EMPLOYEE PERCEPTIONS OF THE CONTRIBUTORY PENSION SCHEME AND ITS IMPLICATIONS FOR JOB SATISFACTION IN THE NIGERIAN PUBLIC SERVICE

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ABSTRACT: *This qualitative phenomenological study investigates employees' experiences regarding the influence of the contributory pension system on job satisfaction in the Nigerian public service. Twenty-four participants were purposefully selected from three ministries in Abuja, Nigeria. Data for the study were collected using semi-structured interviews, and the analysis employed a thematic approach. The findings revealed significant obstacles, including delays in the disbursement of retirement benefits, limited access to pension savings, complex management and policy issues, and high contribution rates. These factors contribute to employees' lack of job satisfaction and erode their trust in the pension scheme. The study provides policymakers with insights into the challenges confronting the contributory pension scheme and proposes reforms aimed at enhancing its capacity to ensure financial security for employees. Furthermore, the study contributes to the existing literature on pensions and the development of policies aimed at promoting the implementation of a sustainable pension scheme.*

KEYWORDS: *pension, contributory pension, productivity, job satisfaction, Nigeria*

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INTRODUCTION

Globally, the civil service plays a central role in policy formulation and implementation. In Nigeria, however, despite its critical role in policy formulation and implementation, the civil service faces numerous challenges, such as poor working conditions, inadequate salaries, the lack of housing for employees, limited career progression opportunities, and insufficient welfare provisions. These challenges contribute to low job satisfaction and commitment among civil servants, who often rely on retirement benefits for financial security. The implementation of minimum wage policies in 2019 and 2023, set at ₦30,000 and ₦70,000[2], respectively, has not alleviated the financial burden on civil servants due to rising inflation, which reached approximately 25.5% in the third quarter of 2023 (Tevin-Ayali et al. 2023).

Furthermore, macroeconomic pressure, such as currency devaluation, has further weakened the purchasing power of civil servants (Pillah 2023). This phenomenon has made retirement benefits a critical factor in providing job satisfaction and financial security for employees, as they encourage dedication to work in the expectation of post-retirement rewards (Onukwu 2022). The objectives of pension schemes for government employees include financial independence, enhancing the attractiveness of public careers, and promoting the social and political inclusion of retired civil servants (Palacios–Whitehouse 2006). As such, pension systems constitute a key element of the protective aspect defined in the Decent Work Concept, which is directly linked to the achievement of the Sustainable Development Goals (SDGs) (Segbenya 2019; Yeboah 2022; Mohanty–Patra 2022).

Nigeria's pension system has evolved from a defined benefit scheme (DBS) to a contributory pension scheme (CPS) due to economic challenges and fiscal crises that resulted in unpaid pension arrears (Nwanna 2024). Prior to the 2004 reforms, the DBS provided lifetime pensions based on years of service, but the system was plagued by inefficiency, bureaucratic delays, and widespread abuse. Pension arrears accumulated, retirees suffered delays or outright non-payment, and the scheme became fiscally unsustainable (Binuomoyo 2010). The contributory pension scheme, established under the *Pension Reform Act of 2004* and subsequently revised in 2014, mandates minimum contributions from both employers (10%) and employees (8%), calculated as a percentage of total monthly remuneration (Mamman et al. 2024). The National Pension Commission (NPC) regulates pension fund administrators to ensure the timely

2 That is approximately 18,65 and 43,61 euro, calculated with exchange rate: 1 euro = 1605 Nigerian naira (NGN or ₦).

payment of retirement benefits and to encourage saving for old age (PenCom 2021).

Despite the introduction of the scheme, public servants have mixed perceptions regarding its effectiveness as a motivational tool. More than fifteen years after implementation, the contributory pension scheme has not adequately addressed the several challenges faced by retirees, including delays in pension benefit disbursement that are perceived as worse than the DBS, incidences of fraud, and disparities in benefits across ministries and genders (Agboola–Adeyemo 2017). Consequently, many public servants lack trust in the sustainability of the scheme, which contrasts sharply with practices in developed countries where pension systems are designed to prioritize financial security (Snedeker 2017, as cited in Adewumi 2024).

