

Retirement Preparation of Ordained Ministers of the Presbyterian Church of Ghana

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Abstract: - The objective of the study was on retirement preparation among Ordained Ministers of the Presbyterian Church of Ghana.

Primary data in the form of questionnaires and interviews were used in the data collection and the study employed the qualitative approach in research, relying on the grounded theory in its theoretical framework. Purposive sampling technique was used to recruit twenty-eight (28) ordained Ministers of the Presbyterian Church who were still in active service, eight (8) retirees and five (5) top management members for an in-depth interview. The interviews were recorded and transcribed verbatim. The transcripts were imported into NVivo (11) for analysis of the data collected.

The researcher found out that the practice of planning was greatly contingent on the type of Ordained Ministers and the monthly allowance they received. Tent Ordained Ministers who worked as professionals and performed additional Ministerial duties in the church were entitled to national pension schemes. However, Non-Tent Ministers relied on their personal savings for financial planning. Psychologically, Ministers made little preparation because of the absence of a retirement planning policy in the Church. This had therefore created anxiety and a state of uncertainty about retirement. Socially, Ministers acquired their own accommodation and invested in their children education as a form of social security. The study further found that retired Ministers had to rely on their social relations to meet their financial and social needs. The absence of such social support resulted in psychosocial and financial challenges during retirement.

The study further discovered that Retired Ministers who had planned their retirement were believed to be happier and had less financial challenges.

It was therefore recommended that Housing scheme should be instituted by the Church to assist Ministers to acquire their own houses before retirement. The Church must develop a policy for retirement for various workers of the Church. This is required to guide Ministers and other workers to plan and prepare for retirement. The existing Provident Fund, insurance scheme for full-time Ministers should be extended to the tent Ministers too. The Church should take the SSNIT contributions of its Ministers seriously as a way of planning for the Ministers who sacrifice their all for God's flock. Additionally, it was recommended that there should be a scholarship package for children of Ministers who accept postings to deprived areas.

Key Words: Retirement planning and preparation, Ordained and Tent Ministers.

I. INTRODUCTION

Globally, retirement is one of the chief life transitions that symbolizes entering into a new period in life. Retirement can mean different things to different people the world over. According to the Hong Kong and Shanghai Banking Corporation (HSBC, 2015) report, while some may view retirement as a time to relax after a life of work, others may do things they never had the chance to do whilst in active ministry. The report further posited that others may also see retirement as an opportunity to support their children as they take important steps in their adult lives - buying their first home or having children of their own. However, for many people around the world, these aspirations may not be easy to achieve as the financial reality of life after work is less rosy, Hong Kong and Shanghai Banking Corporation (HSBC, 2015).

Today, the reality of retirement is complex. HSBC (2015) argues that working age people aspire to enjoy well-earned years of rest and recreation, but are concerned about how they will fund their retirement years. HSBC believes that ensuring a good standard of living in retirement is a big concern. Statistics of the HSBC (2015) reiterates that, a third (34%) of working age people doubt that they will be able to maintain in a comfortable standard of living in retirement. HSBC (2015) further posits that many are worried about running out of money (69%) and about having enough money to live on day-to-day (66%). In addition, nearly a quarter (23%) expect their standard of living in retirement will be worse than their standard of living today, with working age people feeling particularly gloomy in the developed economies of France (54%), the UK (40%), Hong Kong (40%) and Australia (39%) (HSBC, 2015).

Mandatory retirement age varies from country to country, and even within the same country it may still vary based on occupation and gender. Generally, the retirement age ranges between 55-75 years (Skoog and Ciecka, 2010; Vo *et al.*, 2015) but that of Ghana is 60 years for statutory retirement and 55 for voluntary retirement. As one retires, she/he parts from a significant activity that affects many of his/her life domains. Retirement is often accompanied by a reduction in life-satisfaction, self-assessment, and quality of life (Dingemans & Henkens, 2015; Hershey & Henkens, 2014). Transition into retirement is a major life event and a successful adjustment to this critical stage is important for maintaining a good quality of life in old age (Damman,

Henkens and Kalmijn, 2015; Froidevaux, Hirschi and Wang, 2016).

According to a report by United Nations (UN, 2002), retirement should not be seen as a stage in one's lifetime which hinders or stops the retirees from continuing being innovative and capable of contributing to society. Thus, having adequate coping skills in the transition to retirement can significantly influence the outcome of this transition is imperative.

