

**KENYATTA UNIVERSITY**

**SCHOOL OF HUMANITIES AND SOCIAL SCIENCES**

**DEPARTMENT OF SOCIOLOGY**

**RELATIONSHIP BETWEEN RETIREMENT PREPARATION  
IN THE PSYCHOSOCIAL, FINANCIAL AND HEALTH  
DOMAINS AND THE QUALITY OF LIFE OF RETIREES IN  
NYERI COUNTY, KENYA**

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**A thesis submitted in partial fulfillment for the Degree of Doctor of**

**Philosophy of Kenyatta University**

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## DECLARATION

This thesis is my original work and has not been presented for a degree in any other university or any other award.

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## **DEDICATION**

This work is dedicated to my loving parents Stephen Thuku & Jane Mugure and my precious sons Brian Thuku & Ryan Gachuri.

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FGD	Focus Group Discussions
IAD	InterAge International
IPA	Institute of Policy Analysis and Research
KAO	Kenya Association of Retired Officers
KIP	Kenya Institute for Public Policy Research and Analysis
KNBS	Kenya National Bureau of Statistics
KNCHR	Kenya National Commission on Human Rights
KEU	Kenya University
NCST	National Council for Science and Technology
NSSF	National Social Security Fund
QoL	Quality of Life
RA	Retirement Benefits Authority
SCO	Savings and Credit Organization
SPSS	Statistical Package for Social Sciences
TSC	Teachers' Service Commission
UN	United Nations
USA	United States of America
UNFPA	United Nations Population Fund
WHO	World Health Organization

## LIST OF ABBREVIATIONS AND ACRONYMS

CRA	Commission on Revenue Allocation
CSPS	Civil Service Pension Scheme
FGDs	Focus Group Discussions
HAI	HelpAge International
IPAR	Institute of Policy Analysis and Research
KARO	Kenya Association of Retired Officers
KIPRA	Kenya Institute for Public Policy Research and Analysis
KNBS	Kenya National Bureau of Statistics
KNCHR	Kenya National Commission on Human Rights
KU	Kenyatta University
NCST	National Council for Science and Technology
NSSF	National Social Security Fund
QoL	Quality of Life
RBA	Retirement Benefits Authority
SACCO	Savings and Credit Organization
SPSS	Statistical Package for Social Sciences
TSC	Teachers' Service Commission
UN	United Nations
USA	United States of America
UNFPA	United Nations Population Fund
WHO	World Health Organization

## OPERATIONAL DEFINITION OF TERMS

**Disposable income:** Disposable income refers to the income available for consumption after statutory deductions especially taxes are made. In this study, disposable income refers to the amount of money available for use by the retirees after deducting the cost of production such as labour and farm inputs.

**Independent retirement preparation:** this involves undertaking voluntary retirement preparation activities (such as joining individual retirement saving schemes or health insurance) without being mandated by the employer or the state.

**Life expectancy:** refers to the average number of years that a population or a sub-population with certain characteristics is expected to live, usually under the assumption that age-specific death rates will continue the same in the future.

**Literacy Level:** percentage of the population who have attained formal education.

**Older Retirees:** Retirees aged 65 years and above and have been retired for more than ten years.

**Population ageing:** the process in which the population of older persons (60 years and above) become an increasingly larger percentage of the total population.

**Prospective retiree:** A person who is employed in the formal sector on permanent terms and is due to retire upon attainment of mandatory retirement age.

**Psychosocial:** It is an aspect of both social and psychological behaviour, referring to the mind's ability to adjust and relate to its environment. In retirement, psychosocial wellbeing refers to the state of being contented and satisfied with one's retirement life.

**Quality of life:** Quality of life (QoL) is a multi-dimensional concept that refers to an individual's overall life satisfaction and total wellbeing. It is a function of the degree to which each identified human need is met in relation to its relative contribution to one's subjective well being. Since 'quality' refers to the 'degree of excellence', this study also

uses the terms 'quality retirement' and 'quality retirement life' interchangeably with 'a high QoL in retirement'.

**Retiree:** A person who exited his/her permanent job upon attainment of the statutory retirement age. All retirees in this study were aged at least 55 years at the time of retirement.

**Retirement:** The process of exiting from formal employment upon attainment of the maximum statutory age allowed for that particular job. The term 'retirement' also refers to the stage of life after one exits formal employment due to attainment of maximum retirement age. In Kenya, the statutory retirement age for public servants was raised from 55 years to 60 years effective from April 2009. However, judges, university lecturers and public servants with disabilities are not subject to the 60-year rule and retire between the age of 65 and 74.

**Retirement Preparation:** This refers to the process of undertaking activities (such as investing in financial and social capital) that ease the transition from employment to retirement life.

**Wellbeing:** is the subjective state of being healthy, happy, contented, comfortable and satisfied with one's life.

**Younger Retirees:** Retirees below 65 years of age who have been in retirement for not more than ten years.

## ABSTRACT

Like many countries around the world, Kenya has an ageing population. As the government works towards improving the Quality of life (QoL) of all people, enhancing that of retirees requires special attention. Research has established a significant positive relationship between retirement preparation and QoL. Hence, to promote QoL in retirement, the government of Kenya has put in place the relevant policies and institutional frameworks. Furthermore, the Retirement Benefits Authority (RBA) has intensified its efforts to increase awareness on retirement preparation and increase retirement planning coverage. Yet, studies consistently report that retirees in Kenya continue to experience many challenges. This study was therefore conducted to assess the factors in retirement preparation that significantly influenced QoL of retirees in Nyeri County, Kenya. Unlike many studies, a multi-dimensional approach was utilized to assess retirement preparation in the psychosocial, financial and health domains and its influence on the overall QoL of retirees. Continuity theory and the life course perspective guided the study. Ten percent of the target population was sampled for the study. Purposive, cluster, simple random and stratified random sampling methods were used to select 447 respondents. Quantitative data was collected using interview schedules and analyzed using SPSS (Version 16). Four FGDs were conducted to provide qualitative data. FGD guides were used to collect data from participants and the thematic approach utilized in the analysis. The study found that most respondents were inadequately prepared for retirement in the psychosocial, financial and health domains. Consequently, less than half experienced a high QoL in retirement. QoL was found to be positively related to retirement preparation in the psychosocial, financial and health domains. In addition, age, gender, marital status and income significantly influenced QoL where older, married, female respondents with higher incomes had the highest chances of a quality retirement. The retirement preparation indicators that predicted a high QoL included spending free time on family activities, adequate time with friends, diversifying income generating activities and seeking health-promoting information. In this regard, pre-retirement activities and social relationships that continued in retirement positively contributed to QoL. The study recommends a multi-faceted retirement preparation framework for all employees. Special focus should be on the unmarried male prospective retirees with low income since they have higher chances of experiencing a lower quality of life in retirement than other categories of retirees.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background

Quality of life (QoL) is a multi-dimensional concept that refers to an individual's overall life satisfaction and total well-being (Prinsloo, 2009). Being multi-dimensional, QoL may be assessed in terms of psychological well-being, physical health, economic prosperity, and social connectedness (Wong & Earl, 2009). The main QoL indicators include: economic wellbeing, health, education achievement, freedom, social participation and self-perceived satisfaction (Pierre & Bitondo, 2001 quoted in Maina & Mugenda, 2013). Generally, QoL is a function of the degree to which each identified human need is met in relation to its relative contribution to one's subjective well being (Maina & Mugenda, 2013). It encompasses how an individual perceives the 'goodness' of the multiple aspects of his/her life (Bowling, 2014). Due to its subjectivity, many investigators bypass personal evaluations and make inferences by measuring things about persons that are more observable and therefore objective (Prinsloo, 2009).

The long term goal of every society is to enhance the QoL of its members. Demographers project that for the first time in history, there will be more people aged 60 years and above than children under 15 by the year 2050 (UNFPA & HAI, 2012). While longevity is a cause for celebration globally, the World Health Organization (WHO) also recommends 'adding life to years' in recognition of the importance of adding quality to longevity for older people (WHO, 2012). However, the impending economic burden of an ageing population is a concern for most governments (Browning

et al, 2012). This is because; it implies a need for additional resources to support increasing populations of older persons (including retirees) for more years unless interventions are put in place to increase their economic independence.

Specifically, expenditure on retirement pensions has been on the increase and is set to rapidly increase as larger populations of employees attain the mandatory retirement age, and live longer than previously anticipated (Barasa, 2009; Browning et al, 2012). The response by some governments has been to increase the mandatory retirement age as one of the parametric measures of managing the scarce funds to pay for the rising pension payments (Barasa, 2009). For example, the mandatory retirement age for public servants in Kenya was raised from 55 to 60 years in 2009 (Barasa, 2009; KNCHR, 2009). This not only saved the government a lot of money that would have been spent on the additional pension payments but also allowed economic utilization of public servants for an extra five years. In addition, there is increasing awareness on the need to encourage retirees to remain active, economically productive and independent for as long as possible. This is because maximizing the QoL for people as they age is not only a basic human right but also as a strategy of reducing future socio-economic burden (Browning et al, 2012). Consequently, issues of QoL of the older population (including retirees) have received international attention thus the need for more research under different socio-economic contexts.