Comparative evidence from other African countries highlights alternative pension outcomes. In Ghana, the transition to a contributory pension system in 2004 led to the establishment of a three-tier pension structure that improved retirement income and expanded social security coverage (Aboalik 2017). Similarly, Lesotho implemented a non-contributory social pension for citizens aged 70 years and above, funded by the national budget, which has proven effective in providing universal pension benefits (Yermo–Stewart 2009).

Despite the relevance of pension as a tool for enhancing employee satisfaction and productivity, few studies have explored the relationship between pension plans and financial security; notable exceptions include the works of Ekwunife et al. (2019), Chukwuemeka (2022), and Adewumi (2024). This paper seeks to address this research gap by asking questions about public servants' perceptions of how the contributory pension scheme influences job satisfaction. The focus on job satisfaction is informed by the fact that a pension scheme can influence employees' long-term job security, thereby enhancing job satisfaction during service. This study contributes to the broader discourse on pension systems in developing countries, drawing insights from other African countries like Ghana and Namibia, where workers face comparable challenges related to pension access and trust in government policies. By situating Nigeria within this regional and global context, the study provides valuable insights for international scholars and policymakers involved in formulating effective social protection and security programs, especially as population ageing becomes an increasingly pressing issue. Thus, this research is guided by the following research question: How do civil servants in Nigeria perceive the contributory pension scheme, and in what ways do these perceptions influence their level of job satisfaction? Here, emphasis is placed on perceptions because employees' attitudes towards pension arrangements can significantly shape their motivation, commitment, and overall job satisfaction.

LITERATURE REVIEW

Overview of the contributory pension system in Nigeria

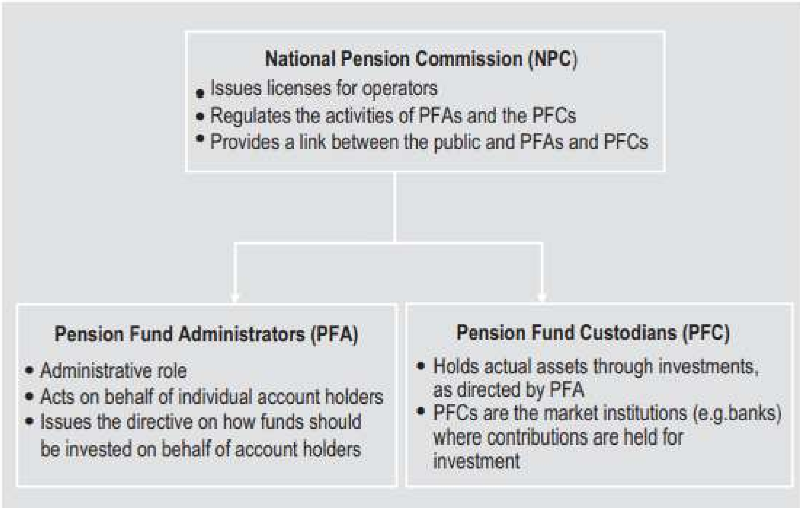
Nigeria reformed its pension system in 2004, ushering in the contributory pension scheme, modeled after the Chilean framework, and becoming the first sub-Saharan African country to adopt such a system (Yermo–Stewart 2009). Although the implementation of the scheme is noteworthy, concerns about its suitability and operational effectiveness continue to persist. Prior to this reform, Nigeria operated a defined benefit scheme that was fully funded by the government. However, the DBS was associated with substantial challenges, including delayed and unpaid pension benefits, particularly among government employees (Marcellus–Osadebe 2014). Several factors contributed to these challenges, notably resource constraints, inadequate fund releases, political instability, and the lack of a comprehensive database of pensioners, leading to perceptions of government insensitivity towards workers' welfare and retirement needs (NPC 2014).

The contributory pension scheme was therefore introduced to rectify the shortcomings of the previous DBS. Enacted in June 2004 under the administration of retired General Olusegun Obasanjo, the law aimed at ensuring timely benefit payments, improving transparency, and enhancing retirement security for Nigerian workers. The pension scheme requires employees to contribute 7.5% of their monthly earnings, matched by an employer's contribution of 7.5%, with specific provisions for military personnel. Although the scheme is designed to ensure timely retirement benefits and foster a savings culture, doubts persist about regulatory agencies' capacity to effectively enforce compliance. The 2004 *Pension Reform Act*, which was amended in 2014, increased contribution rates to 8% and 10% for employees and employers, respectively, in an effort to address a pension deficit estimated at ₦2 trillion (Popoola 2016).