Retirement should normally be a time of rest from the stress and exertion of work, when one spends most of one's life with the family, with old school mates and, of course, in bed (Dingemans and Henkens, 2015). Obviously, having spent 30 to 40 years in full active employment, one would normally be expected to have laid the foundation for financial security, with a pension income acting as back-up. The reality today, however, is much different. Most of our retired countrymen are poor, needy and destitute, and are dependent on the little payment from the pension scheme which they often struggle every month to draw (Novy-Marx and Rauh, 2009).

In many countries both developed and developing, governments recognize the need to provide pension funds to take care of the ageing population, the dependents of a breadwinner in case of his or her death or the breadwinner in case of invalidity through accidents at work, etc. Pension funds in most countries are managed by government institutions or private firms (Gökçen & Yalçın, 2015; Organization for Economic Co-operation and Development, 2013)

The rest of the paper is organized as follows. Section 2 reviews extant literature. Section 3 outlines method including the justification of dataset, choice of variables and models used for the study. Section 4 presents and discusses empirical results and finally, Section 5 gives the conclusion and implications of the study.

II. LITERATURE REVIEW

2.1 Theories of Retirement Preparation

Prevailing theories on pre-retirement planning are based on vocational development in general, as well as those focused specifically on retirement and aging, though each approach has its strengths as well as limitations.

In a paper, A New Pathway towards Retirement Preparation: Integration of Holistic Life Planning, Ibrahim and Wahat (2015) alluded to the fact that there are number of theories related to retirement preparation. Ibrahim and Wahat (2015) identified related theories as rational choice theory, image theory, role theory and continuity theory. According to Ibrahim and Wahat(2015), all these theories are focusing more on determining the decision to retire. Wang and Shultz (2010) posit that Continuity theory argues that peoples' basic nature does not change much from before to after retirement. Merging this concept with image theory, individuals' might

foresee that they are more likely to retire if they think they can continue their self- image. Additionally, Wang and Shultz (2010) further posited that role theory has been used to draw workers' demographic status, work experience, marital life and many more.

As Ibrahim and Wahat (2015) noted, the theory is also related to decision making of retirement and it is more on how people perceive themselves and their roles in the larger societal context. Retirement preparation both formally and informally might increase subject's confidence in their abilities in making retirement transition later. However, most of the theories focus on retirement thoughts, behaviors, attitudes or goals undertaken to fulfil the planning and preparation for retirement, but it does not guide how cognitions can emerge into goal-setting or preparing behaviours (Noone et al., 2010). In other words, the cognitive and behavioural components of planning have not been integrated in a significant way towards retirement preparation in most of the current research. This has limited the way that planning for retirement can be conceptualized and led to unprepared in retirement (Noone et al., 2010 as cited in Ibrahim and Wahat, 2015).

2.2 Theoretical Underpinnings and Conceptual Framework for the Study

Several theories and models have been used to explain human behaviours. This study however adopted three of such models and theories; social cognitive theory, the resources dependent theory and life cycle theory. These theories have been integrated because not one of them better explains the tenets of the pre-retirement preparation.

2.2.1 Social Cognitive Theory (SCT)

The environmental components include factors such as the cultural context, institutional arrangements and social support that may be reinforcing or inhibiting a positive behaviour. The behaviour (or the performance) of the individual includes preparations for retirement in various areas such as social, psychological and material. Figure 1 shows the reciprocal relationship between the various constructs in the social cognitive theory.

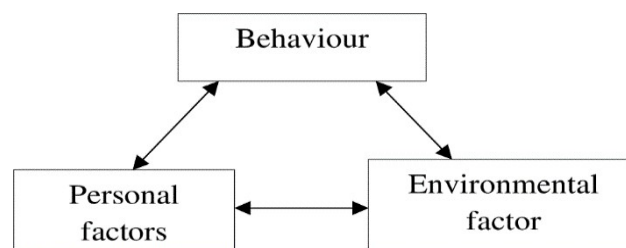


Figure 1: Social Cognitive Theory

Source: Bandura, 2004

In summary, SCT regards several internal and external factors that may influence vocational behavior, and the model has some empirical support for use with racial and ethnic