Research confirms that the transition from a role of employee to that of retiree is fundamental and can affect an individual's QoL (Wong and Earl, 2009). This is because; when an individual retires, he/she parts from a significant activity that affects

many life domains. The transition requires personal adjustment to changes in income, free time, social network and occupational identity (Lubega, 2012). As explained by Atchley (2000), a quality retirement life requires that retirees be financially independent, physically able-bodied, socially connected and mentally able to structure their own lives. However, scholars disagree about the effects of retirement on the quality of life of retired persons (Calvo & Sarkisian, 2011). While some scholars emphasize the positive outcomes of retirement (Mein et al 2003; Mojon-Azzi et al, 2007; Westerlund et al, 2009), others view retirement as full of challenges (Alavinia & Burdorf, 2008; Almeida & Wong, 2009; Kithinji, 2012). Several researchers have also argued that retirement does not significantly affect the quality of life of individuals but rather, what matters are the preparation activities they undertook prior to retirement (Butterworth et al. 2006; Coe & Lindeboom 2008; Neuman 2008). Although scholars concur that retirement preparation should start as soon as one gets employed, there is no consensus on the matter of quality of life among retirees and its influencing factors.

Studies conducted in various parts of the world have explained the influence of demographic factors on quality of retirement life. Ageing studies suggest that age is positively associated with wellbeing implying that retirement satisfaction increases as one gets older (Bender, 2004; Maina & Mugenda, 2013). Marital status has been positively correlated with retirement adjustment where married persons tend to report better mental health outcomes and happiness than unmarried persons mainly due to the psycho-social support that spouses offer each other (Kim & Moen, 2001; Price & Joo, 2005; Bierman et al, 2006; Nzabona, 2014). Regarding education, many scholars agree that retirees who are more educated tend to have higher incomes, and report higher life

satisfaction than those with lower education (Wong & Earl, 2009; Donaldson et al, 2010; Heybroek, 2011). However, while scholars have generally agreed on the influence of many demographic factors on retirement adjustment, studies on the influence of gender are still inconclusive. Some scholars argue that male retirees adjust better to retirement than female ones (Quick & Moen, 1998; Kim & Moen, 2002; Heybroek, 2011), while others report that female retirees adjust better than the male ones (Bender, 2004). Studies that have found better retirement adjustment among men argue that cumulative disadvantages experienced by women (such as, lower education levels and income) adversely affect retirement satisfaction resulting in a higher QoL among men than women. However, the multiple roles of women that continue into retirement and the female ability to form strong social bonds may make it easier for women than men to transit into retirement (Bender, 2004). This may be an indicator that other extraneous factors (such as culture) determine the influence of gender on retirement, thus the need for more research.

In addition to demographic factors, scholars have found a significant positive relationship between retirement preparation and QoL (Wong & Earl, 2009; Muratore & Earl, 2010; Wang & Hesketh, 2012). In Australia, Wang and Hesketh (2012) found that retirees who had prepared extensively for retirement were more likely to enjoy a higher quality of life. In Brazil, Alvarenga et al (2009) reported a positive relationship between retirement preparation and retirement satisfaction. A study conducted in Ohio (United States) found that those who were prepared adjusted better to the retirement transition than those who were unprepared (Dan, 2004). However, despite the general

consensus highlighting a positive relationship between retirement preparation and QoL, inadequate preparation was reported among majority of employees worldwide. A study by Jagannathan (2008) found that over 80 percent of Indian employees, 81 percent of Mexican workers, 34 percent of the United Kingdom employees and 58 percent of Australians had not done any independent retirement preparation. In the United States of America (USA), retirement saving levels for all age groups were quite low (Dan, 2004). Nevertheless, majority of the studies focused on preparation only in the financial domain, contrary to recommendations that affirm the need to prepare for retirement in all areas of QoL (Muratore & Earl, 2010; Lubega, 2012; Osborne 2012).

According to Lubega (2012), preparation for retirement is a complex and long-lasting process. It usually starts with psychological preparation which enables an individual to build a positive attitude towards retirement, and visualize his/her life without the job routine. Osborne (2012) observed that many employees were reasonably aware of the need for financial preparation but overlooked the critical contribution of psychosocial preparation. Psychosocial preparation refers to the mind's ability to adjust and relate to the retirement social environment (Ondigi & Mugenda, 2011). It includes; thinking about retirement, discussing it with significant others, and establishing a meaningful social life outside the workplace (Albert, 2006). In addition to financial and psychosocial preparation, healthcare is an important aspect of retirement preparation. This is because; pre-retirement health status has been found to be a strong predictor of post retirement health condition and the subsequent QoL (Albert, 2006; Wang and Hesketh, 2012). A study by Kenyatta University (KU, 2014) reported that retirees who

were unable to meet their health needs did not age gracefully and encountered an early death. Lifestyle activities that promote good health prior to, and during retirement include; engaging in physical exercises, healthy diet, regular medical check-ups, and avoidance of alcohol/drug abuse. In view of the complexity and multiplicity of pre-retirement factors that influence QoL, a multi-dimensional approach to retirement preparation is critical. However, very few retirement studies and/or programs are comprehensive and multi-faceted enough to effectively address the QoL needs.

In the African region, enhancing QoL should be of particular concern given that 39 out of the 40 countries with the lowest life expectancy are found in the continent (UNFPA & HAI, 2012). Yet, a study by Jagannathan (2008) found that majority of employees had undertaken few or no voluntary steps to prepare for retirement. In a study of retirees in South Africa, Prinsloo (2009) observed that although retirement preparation was the best predictor of retirement adjustment, only 45 percent of the respondents had adequately prepared prior to retirement. A study conducted in Uganda found that preparation for retirement was challenging due to the fact that most employees were not sure of their individual roles in achieving quality retirement (Lubega, 2012). This may be an indicator that prospective retirees as well as other retirement stakeholders may be inadequately informed on their individual roles in achieving a high QoL in retirement.

In Kenya, very few studies on QoL have been conducted (Ondigi & Mugenda, 2011; Maina and Mugenda, 2013). Although the area of retirement has been extensively researched, few studies explain the influence of retirement preparation on the overall QoL. On the one hand, demographic surveys reflect dwindling standard of living for

most citizens (Ondigi & Mugenda, 2011; Maina and Mugenda, 2013). On the other, retirement studies consistently report inadequate retirement preparation among employees (Ng'aru, 2008; Kwena, 2009; Kamau, 2012; Muthondeki et al, 2014). In fact, reports from the Retirement Benefits Authority (RBA) indicate that only 3 percent of the older persons (mostly retirees from formal employment) in Kenya receive pension and only 15 percent of employees are currently saving through pension schemes (Kwena, 2009). Apparently, retirees who receive monthly pensions are mostly former government employees (Wanga, 2013). This is despite the intensified efforts by the Retirement Benefits Authority (RBA), the National Social Security Fund (NSSF), the media and other relevant bodies to increase awareness on retirement preparation (Kwena, 2009). However, the emphasis is skewed towards financial saving and investment, with little reference to preparation in the health and psychosocial domains.

Due to population ageing and longevity, the number of retirees in Kenya is expected to steadily increase in the coming years (UNFPA & HAI, 2012). Statistics show that 12,000 civil servants retire every year (Were, 2009). According to the Kenya National Bureau of Statistics (KNBS, 2012), the public and private sectors employ 32 percent and 68 percent of formal sector employees respectively. Using this ratio, approximately 25,500 people retiree from the private sector annually, giving a total of 37,500 new retirees. This population is expected to rapidly increase in future thus providing both opportunities and challenges for the individuals and society. A retirement preparation framework that effectively addresses the QoL needs of retirees is critical to increasing their independence and economic productivity for a longer period. Yet, research

findings confirm that retirees experience many challenges such as financial constraints, loneliness and poor health (Ng'aru, 2008; Kamau, 2012; Kithinji, 2012; KU, 2014; Muthondeki et al, 2014).

This study therefore assessed the QoL of retirees and utilized a multi-dimensional approach to analyze their retirement preparation with a view to establishing the existence of any significant relationships. The findings informed the formulation of a retirement preparation framework that may be more responsive in meeting the QoL needs of retirees.

## **1.2 Statement of the Problem**

Like many developing countries, Kenya's development strategy outlined in Vision 2030 aims at improving the quality of life of all citizens (including retirees). Research confirms that retirement preparation is positively related to QoL (Schwarz, 2003; Wong & Earl, 2009; Muratore & Earl, 2010; Wang & Hesketh, 2012; KU, 2014). In this regard, the Retirement Benefits Authority (RBA), the National Social Security Fund (NSSF), the media and other relevant bodies have intensified retirement preparation campaigns with a view to improving the retirement preparation behaviour of prospective retirees (Kwena, 2009).