Despite these advancements, the new scheme has not fully resolved challenges related to equitable access and operational efficiency. While it was expected to enhance job satisfaction and reduce corruption, persistent delays in pension payments and poor management have fostered distrust among employees. This has contributed to job dissatisfaction in some sectors, particularly in the healthcare sector, which has suffered workforce attrition and brain drain (Olasehinde–Olaniyi 2019). Criticism has also emerged regarding the disparity in developmental levels between Nigeria and Chile, particularly in governance and record-keeping, as well as the challenges posed by the informal sector, where 90% of the workforce is employed. This disconnect raises questions about the contributory pension system's ability to achieve its objectives and suggests that

Nigeria may still require a basic social pension, similar to the goal of reforms being introduced in Chile to ensure broader social protection coverage (Yermo–Stewart 2009).

Figure 1. *Structure of pension system governance in Nigeria*



Source: Federal Republic of Nigeria (2004)

Challenges of the contributory pension scheme in Nigeria

Pension schemes across the globe face many administrative and structural challenges; Nigeria is not an exception (Kida–Sambo 2018). Despite the extensive reforms undertaken in Nigeria's pension industry, the contributory pension scheme continues to face significant operational difficulties. A major challenge is the persistent delay in the payment of benefits to pensioners. This problem is primarily due to employers' failure to release pension contributions in a timely manner, thereby undermining the scheme's efficiency and credibility and exacerbating challenges associated with the contributory pension scheme (Etuk 2022). Despite the CPS's aim to alleviate pension-related hardships, many ministries, departments, and agencies fail to comply with the legal mandate requiring the immediate remittance of pension contributions into employees' retirement savings accounts following salary payments, leading to unaccredited pension contributions and delayed retirement benefits (Ugwoke–Onyeanu 2013).

Consequently, many retired workers experience severe economic hardship and psychological distress, with some waiting for years to access their entitlements, while others die before receiving their accrued benefits (Jiboku et al. 2021). Furthermore, there is little compliance and coverage in the private sector, with the majority of the Nigerian labor force operating within the informal sector. This sector is predominantly unregulated, resulting in limited access to employer-sponsored pension schemes. This scenario leaves millions of people without a structured retirement savings plan (Adebayo 2019). The implication is that it undermines the capacity of the government to provide comprehensive social security coverage to the population and reduce poverty, which is the target of Sustainable Development Goal No. 1 (poverty reduction) (United Nations 2015).

Additionally, the CPS has been widely criticized for its lower monthly pensions than under the previous scheme, inadequate investment opportunities, and pervasive corruption, all of which have severely undermined its objectives (Transparency International 2008; Anyim et al. 2014). The ambiguity surrounding retirement age provisions and the abolition of gratuity rights further complicate these challenges, while the monolithic nature of the scheme and its operational complexity hinder effective management and reduce flexibility for employers (Adewumi 2020; Imhanlahimi–Idolor 2013). Moreover, changes in political leadership frequently lead to erratic policies and shifts in priorities, thereby delaying the execution of reforms and generating confusion and or uncertainty within the pension system. Overall, these multifaceted challenges point to the importance of reform and better governance within Nigeria's pension system.

Lessons from other jurisdictions: Pension management in three selected countries

Social security and pension systems are currently undergoing reform in numerous countries. This is largely because nations in different phases of development have acknowledged the significance of pension system reforms as a result of issues such as longer life expectancy, a weakening of the extended family support system, and the need to ensure national stability, promote prosperity, and safeguard the welfare of their elderly citizens (Hadi et al. 2023; Tolos et al. 2014). In international studies, social security reforms in Europe, North America, and occasionally Latin America are frequently the subject of attention. However, reforms are also taking place in Asia and Africa. These reforms concern social security programs as well as voluntary and employer-provided pension schemes (Szczepański–Turner 2014). Global policy actors have played a central role in the conception, transfer, and implementation of new pension reforms in more than 25 nations worldwide, which underscores the relevance of the phenomenon of pension restructuring (Orenstein 2005). The new reforms are part of a neoliberal agenda that initially took effect in Chile and Britain in the 1970s and 1980s and has since spread to other regions of the world (Campbell–Pedersen 2001, cited in Orenstein 2005). This section of the article focuses on developing countries that have adopted well-planned, inclusive social security systems that have significantly reduced poverty and inequality among both active and retired workers. The analysis presents a comparative overview of the structure of pension administration in the selected countries.