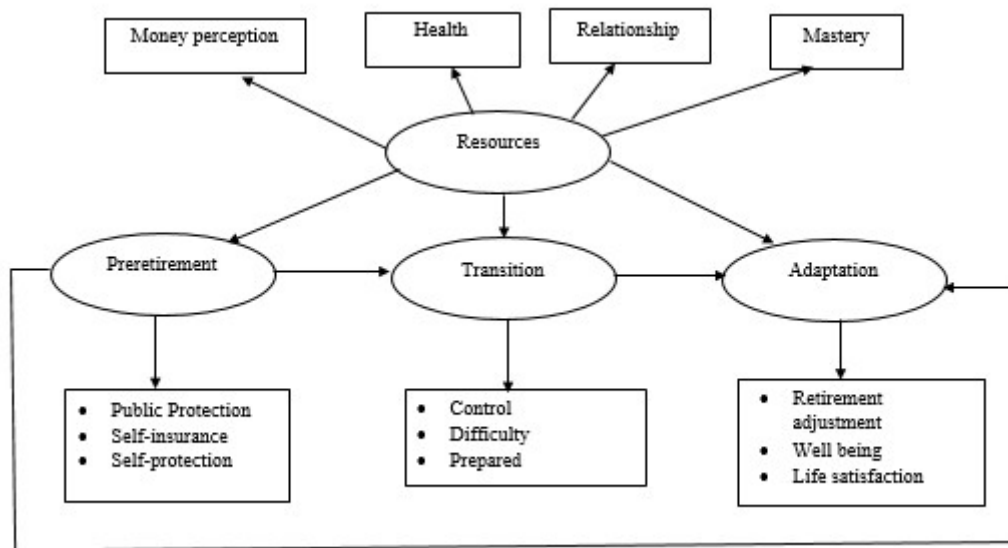
minority groups. The model appears flexible enough to consider factors affecting retirement decisions, as well as potentially impacting the choice and persistence in retirement-age employment. However, this model does not specially consider retirement as a stage of career development and to date it has not been empirically studied with older adults.

2.2.2 The Resource Dependent Theory (RDT)

The resource dependent theory (RDT) was propounded by Jeffrey Pfeffer and Gerald R. Salancik dated 1978 elaborating on the role resources play along the continuum of pension. Proponents of the theory are of the position that there are three

phases along the retirement continuum (Richardson, 1992). The proponents are of the view that there is stage prior to retirement in which the individual is actively engaged in work and a transition period which is a period prior to formal retirement. However, the length of time in this transition period vary across individuals and often deals with some psychological adjustment as the individual employment status changes. The last stage is the retirement phase. Each of these stages involve the individual talking some action with focus on the future (Adams & Rau, 2011)

Figure 2 shows the correlation between the different constructs in the resource dependent theory (RDT)



Source: Muratore & Earl (Muratore and Earl, 2015)

2.2.3 Life-cycle theory

Modigliani and Brumberg (1963) postulated that people maximize satisfaction of their future spending, emphasizing that the fundamental motive for savings is to accumulate resources for future consumption during retirement (Jappelli & Modigliani, 2005). Anticipating a stable standard of living and attaining one, to a large extent, are two very varied things. The model proposes that consumption and saving decisions emanate from a life cycle perspective. A fundamental perspective of life-cycle saving and investing is through the establishment of the divide between the period over which the saving occurs, thus the work life and the duration during which the assets are drawn down – the retirement span.

2.3 Review of Related Literature

Retirement as a concept has different meanings and therefore no single definition can be assigned to it. The research examines the concept as a crisis, reward, process, and event, a change of role, loss of status, economic and lastly a stage and social phenomenological in retirement preparation

(Wertz, 2010). One perspective see retirement as a major life crisis, disruption or stressful event which contributes to a decline in physical and mental health and requires adjustment to loss of work, reduced income and changes in status, authority and social roles (van der Heide *et al.*, 2013). This seems to be a reasonable amount of incidents that attest to this view of retirement though it may be presumptuous to establish a causal relationship between retirement, illness and death as advocated by Bender, 2012; Coe & Zamarro, 2011. This is because death precedes retirement. However this concept view of retirement as crisis or stressful event that leads to a decline in physical and mental health is not always applicable to all retirees because some retirees experience improved health due to the fact that work was rather stressful (Behncke, 2012; Hochman and Lewin-Epstein, 2013). The issue of retirement being stressful only happens in the case of those who do not plan adequately towards their retirement and therefore become stressful.

A second group of scholars are of the view that retirement is always seen as a reward for years of work. This definition of retirement as a right or reward is characterized by freedom

and enjoyment after many years of hard work and contribution to the growth and development of society (Hardy, 2011). The degree to which this reward is enjoyed by the individual is often dependent upon the availability of economic, social and other resources

Some scholars also view retirement as period that comes with change in the role an individual played prior to retirement. Retirement as a role change which involves multiple, simultaneous role changes with the individuals work role in some way (Muratore and Earl, 2015). Retirement always entails the individual's transition from clearly defined role to a vague and poorly defined one as society does not have a clearly defined roles for retirees (Coe and Zamarro, 2011).