Specifically, the RBA organizes retirement planning seminars regularly, undertakes media campaigns to encourage workers to save more for retirement and embarks on intensive marketing campaigns to increase pension coverage. Furthermore, the NSSF opened its membership to workers in the informal sector on a voluntary basis and made

it mandatory for all informal employers to register their employees with the fund. Hence, with the relevant institutional and policy frameworks for supporting quality life in place, a high QoL for Kenyan retirees is expected. Yet, studies continue to report on numerous challenges faced by retirees in the country (Ng'aru, 2008; Kamau, 2012; Kithinji, 2012; KU, 2014; Muthondeki et al, 2014). This may be an indicator that retirement preparation has been ineffective in achieving a high QoL for retirees hence the need for review.

This study was conducted to analyze the retirement preparation of retirees from a multi-dimensional approach and assess the influence that retirement preparation (in the various domains) had on the overall QoL. The study aimed at identifying the factors in retirement preparation that significantly predicted a high QoL in retirement with a view to recommending a more effective retirement preparation framework. Without disregarding the financial influence, the study broadened the traditional focus of retirement preparation to include psychosocial and health domains. A multi-faceted approach to retirement preparation was crucial since QoL is also multi-dimensional in nature.

### **1.3 Objectives of the Study**

The general objective of this study was to assess the influence of retirement preparation in the psychosocial, financial and health domains on the overall quality of life of retirees in Kenya. The study was guided by four specific objectives. To;

1. Assess the retirement preparation made by retirees in the psychosocial, financial and health domains.
2. Examine the factors in retirement preparation (psychosocial, financial and health) that significantly influenced the quality of life of retirees.
3. Analyze the relationship between socio-demographic characteristics of retirees (age, gender, marital status, level of education, monthly income) and their QoL.
4. To recommend a retirement preparation framework that is more responsive to the QoL needs of retirees.

#### **1.4 Research Questions**

To achieve the objectives, the study was guided by the following research questions;

- i. In which ways had retirees prepared for retirement in the psychosocial, financial and health domains?
- ii. How did retirement preparation in the psychosocial, financial and health domains influence the overall quality of life?
- iii. Was the quality of life of retirees related to their age, gender, marital status, education and monthly income?

#### **1.5 Research Hypotheses**

The study tested the following research hypotheses;

- i. Quality of life in retirement is significantly related to psychosocial preparation.
- ii. Quality of life in retirement is positively related to financial preparation.
- iii. Quality of life is positively related to retirement preparation in the health domain.

## **1.6 Justification of the Study**

In Kenya, the percentage of the older population aged 60 years and above is projected to increase from 4.3 to 8.7 percent between the years 2012 and 2050 (UNFPA & HAI, 2012). Since retirees fall in that age category, the implication is that their population is also likely to increase by more than 100 percent. So far, intensified retirement preparation campaigns have not significantly translated to a high QoL for most retirees. This is evident from the research reports that continue to highlight numerous retirement challenges (Ng'aru, 2008; Kamau, 2012; Kithinji, 2012; Muthondeki et al, 2014). If this trend is not checked, more disenchanting retirees may join the existing ones leading to a rapidly increasing population of dependent retirees. However, the situation may be reversed by undertaking a critical review of retirement preparation to make it more responsive to retirees' needs.

This study introduced a multidimensional approach to retirement preparation by analysing not only the traditional financial domain, but also the psychosocial and health aspects. Using this approach, the study delineated the retirement preparation indicators that significantly predicted a high QoL in each of the three domains and formulated a model that could significantly enhance the QoL of future retirees. The recommended

model is more inclusive, achievable and effective in enhancing the QoL of retirees than the existing one since it does not limit retirement preparation to finances. This implies that low income earning employees who lack extra money to save/invest can still prepare for retirement by investing in social capital, physical exercises and healthy diet. Enhancing the QoL of retirees effectively reduces the challenges that come with population ageing and maximizes on the opportunities. In this case, adequate retirement preparation enhances the overall QoL (psychosocial wellbeing, financial security and health) resulting in retirees who are not only independent but also socially integrated and economically productive.

### **1.7 Significance of the Study**

Although the field of retirement preparation has been extensively covered, many studies have concentrated on the financial aspects (Ng'aru, 2008; Kwena, 2009; Kamau, 2012; Kithinji, 2012). The inclusion of psychosocial and health domains to retirement preparation gives it a more wholistic approach that is comparable to the multi-dimensionality of QoL. Hence, the findings of this study provide empirical data which enables an analysis on the contribution of each of the domains to the overall QoL of retirees. This is crucial in the formulation of a retirement preparation model explaining the influence of retirement preparation on QoL. As recommended by Albert (2006), the primary goal of retirement preparation research should be the formulation of a theory of retirement preparation behavior that incorporates social, psychological, economic, and health factors. The model developed by this study effectively explains the influence of psychosocial, financial and health preparation on QoL of retirees in Kenya.

In Kenya, very few studies on QoL have been conducted (Ondigi & Mugenda, 2011; Maina and Mugenda, 2013). Fewer studies have focused on the influence of retirement preparation on QoL. Hence, the findings of this study strengthen the existing body of academic literature on the area of QoL, and particularly that of retirees. The study provides statistics on the quality of life of retirees which can be utilized as secondary data by scholars and researchers.

In addition, the quality of life index developed in this study can be used by academicians and researchers when measuring the QoL of retirees in similar social situations. It can also be utilized by policy-makers in the field of retirement when evaluating the effectiveness of social-economic policies.

Finally, the study findings can guide retirement planners when formulating retirement preparation programmes that prepare employees effectively for a quality retirement. Prospective retirees can also utilize the findings to prepare adequately for retirement.

## **1.8 Assumptions of the study**

The main assumption of this study was that the sampled respondents would participate in the study hence provide the required information. Although some of them had been in retirement for many years, the assumption was that they would still be able to give accurate information on the retirement preparation they had made when still in employment.

The sampling frame used to select the respondents for this study was obtained from the registered members of the Kenya Association of Retired Officers (KARO) Nyeri

branch. This was supplemented with a list of retired NSSF members whose contact addresses indicated they were likely to be Nyeri County residents. Although not all the retired residents in the county may have been in the two registers, the assumption was that a fairly representative sample would be obtained.

### **1.9 Scope, Delimitations and Limitations of the Study**

Quality of life is a very broad concept and no single study can exhaustively cover all the aspects. Hence, in order to assess the quality of life of retirees, only selected variables in the psycho-social, financial and health domains were analyzed.

In addition, only retirees who exited the formal employment sector upon attainment of the earlier mandatory retirement age of 55 years were considered. This was because such retirees were expected to have been in employment for a long period which gave them adequate time to make retirement preparation. Furthermore, the study was guided by the life-course perspective which views age as a primary marker of transitions, thus the need to obtain retirees who retired due to attainment of the stipulated age.

Since it was not practically possible to cover all parts of the country, this study only covered Nyeri County as it is among the counties with the highest population of people aged 65 years and above (KNBS, 2010). The county was therefore likely to yield an adequate proportion of retired officers that could be sampled for the study.

The study was limited in that it was cross-sectional thus the findings only reflect the situation as it were at the time of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter comprises of existing literature related to the area of study. The literature is organized under various themes in line with the study objectives as follows; Quality of Life and its Measurement, The Retirement Transition, Role of Retirement Preparation on Quality of Life, Psycho-social Influence on Quality of Retirement Life, Financial Influence on Quality of Retirement Life, Influence of Health on Quality of Retirement Life and Demographic Influences on Quality of Life. Finally the theoretical and conceptual frameworks are presented.

#### **2.1 Quality of Life and its Measurement**

Quality of life (QoL) is a multi-dimensional concept that refers to an individual's overall life satisfaction and total wellbeing (Prinsloo, 2009). Different measurements have been used to assess 'life satisfaction' and 'wellbeing'. According to Prinsloo (2009), 'Life satisfaction' may be assessed in terms of mood, self-concepts, satisfaction with social relations and achieved goals, and perceived ability to cope with daily life. 'Well-being' on the other hand may be assessed as a multidimensional construct encompassing psychological well-being, physical health, economic prosperity, and social connectedness (Wong & Earl, 2009). In view of the broad nature of the QoL concept, the common indicators usually include: economic wellbeing, health, education

achievement, freedom, social participation and self-perceived wellbeing or satisfaction (Pierre & Bitondo, 2001 quoted in Maina & Mugenda, 2013). Simply put, QoL is a function of the degree to which each identified human need is met in relation to its relative contribution to one's subjective well being (Maina & Mugenda, 2013). It encompasses how an individual perceives the 'goodness' of the multiple aspects of his/her life (Bowling, 2014). Since different people and social groups have different needs and expectations, an objective assessment of QoL is very challenging. This makes it necessary to include an element of subjectivity when measuring QoL in different societies. In respect to this, Ondigi & Mugenda (2011) found that majority of Kenyan adults felt their QoL would be higher if; their health status improved, had a circle of family or friends, stayed married longer, increased their income level, reduced stress related impediments, elevated their educational level, had more spiritual people, and had a precise number of children for prestige. These indicators were useful when assessing the quality of life of retirees in this study. They may be broadly classified under psychosocial, financial and health domains.