Pensions in Chile

Chile, with a population exceeding 18 million and an economically active population of approximately 8.5 million, is widely recognized as a pioneer in pension privatization, particularly with its landmark 1981 pension reform that influenced the World Bank and other countries (Borzutzky–Hyde 2016). The pension reforms of the 1970s and 1980s marked a decisive shift towards market-oriented economic policies (Orenstein 2005). The 1980–1981 pension reforms represented a significant departure from the previous social insurance tradition (Edwards 1998, cited in Orenstein 2005). Mesa-Lago and Bertranou (2016) noted that Chile was the first Latin American country to implement a fully privatized social security pension system, impacting the 1980 structural adjustment program. This has significantly influenced similar reforms in eleven Latin American countries and other parts of Central and Eastern Europe. Prior to the reform, the Chilean pension system, established in 1925, covered over 70% of the population. Soto (2007) argued that the reform had become necessary due to persistent actuarial imbalances within the system. Since 1981, the system has relied on mandatory savings in privately managed defined-contribution accounts, with employees contributing 10% of their wages (Barr–Diamond 2016). The statutory retirement age remains 65 years for men and 60 years for women, alongside the creation of a regulated market for specialized pension fund management companies known as *Administradoras de Fondos de Pensiones*, established to manage individual retirement accounts (ibid.).

The Ghanaian pension system

In 2004, the government of Ghana made significant changes to its pension system, leading to the *National Pensions Act* (*Act 766*, 2008), which established a three-tier pension scheme for employees in both the public and private sectors (Aboalik 2017). This reform is considered a positive development as it enhanced retirement income security and expanded social security coverage to workers across various sectors of the economy (*Act 766*, 2008). The pension scheme consists of three tiers: Tier 1, managed by the Social Security and National Insurance Trust (SSNIT), is a mandatory basic national social security scheme; Tier 2 is a mandatory occupational pension scheme; and Tier 3 is a voluntary provident fund and personal pension plan (Aboalik 2017). Tier 1 requires monthly contributions from all workers, including self-employed individuals, with a total contribution rate of 18.5%, of which 13.5% goes to Tier 1, and 2.5% is allocated to the National Health Insurance Fund, providing SSNIT contributors with premium exemptions under the National Health Insurance Scheme (NHIS). The minimum age for joining the scheme is 15 years, and the maximum entry age is 45 years (ibid.). Tier 2 is compulsory for formal sector workers, requiring a 5% contribution, with benefits paid upon retirement as a lump sum; however, informal sector workers are excluded from this tier (Assabil et al. 2023). Benefits under Tier 2 are portable, allowing workers to transfer accrued benefits if they change employers. Tier 3 is a voluntary scheme for both formal and informal sector workers. Formal sector workers may contribute up to 6.5% of their salaries, while informal sector workers can contribute up to 25% of their income on a tax-free basis (Aboalik 2017). The goals of Tier 3 include providing additional pension benefits, lump-sum payments upon retirement, and additional coverage for contingencies such as death, funeral expenses, and personal accidents, thereby ensuring timely benefit distribution to contributors and their beneficiaries.

Namibian pension system

Namibia's pension system comprises a pension arrangement called the National Pension Scheme (NPS) alongside optional contributory private pension schemes. The NPS is a non-contributory, non-taxable social pension program that offers a flat-rate benefit to all resident Namibian citizens aged 60 years and above, provided they have not been outside the country for more than six months. In 2005, the scheme paid a monthly benefit of ₦300 to almost 100,000 pensioners, financed by government taxation. The majority of pensioners (85%) obtain their payouts from specified cash disbursement locations, while others access their benefits via post offices or banks. However, the NPS's overhead expenses are seen as comparatively elevated (Yermo–Stewart 2009). In addition, the government established the Namibia Agricultural Retirement Fund to cater to agricultural workers. This operates as a defined contribution plan financed by 10% payments from both employees and employers, with an additional 1% for administrative expenses. Also, the Government Institutions Pension Fund (GPIF) covers civil servants and operates as a fully funded-defined benefit scheme, representing the largest pension fund in the country, with assets valued at ₦15.1 billion in 2004, constituting 73% of the total pension assets in the country (ibid.).