Overall, the researcher has the firm conviction that retirement is the phase of life that characterizes full or partial (contract employment) exit of official duties aimed at relaxation from prolonged stress and contributing towards societal progress with the aid of the skills and experience gained whilst in active service. Retirees are not supposed to be a burden to society but to be seen as assets that need to engaged as special guests in conferences, fora and seminars to ensure a full mentorship of the younger generation using their rich experience towards the realization of human comfort and responsible society.

2.4 Retirement planning

If a retiree is in good health, retired voluntarily, intentionally planned for retirement, has access to sufficient monetary resources, retains a social support network, and possesses a fundamentally flexible personality the literature paints him as satisfied (Berg, 2004:75; Brunson and Lotter, 2007:295; Ladd, 2005:75). Unfortunately very few retirees are in the optimistic situation to be in the position as described by these authors.

One can still be an agent for change, using your originality, be imaginative and resourceful (Harrigan and Farmer, 2000:51; Johnson (2007:47). Retirees can either experience feelings of uselessness or engage in an optimal use of this promising phase. Brunson and Lotter (2007:275) observed that retirement can be regarded as a time of challenges as retirees enter a new period with emotional and physical adaptations in their lives. Phillips, *et al*, (2005:40) describe this viewpoint more extensively and maintain that retirement can be the gateway to a long and noteworthy period in the retirees' lives, especially if they took early retirement from work.

III. METHODOLOGY

The researcher used qualitative study in the form of questionnaire and interviews .Conducting in-depth interviews is an ideal approach because it emphasizes being responsive to each participant's story (Charmaz, 2006, p. 25) and utilizes open-ended questions to help understand the topic of focus. Qualitative interviews may be unstructured (no script or list of determined questions), use an interview

guide (a list of topics or general questions, but is open to inquiry on other details), or use an interview schedule (a focus on asking a detailed list of questions without open inquiry) (Maykut & Morehouse, 1994, p. 81-83).Semi-structured in-depth interview guides (Appendix A & B) was used to collect the qualitative data in this study. The semi-structured interview was driven concurrently by both the respondent and the interviewer.

Purposive sampling technique was used to select the participant for this study. Using the purposive sampling technique, the researchers choose the sample based on who they think are appropriate for the study as suggested by (Green & Thorogood, 2004). Patton (2002) also recognised that purposive sampling technique is widely used in qualitative research and is appropriate to identify and select information-rich cases for the most effective use of limited resources.

The target population is defined as the group of individuals or participants with the specific attributes of interest and relevance (Baškarada, 2014; Hyett, Kenny, & Dickson-Swift, 2014). In this research the target population is all Minister of the Presbyterian Church of Ghana. The accessible population at the time of the study was 280 Ministers in active service.

In this study, a sample size of 10% of the population was taken as suggested by Mason, (2010) on their review of how sample size were determined in qualitative studies. Hence, 28 Ministers in active service were recruited for the study. However, for retired ministers eight individuals were selected out of 80 retired ministers who have retired at the time of the study. They had retired within the period of 5years and below. They were selected for the study to ascertain their conditions after retirement. To provide a holistic view on the issues about retirement, five management members were recruited to provide management views about the subject under investigation.

The interviews were transcribed verbatim and imported into NVivo 11 for analysis. A codebook was first developed and transformed into node in NVivo. The socio-demographic data of the respondent were captured in NVivo as attributes and linked to data sources. Line-by-line coding of each transcript was done until all the transcriptions were coded. During coding, memos were written on key reflections from the data. The constructive grounded theory method was used for the analysis of the data collected from the interview transcripts, field notes and other materials. Grounded theory "is the experience from the standpoint of those who live it" (Charmaz, 2008). According to Charmaz: "Grounded theory refers to a set of systematic inductive methods for conducting qualitative research aimed toward theory development. The term grounded theory denotes dual referents: (a) a method consisting of flexible methodological strategies and (b) the products of this type of inquiry. The methodological strategies of grounded theory was applied to construct middle-level theories directly from the data analysis. The

inductive theoretical thrust of these methods was central to the analysis. These analyses provide focused, abstract,

conceptual theories that explained the studied empirical phenomena.