Maina & Mugenda (2013) explained how three major domains of QoL namely 'Being', 'Belonging' and 'Becoming', relate to the overall assessment of QoL. While 'Being' reflects the basic aspects of whom one actually is; 'Belonging' includes the person's relationship with his/her environments; while 'Becoming' refers to the purposeful activities carried out to achieve personal goals, hopes, and aspirations. Consequently, the relationship between 'Being', 'Belonging' and 'Becoming' provide a good guide that could be useful when developing effective QoL indices for different social groups and population segments, such as retirees. In fact, an understanding of the domains

could help retirement planners in developing programmes that are tailor-made based on the category of employees, their environmental needs, and their goals for retirement. This study mostly focused on assessing 'becoming' where purposeful retirement preparation activities were analyzed and their influence on retirement satisfaction examined.

Generally, a quality retirement life requires that retired persons be financially independent, physically able-bodied, socially connected and mentally able to structure their own lives (Atchley, 2000). As explained by Vienne (2004), most retirees desire self sufficiency, fulfilment as well as some degree of freedom. The retired persons are expected to maintain their personalities, assume responsibility for their lives, avoid becoming dependent and live within their incomes (Atchley, 2000). Ideally, retirement should be the best period of an individual's life, when one can enjoy life by reaping the benefits of what he/she earned in the many years of hard work (Prinsloo, 2009). However, this rarely happens especially in developing countries (such as Kenya) where retirees are reportedly facing numerous challenges.

Some of the consequences of retirement that affect the retirees' QoL include; the loss of job routine, decreased finances, and increased boredom (Kithinji, 2012). Apparently, while many adults perceive retirement as a time when financial resources deteriorate and the future is bleak, some retirees have observed that retirement can be fun if one has an array of psychosocial resources to draw from (Kloep & Hendry, 2007). This implies that it is possible to have a quality retirement despite reduction in financial resources as long as psychosocial support is available. Unfortunately, extensive research on the

socio-economic status and the overall welfare of the elderly (including retirees) has not been conducted in Kenya, and there is relatively little information about their QoL (Gachuhi, 2001). Furthermore, retirement preparation programmes have routinely emphasized financial concerns, often to the exclusion of health, psychosocial and other significant aspects of retirement (Lee & Law, 2004). This study fills that gap by establishing the QoL of retirees in Nyeri County and approaching retirement preparation from a multi-dimensional perspective. The QoL of retirees was measured by assessing their perceived psychosocial support from family and friends, general satisfaction with life, financial security and health status.

## **2.2 The Retirement Transition**

The term 'retirement' has been defined differently by scholars. Atchley (2000) defines retirement as the final phase of the occupational life cycle in which responsibilities and often opportunities are at a minimum, and economic benefits come at least in part by virtue of past occupational efforts. According to Rosenkoetter and Garris, (2001), retirement applies to the state of an individual who has ceased being employed full-time or part-time from a company or agency, and the event was documented as such by the employer. Kodia (2014) defines retirement as the condition of disengagement from a formal employment due to attainment of the statutory retirement age. For purposes of this study, retirement refers to the process of disengaging from formal employment upon attainment of the maximum statutory age allowed for that particular job as well as the stage of life there-after. According to Atchley (2000), retirement should not be viewed as an event, when it is both a 'process' that requires planning and adjustment,

and a 'life stage' that lasts for several years. Since retirement preparation should start as soon as individuals get employed, this study assessed the retirement preparation that had been made prior to retirement and its influence on QoL of respondents.

The transition from the employment role to the retirement one is fundamental and may affect numerous areas including the QoL. Similar to other life transitions, retirement requires employees to be adequately prepared in order to minimize the negative effects and maximize on the positive ones. The negative effects of retirement may include a decrease in personal income, an increase in free time which can breed boredom and depression, and a potential for declining health that may affect the capacity to engage in physical activities (Lubega, 2012).

Nevertheless, although retirement transitions are usually associated with decreases in economic well-being, they have mixed effects on physical health, psychological wellbeing, and social connectedness (Osborne, 2012). This implies that a reduction in retirement income does not necessary lead to a low QoL. Despite a decrease in economic resources, a retiree may still experience some level of retirement satisfaction if he/she was psychologically prepared for the transition, in good health and receives the necessary social support. This study sought to establish the effects of retirement on the psychosocial, financial and health domains of the retirees' lives with a view to making appropriate recommendations that could lead to enhanced QoL for future retirees.

Ideally, the major difference between pre-retirement and post-retirement life is the loss of job routine. However, this loss could significantly influence post-retirement life depending on the centrality of the job role to the retiree. Usually, when work is a central

self defining activity in society, retirement may lead to loss of self-worth, professional identity, income, social interactions, and even lifestyle (Prinsloo, 2009). A good understanding of the implications of retirement on individuals therefore, is only gained after getting to know the value they attached to their job. Apparently, the meaning of retirement is related to that of work. In this regard, those employees who dislike their jobs look forward to retirement, while those who enjoy working hate the onset of retirement (Cameron, 2005).

In addition to the obvious financial benefits, the job environment offers other rewards including; a sense of identity, achievement and recognition, social interaction, active and purposeful activities, and shared values (Prinsloo, 2009). This makes it very challenging for most employees to detach themselves from their jobs unless adequate retirement preparation is done. In this case, the role of retirement preparation is to assist the prospective retiree to substitute the employment roles and benefits with related ones for retirement. In most cases, continuity in activities, social relationships and physical environment predicts better retirement adjustment (Atchley, 2000). In respect to this, prospective retirees with a social life and hobbies outside the work place are expected to adjust better to retirement than those who center their lives on their jobs (Osborne, 2012). However, few studies in Kenya have attempted to explain the relationship between pre-retirement activities, post-retirement activities and QoL. The current study bridges the gap by analyzing the influence of job centrality on QoL. This was done by examining the amount of free time (during employment) spent on job-related activities compared to that spent on family and social activities.

### **2.3 Role of Retirement Preparation on Quality of Life**

Retirement is characterized as both a major life event and a lengthy, multidimensional life stage, the adjustment to which is complex and influenced by many factors (Albert, 2006). Moving from the role of an employee to that of a retiree may be a complex and puzzling experience with many changes and challenges. Hence, to ensure a smooth retirement transition and a quality retirement, Prinsloo (2009) recommends the formulation of a strategic retirement plan.

As in other parts of the world, the social and economic risks associated with retirement in Kenya are on the rise as the family safety net declines due to rapid modernization and urbanization (KU, 2014). With the decreasing traditional support ties that protected older people (including retirees), adequate retirement preparation is critical for a smooth retirement adjustment.

Considering that work is an important part of a person's life, cessation of employment (retirement) is associated with a multitude of occupation-related concerns such as; grief, guilt, loss of identity, self-esteem and social support (Spokus, 2002; Muthondeki et al, 2014). In this regard, retirement not only affects a person's economic resources, but also his/her psychosocial well-being. Consequently, the effects of retirement are not only felt by the retiree himself/herself, but also by the whole family and community. Yet, despite numerous studies covering the effects of retirement, few of them focus on the role of family and community in enhancing QoL in retirement.

Research has found that uncertainty, lack of preparedness, and unrealistic expectations can create problems during the retirement transition, leading to adverse effects on the retirees' QoL (Lee & Law, 2004). Such issues can be addressed if prospective retirees are assisted to set realistic goals for retirement and practical means of achieving them. Other changes associated with retirement such as; income, lifestyle, social network and absence of workplace activity may require adaptations and adjustments that may affect the retirees' well-being (Albert, 2006). Nevertheless, research confirms that preparation for retirement has the potential to create significant change in the retirement experience (Mansfield and Regev, 2011). This is done by helping prospective retirees visualize their lives without their regular job and assisting them to fill that void with new activities of interest. Unfortunately, few retirement programmes are comprehensive enough to adequately prepare prospective retirees for the retirement transition and the accompanying changes.

In Kenya, although the RBA organizes retirement planning seminars quarterly to equip its members with investment and social skills, the main topics of discussion are; saving, investment and financial management (Kwena, 2009). Furthermore, most of the media campaigns on retirement planning organized by RBA aim at encouraging the public to save more finances for retirement. Little effort is made to inform the prospective retirees that retirement preparation is also needed in other domains of QoL. However, this is not surprising bearing in mind that the RBA was established in the year 2000 with the mandate to regulate, supervise and promote the retirement benefits sector in Kenya (Raichura, 2008). Its establishment followed the Retirement Benefits Act (1997).

Retirement benefits simply refers to financial savings for retirement implying that RBA is meant to regulate all the retirement benefit schemes in the country (except the government sponsored one for public servants which is regulated by an Act of Parliament). Among the retirement benefit schemes supervised by RBA include the NSSF (mandatory for all formal sector employees other than employees covered under the public service pension scheme), occupational schemes and individual schemes (Raichura, 2008; Kwena, 2009). While occupational schemes are available to formal sector workers in companies that operate retirement schemes, individual schemes are open to all on voluntary basis. In 2006, the NSSF opened its membership to workers in the informal sector on a voluntary basis (Raichura, 2008).