Social exchange theory

This study is underpinned by *social exchange theory* (SET), a prominent theoretical framework within the social sciences. The theory posits that workplace antecedents lead to social exchange relationships that influence individual attitudes and behaviors (Ahmad et al. 2023). Advocated by Homans (1961) and Blau (1964), SET posits that successful exchanges foster individual satisfaction, motivating enhanced performance. In applying this theory to the study, it is observed that individuals evaluate relationships based on costs and satisfaction, with the primary driving force being mutual interest fulfillment between employers and employees. For instance, when employees perceive that their pension benefits are adequate, they tend to exceed performance expectations. SET also emphasizes reciprocity, implying that effective reward systems motivate employees to improve performance. Onyeonoru and Nweke (2014) argue that retirement benefits are owed to civil servants in exchange for their years of service, highlighting the interdependence between organizations and employees for survival.

METHODS

Research design

This study adopts an interpretivist paradigm and an inductive research approach, which are often associated with qualitative inquiry (Okeke-Uzodike – Anusi 2025). To address the research objectives, a qualitative research method was employed to explore participants' ideas, emotions, and lived experiences in real-world contexts in order to comprehend their perspectives (Novek–Wilkinson 2019; Tharbe et al. 2020). This design was selected because it allows participants to express their opinions in detail and in line with their own social realities (Segbenya et al. 2024).

Participants

Purposive sampling was used to select 24 participants from the Ministries of Finance, Labor and Productivity, as well as the Office of the Head of Civil Service. The justification for the selection of 24 respondents is based on the argument by Creswell (1998) that a sample size of between 5 and 25 participants is sufficient to reach the point of saturation in phenomenological studies. Table 1 presents a summary of the research participants' demographic characteristics, showing their place of work, cadre, and gender.

Table 1. *Participants' demographic data*

S/N	Code	Ministry	Cadre	Gender
1	L1	Labor and Productivity	Top Management	Male
2	L2	Labor and Productivity	Top Management	Female
3	L3	Labor and Productivity	Middle Cadre	Male
4	L4	Labor and Productivity	Junior Cadre	Male
5	L5	Labor and Productivity	Middle Cadre	Male
6	L6	Labor and Productivity	Top Management	Male
7	L7	Labor and Productivity	Top Management	Male
8	L8	Labor and Productivity	Junior Cadre	Male
9	F1	Finance	Junior Cadre	Male
10	F2	Finance	Top Management	Male
11	F3	Finance	Top Management	Male
12	F4	Finance	Junior Cadre	Male
13	F5	Finance	Middle Cadre	Female
14	F6	Finance	Top Management	Female
15	F7	Finance	Middle Cadre	Male
16	F8	Finance	Top Management	Female
17	HOS1	Head of Civil Service	Junior Cadre	Male
18	HOS2	Head of Civil Service	Middle Management	Male
19	HOS3	Head of Civil Service	Middle Management	Male
20	HOS4	Head of Civil Service	Top Management	Male
21	HOS5	Head of Civil Service	Top Management	Male
22	HOS6	Head of Civil Service	Junior Cadre	Male
23	HOS7	Head of Civil Service	Top Management	Male
24	HOS8	Head of Civil Service	Top Management	Male

Source: Authors' compilation based on fieldwork.