Table 1: Distribution of Ministers in Ghana

Distribution of Ministers in the PCG								
NO.	Presbytery	Total ord ministers	Total ord full time	Total ord female	Total ord male	Total ord tent	Total ord tent female	Total ord tent male
1	Akuapem	75	41	7	34	34	7	27
2	Asante	106	82	4	78	24	3	21
3	Asante Akyem	23	10	0	10	13	3	10
4	Asante Abuakwa	53	26	2	24	27	2	25
5	West akyem	24	22	0	22	2	0	2
6	Ga	230	117	23	75	113	20	93
7	Brong Ahafo	52	36	1	35	16	3	13
8	Western	41	26	2	24	15	1	14
9	Volta	25	19	2	17	6	0	6
10	Kwahu	39	15	0	15	24	4	20
11	Central	29	20	2	18	9	1	8
12	Dangme/Tongu	54	39	3	36	15	2	13
13	Northern	18	15	0	15	3	1	2
14	Sekyere	28	17	0	17	11	0	11
15	West Brong	28	16	1	15	12	4	8
16	Upper	20	17	1	16	3	0	3
17	Sefwi	18	17	0	17	1	0	1
18	Europe	18						
19	PCG USA Inc.	11	11	1	10	0	0	0
20	Asante south	13	13	0	0	0	0	0
	Total	905	559	49	491	328	51	277

Source: Presbyterian Church Human Resource Department, 2017

IV. RESULTS AND DISCUSSIONS

4.1 Psychological preparation of Ordained Ministers for retirement

The first objective of the study sought to understand how ordained ministers of the Presbyterian Church of Ghana prepare psychologically for their retirements. The findings of this study showed that all participants make some form of psychological preparation towards retirement. This type of retirement preparation varies across individuals. The psychological preparation is about the retirement preparation at the individual level and in the family as whole. Generally, participants were of the view that retirement usually comes with a lot of boredom and changes from an individual activity to that of daily living.

For example, one participant who is a trained counsellor indicated that how he plans to continue to do counselling during retirement as a form of psychological preparation:

Am planning to be counselling people so I am even ready to further my counselling course to keep me going and busy even when I am retired (Female, A001).

Other participants had this to say:

Yes I've already prepared my mind, knowing that this position is just for service so it shouldn't get into my head so I should do my best to make sure that I contribute and leave a legacy that I can be proud of so that I can look back and say thank you God. You called me and I was able to accomplish my mission. And then I also prepared myself to know that my present condition or this chairmanship is not permanent and next year I am finishing as chairperson and because of my training also, I know what to do the best, where I should go, should I go to the lectureship, should I go back to the church? Where should I be? So I still have some options and

I just pray for God's guidance so I can know what I can do so that my last few years of working for the church will be useful and could also prepare me for retirement very comfortably(Male,A024).

4.2 Financial preparation of ordained ministers for retirement

The second objective the study was to understand how the ordained ministers of the Church prepare financially for their retirement. From the study, it was clear many participants agreed that they had to make financial preparation towards their retirement because the package that is given to them by the church was believed to be inadequate.

The following quotes support these claims by respondents:

I have built a house, bought shares and treasury bills and also I have an educational policy for my children (Male, A005).

"I have bought some share in some companies in Ghana and I also have some treasury bills as a form of preparation towards my retirement (Female, A006).

Ooh well, I have bought fixed deposits, now adays it is in money form" (Female,A018).

In addition with the school with my last born, but I think that the target that I set, I already have my bonds there, I have also set the target that at every month this is the amount I will put somewhere. This is something that I have done and I don't touch it. I think if I am to go, then it is very necessary, otherwise I don't go in. but with the fixed deposit that have made I don't even dare to go in, for that one I have targeted for my final day of my retirement, so the challenges are that sometimes I see that I am very hard pressed for money, but I try to control myself to live within my needs, when I get the 'sumptuous' I will eat when I get the 'chin chin' I will eat(Female,A018).

Some participants also indicated they had invested in the building of estate and housing which will be given out for rent as a form financial protection during retirement. Participants also invested in buying stores and starting a private business during retirement. The following quotes support these forms of investment by participants:

I have some buildings which I will rent to people to earn some money during retirement. I also have stores in town, all these are part of my preparation. When you see how some of our ministers are struggling after retirement, you will have to prepare financially towards it (Male, A018).

I managed to build my house for my family and now I am trying to put up another building which I can rent out as a form of investment (Female, A020).