To increase pension coverage, the RBA has embarked on a multi-faceted marketing campaign through the multi-media, seminars, corporate social outreaches, exhibitions and road shows. However, despite heightened effort to increase pension awareness, only about 15 percent of formal employment workers and 20 percent of those in the informal sector are covered (Kwena, 2009). Probably, it is time to approach retirement preparation from a more wholistic perspective other than concentrating only on financial saving. This study proposes a comprehensive retirement preparation approach that is multifaceted and likely to be more responsive to the QoL needs.

Retirement preparation constitutes strategic planning for retirement. Prinsloo (2009) argues that if preparing for an event is viewed as an appropriate step in promoting a favourable outcome, then preparation for retirement is a necessary and desirable activity for achieving a sense of satisfaction. According to Lee & Law (2004), preparation for

retirement is influenced by a complex web of financial, social, cultural, and psychological factors. It is boosted by support from family and other social networks. In addition, sufficient resources, knowledge, and the ability to generate alternative options and take advantage of them in a supportive environment enhances the individual's ability to make effective plans that translate to quality lives (Lee & Law, 2004). Many studies have found a significant positive relationship between retirement preparation and QoL (Atchley, 2000; Schwarz, 2003; Wong, and Earl, 2009; Muratore & Earl, 2010; Wang and Hesketh, 2012). Since QoL is multi-faceted, this study utilized a multi-dimensional approach to provide information on the psychosocial, financial and health needs of retirement.

According to Prinsloo (2009), research on retirement has been produced from a variety of perspectives. Each discipline provides a different viewpoint to the discussion of the issues surrounding retirement. According to Van Solinge and Henkens (2005), Economists believe that low levels of well being in retirement may derive from constraints, particularly limited economic resources. Majority of financial retirement planners are guided by this argument hence their emphasis on financial saving.

However, psychological studies stress the importance of psychological resources that determine whether people take advantage of the material and social resources available to them (Van Solinge and Henkens, 2005). From this perspective, one may have economic resources but fail to experience retirement satisfaction due to a negative attitude towards retirement, low self esteem and lack of social support. Furthermore, Sociological studies consider retirement as an important transition in late adulthood

which is greatly influenced by an individual's experiences in earlier phases of life (Prinsloo, 2009). In this regard, despite financial resources and psychosocial preparation, life course factors may significantly influence QoL.

Generally, the retirement process itself as well as adjustment to it is a product of multiple factors such as; biological (aging and health), societal (economic and social conditions), interpersonal (social relations), and psychological (self-concept, attitude). Yet, many studies attempt to explain retirement by focusing mainly on the financial domain. This study analyzed retirement from a multi-disciplinary approach (psychosocial, health and financial domains) to explain the relationship between retirement preparation and QoL.

Osborne (2012) observed that those who have a positive worldview, good social relationships, a robust and diversified identity, and involvement in meaningful activities apart from their job were likely to have an easy transition to retirement. This is because such retirees would continue with hobbies, leisure activities and interpersonal relationships which contribute to continuity in life despite retirement. In this regard, prospective retirees are required to diversify their pre-retirement lives in terms of recreational activities, hobbies, and membership to clubs and organizations that provide opportunities for building activities and friendships beyond the world of work (Osborne, 2012). However, information on retirement preparation is so biased towards financial security that many prospective retirees are not enlightened on other retirement needs (Lee & Law, 2004). In addition, most research on retirement focuses on the relationship between economic well-being and life satisfaction thus disregarding the critical

influence of other domains on QoL (Lee & Law, 2004; Osborne, 2012). This study fills the gap by assessing the contribution of retirement preparation in the psycho-social, financial and health domains on the QoL.

### **2.3.1 Psychosocial Influence on Quality of Retirement Life**

'Psychosocial' is an aspect of both social and psychological behavior, referring to the mind's ability to adjust and relate to its social environment (Ondigi & Mugenda, 2011). The retirement adjustment may be viewed as a process of modifying and balancing conflicting needs to suite the demands in the new environment (Muthondeki et al, 2014). Retirement requires the transition from the social role of an economically active person to that of an economically inactive one (Prinsloo, 2009). Considering that a role constitutes socially defined expectations of a position (such as; employee, retiree), its loss can be emotionally traumatic to any member of society. In the same way, being compelled to leave a job position due to advanced age (retirement) may be traumatic, with overtones of being dumped and deprived of membership in adult society (Bowling, 2005). This may lead to feelings of worthlessness, low self esteem and identity crisis, especially for those who were not psychologically prepared for the retirement transition. However, Atchley (2000) has proposed that a smooth transition from the employment role to a quality retirement one is possible if retirees perform familiar activities within their social and physical environment. This demands adequate psychological preparation and social support prior to and during retirement.

Research confirms that family and friends are outstanding and essential social support systems for retirees (Bowling, 2005; Kithinji, 2012; Maina & Mugenda, 2013;

Nzabona, 2014). However, there is limited research to explain the contribution of social support given by people who are neither friends nor family. This study therefore assesses how the social support from neighbours and religious associates influence the QoL of retirees.

Research on prospective retirees and retirees reveals that leading an active social life positively contributes to their overall QoL (Bowling, 2005). In addition to enhancing the cognitive functioning, social participation also reduces morbidity (Kloep & Hendry, 2007; Nzabona, 2014). Unfortunately, retirement may decrease the amount of social activity in retirees' lives due to limited interaction with former colleagues and other work-related acquaintances (Bowling, 2005; Nzabona, 2014). Usually, the dynamics of the workplace provide workers with a fertile environment for socializing due to the amount of time that colleagues have to spend together. This is unlike the retirement phase where the retiree may be living among people with whom he/she is not familiar, or has no common interests.

A decrease in retirees' social activity may lead to isolation and reduction in psychosocial support which can negatively affect their QoL. In their study, Maina & Mugenda (2013) emphasized the importance of social networks in predicting quality of life. They recommended that social networks should be nurtured in all communities and supported through programmed interventions. This means that people should be encouraged to join social and religious groups, in addition to strengthening their family relationships. Interventions in this case include introduction of social programmes that promote healthy relationships and community participation (Ondigi & Mugenda, 2011;

Maina & Mugenda, 2013). However, the studies do not specify the programmed interventions that could enhance social networks for retirees. This study therefore assessed the sources of social support for retirees and related them to their QoL.

In addition to social connection, psychological preparation for retirement is critical to a high QoL (Lubega, 2012; Muthondeki et al, 2014). Psychological preparation for retirement includes thinking about it, discussing with family and friends as well as obtaining relevant information from print media, audio-visual programs and retirement planners (Lee & Law, 2004). Prospective retirees should also be meaningfully engaged in social life within and outside the work place for a well-adjusted retirement (Osborne, 2012). This is because although retirees may make new friends, they will not have a shared history like the network of the family and friends established over the years. The network of old friends could be maintained if retirees were previously members of clubs, religious associations, welfare organizations and other social organizations whose membership continues in retirement.

Strong social connections and friendships can provide a rich source of relationships that nurture and support people in stressful times (Osborne, 2012; Nzabona, 2014). Although most of the literature on psychosocial support focuses on the importance of family ties for social well-being, few studies compare the effect of friendship and family relations on QoL. This study attempts to bridge the gap by correlating the influence of social support from family and friends on QoL of retirees.

### 2.3.2 Financial Influence on Quality of Retirement Life

Many researchers agree that a strong positive relationship exists between financial stability and QoL (Atchley, 2000; Schwarz, 2003; Wong, and Earl, 2009; Muratore & Earl, 2010; Wang and Hesketh, 2012; KU, 2014). This is because having adequate income enhances a person's ability to spend retirement as desired (Dan, 2004; Sams, 2004). A financially secure retiree is able to meet all his/her basic financial needs and thus live a comfortable life. In addition, research shows that QoL in retirement is clearly related to having minimal physical and economic dependence on others (Vienne, 2004). Financial stability ensures that; even if retirees face health problems, adequate income allows them to receive appropriate care and make adjustments to their environment in order to maintain a high QoL (Dan, 2004). Furthermore, even when serious disability or illness occurs, those with good financial resources are likely to be able to access the support to live comfortably. Research confirms that retirees with inadequate income are unable to finance their health needs leading to early mortality (KU, 2014).

To a large extent, income influences important individual choices concerning independence and well-being thus influencing QoL (Albert, 2006). Consequently, retirees with inadequate incomes are likely to experience dissatisfaction and maladjustment in retirement as they strive to meet their basic needs and other financial obligations (Muthondeki et al, 2014). In this regard, prospective retirees are expected to accumulate savings and lay a good economic foundation prior to retirement. The savings that an individual generates during the working years provide an important source of future economic support (KU, 2014). Unfortunately, the working poor are

unlikely to have savings that can provide them with employment related old age support (Schwarz, 2003).