Data collection

Data were collected using a semi-structured interview guide designed to explore the influence of the contributory pension scheme on job satisfaction among employees in Nigeria's public service. This method aligned with the researchers' epistemological stance and study objectives, allowing for focused data collection while encouraging participants to share their experiences in depth (Jebreen 2012; Merriam–Tisdell 2016). Interviews were conducted in English and lasted up to 60 minutes. Measures were taken to ensure confidentiality and neutrality, including the selection of comfortable interview settings to minimize the risk of data contamination (Noon 2018). Interviews were audio-recorded, and field notes were taken, thereby addressing potential technical or contextual issues. After each interview, participants were asked to listen and confirm the accuracy of their responses (member checking) before proceeding to the next interviewee (Babajo 2018). Consent forms were signed by participants, and data were transcribed verbatim and systematically analyzed. The credibility of the findings was ensured through expert examination, data triangulation, and member checking to confirm the validity of the analysis (Sakunpong et al. 2024).

Data analysis

Thematic analysis was employed to examine and compare the perspectives, descriptions, and reflections of the research participants and to identify themes within the dataset. Qualitative researchers adopt thematic analysis to identify, examine, and communicate recurrent patterns (themes) within collected data. Thematic analysis was employed to analyze the qualitative data generated in the study, as it is particularly suitable for capturing the complexities of meaning within a dataset (Guest et al. 2012).

Consequently, the researchers adopted the manual approach for the analysis. The analysis then followed the six stages of analysis as suggested by Braun and Clarke (2006), which comprises data familiarization, initial coding, theme search, theme review, theme definition, and report writing. The last step involved systematic coding, data organization, identification of recurring patterns, and careful review to eliminate redundancies or duplications. Themes were refined and analytically constructed to ensure precision, coherence, and contextual relevance. This rigorous analytical process enabled the development of a clear and well-structured narrative that accurately reflected participants' experiences and perspectives within the context of the study (ibid.).

Ethical considerations

The researchers obtained ethical approval from the Universiti Sains Ethics Committee for Research Involving Human Subjects (JEPeM-USM) with the study protocol code USM/JEPeM/PP/23080598. The objectives of the study were explained to the participants, and informed consent was obtained before the commencement of the interviews. Confidentiality was ensured by anonymizing sensitive information. Indeed, confidentiality and anonymity have been strictly maintained throughout the research paper.

FINDINGS AND DISCUSSION

Four broad themes emerged from the interviews with participants, which are: (1) difficulty and delay in accessing pension benefits, (2) non-access to pension benefits until after retirement, (3) perceived poor management and lack of policy consistency, and (4) perceived burden associated with high rates of contributions, as detailed below.

Difficulty and delay in accessing pension benefits

Participants reported prolonged delays in getting their retirement benefits, which they perceived as a challenge that was affecting their job satisfaction. The participants felt that these delays created doubt and fear about their future in retirement, thereby eroding their trust and belief in the pension system. This undermines workers' confidence in retirement security. For example, a participant from the finance ministry expressed the following opinion:

> *Because of the Nigerian factor, retired employees are facing the challenge of getting their benefits. As I am speaking, people are still experiencing the normal problem [that] after [they] retire, the pension managers [are] not [...] able to pay promptly, as scheduled. Some people will wait for over a year before they start collecting their pension. So, the ugly situation is making employees [unsatisfied].* (F3)

Another participant from the Office of the Head of Civil Service affirmed that:

> *Honestly, I doubt much if it gives any job satisfaction. Most employees are not comfortable with the pension arrangement [as] retired employees find it difficult to get their pension, and, thus, it does not give them job satisfaction.* (HOS1)

The above excerpts reveal that retirees experience delays and difficulties in accessing pension benefits during the implementation of the contributory pension scheme. Participants conveyed their apprehension about the delays faced by numerous retired colleagues in obtaining their retirement benefits. What this means is that, despite the objective of the contributory pension scheme of fostering a savings culture among Nigerian workers and guaranteeing the prompt and uninterrupted payment of retirement benefits, delays in the payment of benefits to retirees lead to feelings of distrust in the pension system, while contributing to a lack of job satisfaction. This finding aligns with the claims of Jiboku et al. (2021), who noted that while some pensioners wait for years to collect their benefits and allowances, others who are not so fortunate die before their family members can collect their entitlements. Thus, active workers deem the situation highly disturbing, which ultimately contributes to their dissatisfaction. Similarly, Ugwoke and Onyeanu (2013) have highlighted that the abrupt delay in the payment of retirement benefits to pensioners leads to low self-worth, hopelessness, and a feeling of not being good enough to oneself and one's family, resulting in unexplained cases of sudden death among retired workers.