4.3 Social preparation of ordained ministers for retirement

The study found that one major social preparation that participants made was to build a house for their household. Many of the participants indicated that they were living in a residence owned by the church. Hence, they will be expected to leave the residence after retirement. It was therefore important to plan on where to live with their family after retirement. The following quotes illustrate this point:

"I live in official residence of the church and will be leave the place after retirement. So I have renovated my old house for my family after retirement (Male, A021).

Socially, I have put up a building for myself and my family after retirement. Sometimes, it is pity to see some ministers retire and have no place to lay their head and those of their family (Male, A008).

Interviews with management members showed that some minister are unable to build their own residence whilst in active service and therefore had to rely on the church to assist them in the direction. Management members indicated an instance where the church put up a building for a retired minister.

We have had instance where some ministers retire without putting up their own house and the church had to assist them. We recently assisted one minister in housin" (Male, M001).

Some... but the majority are coping well. I am saying this because there are some of them that two years to their retirement, suddenly fell sick. There are some who have houses and some don't and I remember the church planning on building houses for such people. During my tenure, the church built three houses for such people(Male, M004).

4.4 Factors affecting pre-retirement preparation of Ministers of the Presbyterian Church of Ghana

The study found that the main factors that affect preparation towards retirement are the allowance they receive, number of children, education attainment of the children, training on retirement preparation and church policy on retirement. Though participants believed the allowance they received for their service to the church was inadequate, they were of the view whatever planning one had to do will have to depend on that amount. Hence when the amount is increased it would go a long way to improve the amount they will set aside for investment toward retirement as illustrated:

"The allowance we receive is meagre but that is the only money available for you to plan your retirement

with. So, if the amount is good, you can take care your immediate needs and reserve some towards investment for your future” (Male, A019).

“In terms of the ministers allowance it is woefully inadequate compared to other churches even Methodist”(Male,A023).

Another factor that affect retirement planning is the number of children and their educational level. To participants one need to take care of family need before. Hence, if children are still in school it affects the amount of disposable income that is available for investment towards retirement as illustrated:

“The education of my children is my priority before accommodation and heal insurance needs” (Male, A005).

“I have to make educational policy for my children, so it is bit difficult to have enough money to invest. So the number children and their educational level affects planning towards retirement” (Female, A009).

“ I have. Educational policy for my children”(Female,A009).

V. CONCLUSION AND RECOMMENDATIONS

Based on the results of this study, it can be concluded that if there is lack of planning on the part of a minister who is in active service before retirement, it would lead to :

Loneliness: The minister may not have the opportunity to relate because he/she may not have planned well on that, loss of self –esteem, loss of self –worth, the Minister becomes irrelevant in the eye of the society, missed opportunities, isolation, depression and stagnation, poverty and hunger, poor health

The Presbyterian Church does not have policy on retirement for Ministers and this made planning for retirement challenging for ministers. Ministers make some investment towards retirement. Psychological planning for retirement was inadequate with negative consequences on retired ministers. Acquiring personal accommodation and investing in their children education were the main social preparation made by ministers. Retired ministers had financial challenges and were lonely. However, training on retirement planning was deemed essential for effective planning for retirement. Retired minsters who have planned their retirement were believed to be happier and had less financial challenges.

Recommendations

Based on the findings and the conclusions above, the following recommendations are made;

1. The General Assembly Office must ensure that all newly Ordained Ministers receive training on retirement planning and preparation when they are

recruited into the ministry. It is further recommended that a minister’s date of retirement is attached to his/her appointment letter in order to keep the retirement date in mind right from the very beginning of one’s working life.

2. Retirement planning and preparation programmes need to take into account of personal, household and work exit factors, recognizing the uncertainties and contingencies that can and do affect retirement planning and preparation.
3. Housing scheme should be instituted by the Church to assist Ministers to acquire their own houses before retirement.
4. The Church must develop a policy for retirement for various workers of the church. This is required to guide Ministers and other workers to plan and prepare for retirement.
5. The existing Provident Fund, insurance scheme for full-time Ministers should be extended to the tent Ministers. The Church should take the SSNIT contributions of its Ministers seriously as a way of planning for the Ministers who sacrifice their all for God’s flock.
6. There should be a scholarship package for children of Ministers who accept postings to deprived in ministry.
7. The Church is encouraged to develop retirement planning manual that would be used to teach retired Ministers during seminars.
8. The researcher used 28 respondents and the study was primarily based on Primary data in the form of administering questionnaires and interviews. Other reserachers are encouraged to replicate this using secondary data or both as well as the mixed method to ascertain the veracity and verisimilitude of the findings of this study.