Worcester (1999) explained that, after the age of statutory retirement, economic wealth and power decrease so rapidly that many retirees tend to have lower incomes and commodity expenditure than any other population groups. In view of this, financial preparation is recommended as an effective step to achieving financial independence in retirement. Prinsloo (2009) explains that sound financial preparation and advice is necessary to achieve retirement income adequacy and retirement wellbeing. According to Dan (2004), to be able to comfortably retire from the labour force, individuals must have sufficient income to support themselves. Though inadequate research exists on how 'low income earners' can achieve financial adequacy in retirement, financial preparation has been positively correlated with QoL. Kwena (2009) argues that one does not need to have a lot of money to save for retirement. This implies that no matter how little the amount of money one saves, its contribution to retirement wellbeing is significant.

Financial preparation for retirement focuses on guiding an individual to save, invest and raise funds to meet their financial needs during retirement (Lubega, 2012). Dan (2004) explains that people who prepare for retirement are likely to have realistic expectations about their financial situation, have some control over their uncertain futures, and finally experience greater retirement satisfaction than those who do not prepare.

When making financial preparation for retirement, one has to have a reasonably good estimate of how much he/she needs to sustain his/her lifestyle during retirement and

also fund any unforeseen costs (Jagannathan, 2008). According to Sanlam Investment (2014), to be a financially secure retiree, one needs to save at least 8 percent of his/her salary (excluding employer's contribution) for 33.2 years, have other sources of income and consult financial advisor before and during retirement. However, the cost of retirement differs between individuals and situations since it is dependent on lifestyle choices, length of retirement, personal needs and inflation. Hence, in order to get a realistic idea of financial demands during retirement, prospective retirees are expected to consider their desired lifestyle, living arrangement (residence and companions), and what they would like to leave behind after death (Jagannathan, 2008).

Generally, retirement planners agree that creating a financial plan for retirement goals is difficult to determine with great accuracy due to the many unforeseen issues such as illness and inflation (Millennium Advisory Services, 2013). In addition, majority of them focus on the high income earners since they are more likely to save for retirement compared to the lowly paid ones. This study therefore analyzes a combination of strategies such as financial saving, asset investment, insurance and diversification of income generating projects that may be more inclusive and provide additional income during retirement, thus enhancing QoL.

### **2.3.3 Health influence on Quality of Retirement Life**

Health status is important to life satisfaction at all stages, including in retirement (Heybroek, 2011). It can either uplift or lower the wellbeing of individuals. It is indeed one of the most important factors in QoL (Ondigi & mugenda, 2011). According to Graham (1996), good health is more than the absence of disease. It is associated with a

capacity to enjoy life and to withstand challenges. Poor health is associated with morbidity, and on the extreme, with premature mortality. The main threats to a high QoL in retirees are chronic physical and/or psychological illness (Browning et al, 2012).

In Kenya, poor health has been reported as one of the main challenges of retirement (KU, 2014). The Sessional Paper number 6 of 2005 (Republic of Kenya, 2005) explained that although older people (including retirees) are prone to attack by any disease just like other population groups, there are certain diseases which are more common as one gets older. Such diseases include stroke, diabetes, heart and eye diseases. These affect the retirees' QoL through physical discomforts, pain and inability to engage in preferred activities. Ondigi & Mugenda (2011) observed that majority of the chronic health conditions are preventable through simple lifestyle choices, early detection and management of risk factors. This implies that individuals have the power to determine their health status and the subsequent QoL by the type of lifestyle they choose to lead. This study analyzed the lifestyle of respondents prior to retirement and related it to QoL in retirement with a view to establishing any significant trends.

Research confirms that retirement *per se* does not appear to influence health status (Albert, 2006). However, pre-retirement health status has been found to be a strong predictor of the post retirement one (Scully et al, 1998; Albert, 2006; Wang and Hesketh, 2012). Graham (1996) pointed out the growing recognition of the great contribution that lifestyle choices have on the quality of life. On one hand, participation in physical activities, eating a healthy diet and avoiding drug abuse have been linked to physical fitness, prevention of disease, psychological well-being and an enhanced QoL

(Wang and Hesketh, 2012). On the other hand, living a sedentary life, eating unbalanced diets and abusing drugs have been linked to morbidity and mortality. The study therefore analyzed the extent to which respondents engaged in physical activities, observed a balanced diet and avoided alcohol and cigarettes, with a view to delineating the factors that significantly predicted a quality life.

Research has particularly identified the long term protection that regular exercise affords against a variety of somatic complaints, including coronary heart disease, hypertension, some cancers, diabetes, and osteoporosis (Scully et al, 1998). According to Graham (1996), although physical exercises do not prolong life, they can slow down some of the functional declines that accompany aging such as the loss of muscle mass. In addition, exercises promote capacity for physical effort, flexibility, endurance, bone strength and efficiency of the heart and lungs. They also help normalize blood pressure, blood sugar and blood cholesterol levels as well as prevent depression. However, while moderate physical activity/work is recommended for healthy ageing, highly demanding physical work may have adverse health consequences such as poor cardio-vascular health in later life (Wang & Hesketh, 2012). This study therefore assessed the influence of physical work on QoL. Although the study did not focus on specific ailments, it was expected that those who regularly exercised or engaged in physical work prior to retirement would record better health and a higher QoL than those who did not.

Generally, older individuals report poorer health and reduced levels of physical activity than younger ones (Graham, 1996; Nzabona, 2014). Although inadequate research exists to explain whether it is poor health that leads to reduced physical activity or the

reverse, the health benefits of physical exercises cannot be ignored. Nevertheless, considering their declining ability to engage in vigorous exercises, prospective retirees need to eat a well balanced diet. Eating fewer calories in a well balanced, nutrient dense diet has been found to predict good health, longevity and QoL for individuals (Weindruch, 1996).

In addition to exercise and appropriate diet, hygiene and absence of drug abuse are important for maintenance of physical well-being and improving quality of life (Wang and Hesketh, 2012). In this case, appropriate nutrition ensures optimal functioning of the body and prevents nutritionally-related disorders. Absence of drug abuse enhances physical, emotional and mental health while hygiene is critical in the prevention of food and water borne diseases. Nevertheless, a healthy lifestyle may not prevent all medical complications. To cater for those illnesses that may be contracted irrespective of lifestyle, a medical insurance cover facilitates access to some form of regular health care (Albert, 2006). Regular medical check-ups are required to assure good health, detect early onset of diseases and ensure proper treatment of any diagnosed ailments. Although few studies in Kenya have been conducted to explain the relationship between pre-retirement lifestyle and QoL, it is expected that physical activity, appropriate diet, absence of drug abuse and regular medical check-ups prior to retirement would predict a high QoL in retirement.

However, research confirms that life-course factors including socio-demographic variables may contribute to cumulative advantages/disadvantages thus leading to

differences in QoL (Kock et al, 2012). The next section discusses how socio-demographic variables may influence the QoL in retirement.

#### **2.4 Demographic Influences on Quality of Retirement Life**

Age, gender, marital status, level of education and income are demographic variables that have been found to influence retirement preparation and subsequent QoL. According to Kock et al (2012), hierarchies and differences based on gender, education and income create systems of disadvantage and privilege in society; which lead to considerable diversity in retirement. Age-related studies suggest that age is positively associated with wellbeing (Bender, 2004; Maina & Mugenda, 2013) but negatively associated with physical health (Moor et al, 2006). However, although QoL is expected to increase with age, Atchley (2000) argues that retirement may be followed by a period of disenchantment where some retirees feel uncertain and disappointed. This implies that QoL in retirement may not necessarily increase with age thus the need for more studies such as the current one.

Gender differences also influence retirement. In preparing for retirement, women face more challenges compared to their male counterparts. These include a longer life expectancy that requires more resources during retirement, higher health-care costs, and the implications of relatively lower wages earned during their working years (Dan, 2004). According to HelpAge International (2005), half of all women live on less than 2 United States (US) dollars a day due to their lower education levels and their need to combine work with childcare. This means that women are more likely to work in the informal sector, often on a lower wage than men. Raichura (2008) argues that although

females constitute 50.1 percent of the total population in Kenya, only about 29.4 percent are employed in the formal sector and usually earn about 33 percent less than their male counterparts. However, results on effects of gender on retirement are still inconclusive. Some studies report that women experience fewer adjustment difficulties in retirement than men (Bender, 2004), while others suggest the reverse (Quick & Moen, 1998; Kim & Moen, 2002). This study therefore sought to establish the influence of gender on QoL in Kenya.

Marital status has been correlated with retirement adjustment. In this case, married persons tend to report better mental health outcomes and happiness than unmarried ones (Kim & Moen, 2001; Price & Joo, 2005; Bierman et al, 2006; Wong and Earl, 2009, Maina & Mugenda, 2013; Nzabona, 2014). This is mainly due to the psychosocial and financial support that spouses give each other thus enhancing their QoL (Wong and Earl, 2009). The current study assessed whether married retirees had a higher QoL than the unmarried ones.