Non-access to benefits until after retirement

Participants expressed dissatisfaction with the inability to access any portion of their pension savings before retirement, even during emergencies. This causes fear about their future financial security. Some of these participants expressed a desire to be able to access a portion of their pension savings in view of the current economic challenges in the country. They believe that if this were allowed, it would make the pension plan more responsive to their needs. For example, a participant expressed his dissatisfaction in the following words:

> *One negative thing with the contributory pension is the fact that what is saved in your pension fund account cannot be accessed by you until after retirement, and mind you, our salaries are not good enough to [allow us to] take care of our daily needs.* (F5)

In addition, a participant from the Office of the Head of the Civil Service opined that:

> *With this scheme, even if I am dying today, I cannot access one naira until the time of my exit from service. Why not make a provision that, in the event of an emergency, particularly as it relates to health issues, you can be given access to a certain percentage of your savings to take care of yourself? I am not satisfied with this arrangement, as it defeats the essence of [attempting to provide] job security in a government job.* (HOS1)

The above finding reveals that the inability to access pension benefits until after retirement is a fundamental challenge of the contributory pension scheme, as it creates financial insecurity and dissatisfaction, particularly given workers' already low salaries due to the country's high inflation rate. This implies that a lack of flexibility in pension fund management results in financial hardships and stress, especially for employees who are grappling with financial difficulties. This aligns with findings by Ukwu et al. (2023) that workers should be allowed to access a percentage of their pension fund while in service, but this should be tied to recommendations to invest the money into worthwhile ventures, whereby workers are trained in skills of their choice that they can operate or manage at their age. This would help achieve the pension scheme's objective: ensuring financial security for workers and providing an alternative source of income to enable them to meet their needs.

Perceived poor management and lack of policy consistency

Participants highlighted issues such as irregular, inconsistent, and poorly implemented pensions as major contributors to delays and inefficiencies in pension administration. All these contribute immensely to employees' lack of confidence in the scheme; several participants expressed mistrust of the scheme, particularly due to policy ambiguities. A participant from the Ministry of Finance made the following argument:

> *My opinion is that the pension scheme does not give job satisfaction because it is not working well as a result of policy issues.* (F6)

Similarly, a participant from the Head of the Civil Service office illuminated the above-mentioned issue of inconsistent policy arrangements in the following words:

> *The scheme is so nice, except that what is giving me doubtful thoughts about [it] is that the pension administrators and the people managing the scheme are rolling out inconsistent policies that make me feel very doubtful about the whole thing.* (HOS2)

The above quotes highlight two significant challenges facing the contributory pension scheme in Nigeria. First, inconsistencies in the implementation of policies are creating uncertainty and mistrust among contributors. Second, inefficiencies in the management of pension funds lead to errors and discrepancies, ultimately affecting the benefits received by contributors. The prevalence of irregular and inconsistent policies in pension administration contributes to delays in pension payment, and the weak implementation of policies is an evident sign of the deteriorating efficacy of pension management in Nigeria, which is eroding the confidence that employees have in the pension scheme. This aligns with findings by Nwuzor and Njoku (2023), who argue that the frequent review of pension schemes and implementation of inconsistent policies by the federal government without consulting state governments and other stakeholders constitutes another obstacle to the effective payment of pension benefits to retirees. Similar work by Bassey et al. (2008) also highlights that frequent changes in government administrative policies regarding pensions, without complementary strategies to ensure compliance, negatively affect implementation.

Perceived burden of the high rate of contributions

One theme that emerged from the interview with the participants was the 8% employee contribution rate, which they perceived as too high, thereby affecting their motivation and job satisfaction, looking at the meagre salaries and rising cost of living. Participants described the contribution rate as a burden that puts pressure on their purchasing power, which is already greatly affected by inflation. A participant from the Federal Ministry of Labor and Productivity affirmed that:

> *My honest opinion on this is that what workers are contributing is too [much] and is affecting [...] monthly take-home pay. So, I don't have satisfaction here.* (HOS)

A similar opinion was expressed by another participant:

> *I told you earlier that the 8% we are contributing on a monthly basis is too high.* (HOS8)

