadequacy. The significance of pension in the life of retired workers cannot be quantified. There is increasing awareness of the plight of retirees in Nigeria as a result of government negligence and the need for their welfare (Jiboku et al., 2021).

Retirement is always portrayed as a critical stage in the life of an individual employee due to the psychological, social crises and contradictions that life at this point is subject to. Some pensioners are lucky to save enough money to take them through the retirement period of the rainy day while substantial number retire with little or nothing to save at all (Egolum and Ndum, 2021). Retirement was in fact seen as a crisis circumstance for majority of pensioners in Nigeria. There have been instances where retirees were owed huge sums of money in arrears for their monthly pension. He further said that pensioners have to pass through difficult administrative bottlenecks before getting little out of their pension savings. Amaike (2009) submitted that the problem of delay in payment of pension to retirees is one of the most embarrassing situations in Nigeria with millions of retirees living in abject poverty and destitution as a result of absence of prompt and regular payment of retirement benefits. He further said that workers hope of having smooth life after retirement is always a challenge due to government's inability to meet its financial obligations to pensioners. This is clearly seen in the huge pension arrears and precarious living situations of many retired workers in the Nigerian public service. Undoubtedly, inability to have access to regular retirement livelihood surely undermines living conditions of aged people (Amaike, 2009). In spite of meritorious service put up by retired public servants, they are denied access to their pensions which subject them to untold hardship thereby affecting their welfare. Amazingly, there appears to be no response from the government to address the problems faced by pensioners (Amaike, 2009)

Critics of the contributory pension scheme in Nigeria have expressed doubt as to the capacity of the scheme to take care of the welfare of retired public servants. According to Anyim et al. (2014), the operations of the contributory pension scheme was not to improve livelihood but mainly to pile up funds for investment into the economy which has not translated in anyway, to the improvement of welfare of retirees in the country. This is demonstrated in Jongur (2018), where he contended that the significance of pension funds to the economic growth and development of any economy cannot be overstated. Global indices indicate that pension assets are playing a crucial role in mobilising savings for investment in vital sectors. The primary focus of Nigeria's contributory pension scheme, like many other pension plans, has been primarily on ensuring the long-term viability and sustainability of the pension system, rather than on guaranteeing the sufficiency of pension income or the efficiency of payment procedures. The literature on pensions has also placed emphasis on sustainability of the pension system and much less on amount and process or adequacy, affordability and robust benefits goal of pension policy. Consequently, the new pension scheme after a decade of its introduction clearly points to the fact the scheme has not in any way address the sufferings of retired public servants in Nigeria.

Conclusion

In this study, we analysed how contributory pension scheme impact on productivity of employees in the Nigerian public service. Our findings reveal that while having a workable pension scheme in place can enhance the commitment and productivity of employees, its non-workability can demotivate employees. Also, pension plays a crucial role in enhancing the well-being of workers during their elderly years by providing them with a source of income. Also, pension encourages workers' loyalty to continue working for the organisation and thereby lessens employers' cost of recruitment and training associated with high labour turnover. However, productivity gains are attributable to defined benefit pension as against defined contribution plan. We observed that retired employees in the Nigerian public service find it difficult to access their retirement benefits as and when due, thereby making life difficult for them. The implication of this ugly scenario is that the inability of the new pension scheme to address the plight of pensioners occupied the minds of workers in Nigeria and has contributed to low productivity in the service. The Nigerian government should develop a comprehensive approach to tackle the difficulties in the pension industry. This encompasses regulatory reforms aimed at empowering the National Pension Commission's ability to oversee and regulate the operations within the pension industry, enacting a law to criminalize non-payment of benefit to retired employees six months after retirement, enhancing fund management and transparency, increasing employee involvement, ensuring proper investment of pension funds to yield profitable returns, and extending pension coverage to the informal sector to promote wider inclusion. Implementing these strategies would not only ensure the financial stability of employees, but also boost productivity by cultivating a workforce that is more involved and motivated.

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Conflict of interest

The authors declare that they have no conflict of interest.

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