Given the correlation between income and education, prior studies find evidence of a distinct pattern of higher saving for higher education and income groups (Schwarz, 2003; KU, 2014)). Higher education is expected to provide better job opportunities with higher incomes. Many scholars have found that retirees who were more educated with higher incomes reported higher life satisfaction (Wong and Earl, 2009; Donaldson et al, 2010). This could be due to the ability of high income earners to adequately meet their financial obligations and live the desired lifestyle. This study sought to establish the correlation between level of education, income and QoL.

In conclusion, QoL is an important concept that is still under-researched in many developing countries. The literature reviewed in this study confirms that a positive relationship exists between retirement preparation and the overall QoL (Wong and Earl, 2009; Muratore & Earl, 2010; Lubega, 2012; Wang and Hesketh, 2012). In Kenya, very few studies on QoL have been conducted (Ondigi & Mugenda, 2011; Maina and Mugenda, 2013). However, extensive research that has been conducted in the field of retirement shows that many retirees experience numerous challenges (Ng'aru, 2008; Kamau, 2012; Kithinji, 2012; KU, 2014; Muthondeki et al, 2014). Yet, very few scholars have studied the relationship between retirement preparation and the overall QoL. Majority of the studies have explained retirement preparation from a financial perspective with little reference to other domains of QoL. This study bridges the gap by not only assessing the relationship between retirement preparation and QoL but also utilizing a multi-faceted approach to retirement preparation.

## **2.5 Theoretical Framework**

This study utilizes two theoretical views to develop a model that links retirement preparation to quality of life. The *Continuity Theory* and the *Life Course Perspective* guided the study in explaining its findings.

### **2.5.1 Continuity Theory**

Continuity theory was developed by Robert Atchley in 1989 (Atchley, 1989 cited in Mansfield & Regev, 2011). It argues that in aging, people are inclined to maintain, as much as they can, the same personalities, habits, lifestyle and values that they have

developed in earlier years. The theory explains how the internal and external structure of continuity enables people to adapt to their situations and set their goals (Kim & Moen, 2002). The internal structure of an individual such as ideas and beliefs remain constant through the life course. This enables the individual to make future decisions based on the internal basis of the past. The external structure of the individual such as relationships and social roles provide support for maintaining a self concept and lifestyle. In order to maintain continuity of lifestyle, individuals adopt strategies that are connected to their past experiences (Bowling, 2005). In the course of this adaptation, individuals attempt to preserve and maintain existing self concepts, relationships and ways of doing things (Morgan and Kunkel, 1996). Generally, retirement implies some changes in daily routine, activities and acquaintances making it difficult to maintain external continuity. However, some degree of external continuity can be achieved if retirees maintained some of their social networks and engaged in activities similar to the pre-retirement ones.

When faced with change such as retirement, a sense of continuity contributes to well-being in life. In such cases, retirees select alternatives consistent with who they have been and what they have done in the past. External continuity is maintained by being in familiar environments, practicing known skills and interacting with people they are used to. The retiring person is expected not only to substitute new roles for the ones lost due to retirement, but also to continue maintaining typical ways of adapting to the environment (Darkwa, 1997). To ensure external continuity, retirees may seek to use their skills in familiar environments. This could help them gain a sense of continuity between the past and the present, thus enhance their wellbeing.

According to Atchley (2000), maintaining continuity is critical for retirees in order to avoid maladjustment and distress. In this regard, those who maintain their lifestyle and view retirement as an opportunity to fulfil previous goals may not be adversely affected by the retirement transition. Retirement preparation should therefore involve an evaluation of one's personal abilities, goals and interests. In this way, prospective retirees can easily identify retirement activities of interest that can help them fulfill their goals in life and are consistent with their personal abilities. In addition to retirement activities, strengthening social relationships with people outside the workplace (such as family and friends) would provide the needed social support in retirement and reduce the void left by former colleagues. Continuity theory therefore guides the study in explaining any relationships between pre-retirement and post-retirement activities of respondents and how they relate to their QoL. It was expected that those retirees whose retirement activities, social relationships and lifestyles were consistent with their pre-retirement experiences would have a higher QoL than the reverse.

As advanced by Continuity theory, prospective retirees need to maintain good health, prepare adequately for their retirement activities and social relationships and also, psychologically visualize their lives without their regular job. Such retirement preparation promotes continuity between pre-retirement and post-retirement life and predicts retirement satisfaction (Osborne, 2012). However, life course factors may disrupt both internal and external continuity thus diverting the direction of life. Unforeseen circumstances such as widowhood, divorce, natural calamities, physical handicaps, economic depression and death of loved ones may adversely affect the life course of individuals. This may contribute to differences in retirement experiences

despite similar retirement preparation. Such disruptions in life due to unavoidable circumstances are better explained using the Life Course perspective.

### **2.5.2 The Life Course Perspective**

The term "life course" denotes the sequence of activities and events in various life domains which span from birth to death (Mayer, 2002). The Life Course perspective emerged during the 1960s as a major research paradigm explaining the relationship between human lives and a changing society (Elder, 1994; Elder and Johnson, 2000). The model attempts to explain why people may have different life experiences simply because at some point of transition, an encounter with a social or developmental phenomenon completely disrupted the expected course of life. According to Heinz (2004), theories of the life-course highlight the complex interface between social structure, social networks and individual actors. In a way, the perspective reduces the personal responsibility on individual experiences by acknowledging the role of society, history and environment on social phenomena.

The Life Course perspective is a transformation of the life-cycle theory which was structured by biological ageing, nature, climate and cultural rites of passage. The failure of the life-cycle theory to locate people according to historical context, timing of transitions and developmental trajectories is what informed the need for the development of the Life Course perspective (Elder, 1998; Heinz, 2004). The Life Course perspective was structured by psychosocial ageing, social institutions and timing of transitions. It is a multiplicity of theoretical conceptions mainly from sociology, psychology, Anthropology, history and demography which provided a framework for

studies that related social pathways to history and developmental trajectories (Elder, 1998; Hutchison, 2007). Ideally, the Life Course perspective should assess the lives of a group of age-mates from birth to death, examining how differences in socio-economic backgrounds, socio-cultural contexts and individual decisions at critical transition points affect each of their lives. From this view-point, the life-course of individuals is influenced by a multiplicity of factors such as; socio-demographic characteristics, economic situation, social policy and individual decisions at points of transition (Heinz, 2004). Based on this observation, the retirement experience is a product of many forces not only personal, but also social, economic and political. For example, social roles and expectations of male and female retirees may lead to different life experiences between genders. Similarly, the death of a retiree's spouse may completely change the QoL of the widow/widower. In this regard, the Life Course perspective guided this study in explaining the relationship between QoL and socio-demographic characteristics.

Although this study did not assess the life experiences of respondents since birth, analyzing it prior to and after the retirement transition justifies the application of the Life Course perspective. According to the perspective, cumulative advantages/disadvantages may lead to different retirement experiences between people of the same age due to differences in gender, marital status, education and income. For example, rights and duties associated with age vary between historical periods and societies implying that retirement experiences between retirees of different ages in the same society may differ due to policy changes. Similarly, education and income have been positively correlated. However, women have been found to earn relatively lower incomes than men of the same education qualification. In view of this, the Life Course

perspective offered useful insights as the study sought to explain how variations in QoL may have resulted from socio-demographic characteristics of the respondents.