Another participant from the Federal Ministry of Finance expressed a similar opinion:

> *The rate of contribution is high, and we were told by our colleagues who have already retired that it is not easy to access pension benefits after retirement. All these [factors] are disturbing.* (L5)

These narratives reflect participants' views that the rate of pension contributions (8%) is too high, which they described as seriously affecting their take-home pay. This suggests that when the pension contribution is deducted from employee salaries, this depletes their already poor take-home pay, reduces their morale and commitment to their duties, and, by extension, affects the productivity of the given organization. This finding aligns with Onukwu's (2017) previous work, which highlighted that the disparity in pension contribution ratios between the government and its employees is a significant obstacle to the efficient implementation of the contributory scheme. He further asserted that the practice of deducting a minimum of 8% from the total monthly salary of employees and a minimum of 10% from employers is disheartening for employees in the Nigerian university system.

Collectively, the four themes analyzed above indicate that the contributory pension scheme significantly influences employee job dissatisfaction within the Nigerian public service. Rather than enhancing motivation and providing financial security for employees, the scheme exacerbates employee fears, mistrust, and dissatisfaction. Thus, the research question has been sufficiently answered by revealing how the pension scheme lowers the morale and satisfaction of employees.

CONCLUSION

This study examined employees' perceptions of the implementation of the contributory pension scheme in relation to job satisfaction within the Nigerian public service. Overall, the findings provide insight into the justification for both introducing the contributory pension scheme and the persistent challenges plaguing the pension industry, particularly prolonged delays and the non-payment of retirement benefits to retirees. Accordingly, the study revealed that, while the scheme was introduced to ensure retirement security, transparency, and sustainability, employees' perceptions of its effectiveness vary. However, interviews with participants revealed dissatisfaction among most workers in the Nigerian public service. As such, it revealed four themes: delays and difficulties in accessing pension benefits; the inability of employees to access benefits until after retirement; poor management and inconsistent policies; and a high rate of employee contributions, which indirectly contributes to job dissatisfaction. These findings clearly address the research question, as participants perceived these issues as serious challenges that collectively generate a fear of financial insecurity after retirement, diminish confidence in the pension system, and reduce overall job satisfaction. Although this study focused on Nigeria, the challenges highlighted by participants, particularly those related to systemic failures, disagreement with the contributory pension arrangement, and the tension between policy objectives and employees' trust in the system, are relevant to many developing countries. Consequently, the analysis contributes to the broader literature on pension administration, as it relates to the ongoing efforts by developing countries to reform public service systems and ensure the sustainability of pension and social security schemes capable of providing long-term financial security for retirees.

Based on these findings, the study recommends that the Nigerian government review the *Pension Reform Act* to address delays in benefits disbursement and enhance or improve efficiency in pension administration. In addition, it should strengthen administrative capacity to set clear benchmarks and timelines for disbursement. It is equally important for the government to recognize the need to improve wages for public sector workers to mitigate the effects of inflation and enable employees to meet their basic daily needs, rather than relying excessively on their pension savings. Even more so, employees should be granted access to their savings while still in service, subject to adequate safeguards and transparency measures, and supported by sufficient data on the investment portfolios of accumulated pension funds. Employees should also consider increasing contributions to retirement savings accounts in order to enhance their long-term financial security.

Finally, the Nigerian government could consider adopting a dual pension system that combines a mandatory contributory pension scheme with a social pension for the poor and informal-sector workers, aligning with the Sustainable Development Goals, particularly the goals of eradicating poverty and promoting decent work (Goals No. 1 and No. 8) (United Nations 2015).

Limitations and suggestions for further research

The study has several limitations, including the use of purposive sampling, focusing only on three ministries in Abuja, and relying on subjective perspectives, which may result in response bias and limit the generalizability of the study's findings. Notwithstanding these constraints, the study's robust methodology and emphasis on diverse perspectives provide valuable insights into the challenges of the *contributory pension scheme* and how these challenges influence employees' job satisfaction in the Nigerian public service. Future research could address these limitations by adopting a mixed-methods approach, which would allow for a more comprehensive understanding of the subject matter by integrating the strengths of both qualitative and quantitative research methods.

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