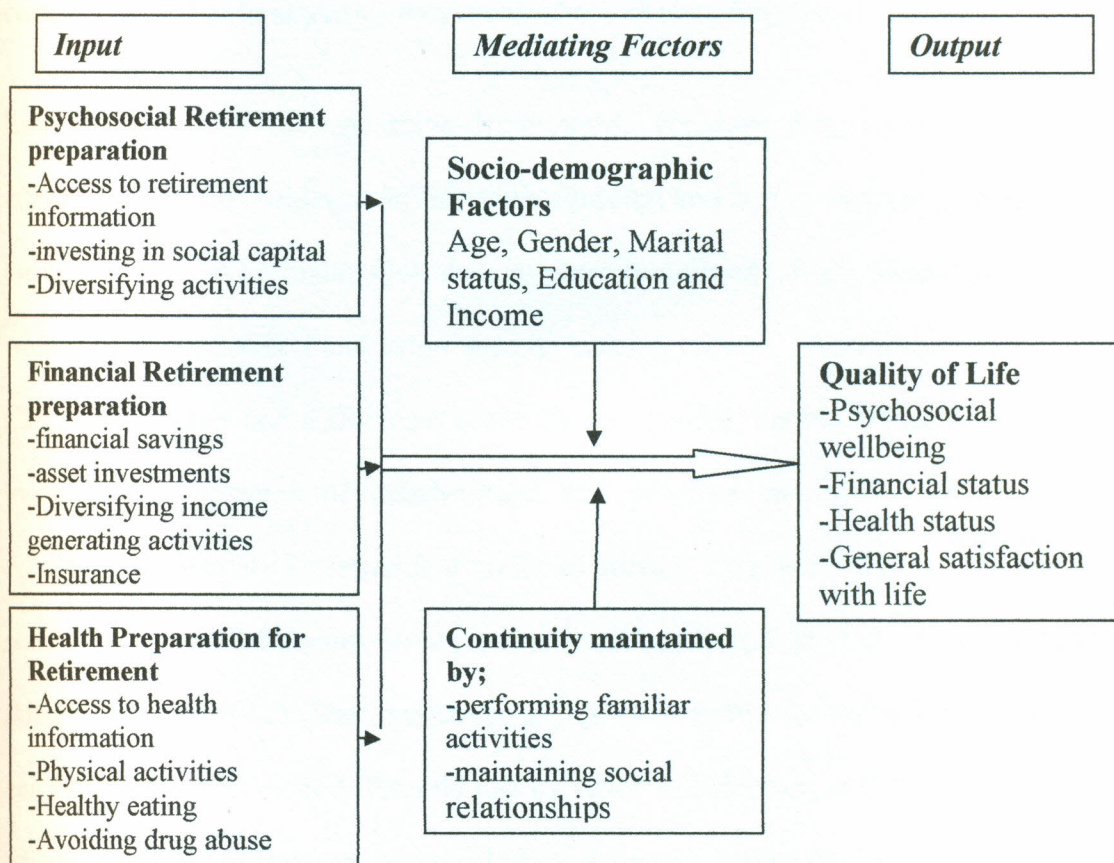
In conclusion, Continuity theory complements the Life Course perspective in explaining the influence of retirement preparation on quality of life. While Continuity theory explains the contribution of pre-retirement activities on QoL, the Life Course perspective explains how socio-demographic characteristics could contribute to cumulative advantages/disadvantages in life thus affecting the retirement experience. Continuity theory therefore guides in the selection of retirement activities based on individuals' personality, while the Life Course perspective informs policy recommendations to mitigate cumulative disadvantages. Furthermore, while Continuity theory attributes QoL to individual decisions prior to retirement, the Life Course perspective is cognizant of the influence of factors beyond individual control on the retirement experience. Hence, QoL in retirement is influenced by the extent of retirement preparation (in the psychosocial, financial and health domains). However, this relationship is mediated by life-course factors (such as socio-demographic characteristics) and continuity (both internal and external), as explained in the following conceptual framework.

## **2.6 Conceptual Framework**

A conceptual framework helps to understand how specific issues fit into a broader discipline or field of inquiry (Robinson, 2000). Based on the literature review, QoL is a complex, multi-dimensional concept that comprises various domains. In order to achieve a quality retirement life, adequate preparation in the psychosocial, financial and

health domains is necessary. However, various factors may disrupt the expected course of life leading to differences in QoL between individuals who undertook similar retirement preparation. As recommended by Continuity theory, individuals transit more smoothly into retirement if they continue to engage in familiar activities and maintain pre-retirement social relationships. In spite of this, QoL of retirees may still vary due to differences in access to socio-economic opportunities based on socio-demographic differences as illustrated in the conceptual framework (Figure 2.1).

**Figure 2.1 Conceptual Framework: Relationship between Retirement Preparation and Quality of Life**



Source: Modified from Lee & Law (2004)

As illustrated in Figure 2.1, although retirement preparation (psychosocial, financial and health) directly influences the quality of life, intervening factors may influence the expected outcome either positively or negatively. Adequate retirement preparation in the psychosocial, financial and health domains should predict psychosocial wellbeing, financial security and good health respectively resulting in a quality retirement life. However, despite adequate preparation, Life course factors, especially socio-demographic characteristics (age, gender, marital status, education and income) may influence the retirement experience (section 2.4). In addition, ease of adjustment to retirement is enhanced if retirees maintain pre-retirement social relationships and continue to engage in activities they are used to, within a familiar environment.

Life course factors such as socio-demographic variables may influence retirement adjustment whereby; older, married, more educated and higher income earning retirees are expected to have a higher QoL than younger, unmarried (single, separated, divorced, widowed), less educated and lower income earning retirees. According to Kock et al (2012), hierarchies and differences based on age, gender, marital status, education and income create systems of disadvantage and privilege in society; which lead to considerable diversity in retirement (refer to section 2.4). For example, research has confirmed that mothers enjoy stronger emotional bonds with their children than fathers (UNFPA & HAI, 2012). The implication is that even within the family, retired spouses can experience retirement differently just by virtue of belonging to different genders. In addition, married retirees are expected to experience a higher QoL than the unmarried ones due to the emotional support spouses offer each other and also the social status

accorded to being married. Furthermore, education, income and QoL are positively correlated as high education predicts high income, desired lifestyle and a quality life. Finally as one grows older, physical strength may diminish due to normal biological ageing. This may make the person dependent on others which can negatively affect his/her QoL.

In addition to life course factors, continuity/discontinuity in familiar activities, people and environment may also affect QoL. In this case, no matter the extent of retirement preparation made, sudden changes in activities and social relationships disrupt the normal life of the retiree and can adversely affect his/her QoL. This is because age and retirement *per se* do not change the individual's personality, interests and ways of doing things. In this regard, maintaining external continuity in activities, social relationships and environment is good for the wellbeing of the retiree as it ensures consistency in life.

In conclusion, the relationship between retirement preparation and QoL is complex and influenced by a multiplicity of factors. Scholars agree that retirement preparation in the psychosocial, financial and health domains may have a significant influence on the quality of life. However, depending on the existing social, cultural and economic conditions, other variables may intervene in the relationship between retirement preparation and QoL leading to different retirement experiences. This study was conducted to assess the relationship between retirement preparation and QoL from a Kenyan context. The study analyzes the variables described in the conceptual framework using the research methodology described in chapter three.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 Introduction

This chapter addresses itself to the research design used in this study. It is organized under the following sections; Study Design, Site Selection, Target Population, Unit of Analysis, Sampling Design, Sample Size, Data Collection Instruments, Data Collection Procedure, Data Analysis Techniques and Ethical Considerations.

#### 3.1 Study Design

The study was a cross-sectional survey that used both qualitative and quantitative research approaches. A combination of quantitative and qualitative approaches was selected because it captures the best of both methods thus neutralizing any biases inherent in either of them (Creswell, 2002). While quantitative approach attempts to explain relationships between variables objectively, qualitative approach captures and explains the subjective reality (Mugenda, 2008). In this study, quantitative data was useful in establishing the influence of retirement preparation on quality of life of retirees, while qualitative data provided in-depth subjective views from FGD participants. Quantitative data was collected using structured interview schedules through face to face interviews with respondents. Qualitative data was collected from Focus Group Discussions (FGDs) using discussion guides. The Statistical Package for Social Sciences (SPSS Version 16) was used to analyze quantitative data from

respondents. Qualitative data from FGDs was organized into themes, summarized and then interpreted.

### **3.2 Site Selection**

The study was conducted in Nyeri County. It is one of the 47 counties of Kenya and forms part of Kenya's eastern highlands (refer to Appendix 9). It covers an area of 3,266 sq km and is situated between Longitudes 36° and 38° east and between the equator and Latitude 0° 38' south. According to the National Coordinating Agency for Population and Development (2005), Nyeri borders Laikipia to the North, Kirinyaga to the East, Muranga to the South, Nyandarua to the West and Meru to the North-East (refer to Appendix 10). The main physical features of the County are Mt. Kenya (5199m) to the East and the Aberdare ranges (3999m) to the West. The County is subdivided into eight Sub-Counties, namely; Nyeri South (Othaya), Mukurweini, Mathira East, Mathira West, Kieni East, Kieni West, Nyeri Central (Municipality) and Tetu (KNBS records, Nyeri office). Nyeri County has a total population of 693,558 (CRA, 2012; KNBS, 2010).

Nyeri County was purposively selected as the ideal site for this study for three main reasons. The first reason was that Nyeri County lies in the central region of Kenya, which according to the Kenya National Bureau of Statistics (KNBS, 2005; 2010) has the highest percentage of people aged 65 years and above. According to the Kenya Institute for Public Policy Research and Analysis (KIPPRA, 2013), Nyeri county has the highest literacy level in the country (86.5 percent) and is among the top five counties with the highest life expectancy at birth (about 64 years). Since employment

opportunities in the formal sector are largely dependent on level of education, the implication was that an adequate proportion of the population may have worked and retired from the formal sector. Computations based on the 2009 population census showed that about 64,777 people worked in the formal sector (KNBS, 2010). This was an indication that the area may have a considerable number of retirees who could be sampled for the study. Furthermore, approximately 173,014 males and 167,919 females are employed in Nyeri County giving a ratio of almost 1:1, an implication that adequate representation of both male and female retirees was likely. Since one of the theories guiding this study was the Life Course perspective, having both male and female respondents of different socio-demographic characteristics was crucial in assessing the relationship between life course factors and QoL.

### **3.3 Target Population**

A target population refers to all the members of a real or hypothetical set of people, events or objects to which we wish to generalize the results of the research. This study targeted Nyeri County residents who had retired from formal employment upon the attainment of the mandatory retirement age of 55 years. However, the statutory retirement age for civil servants was raised to 60 years effective April 2009, and many private employers also set age 60 as the retirement age for their employees (Mugo, 2010). In view of this, there were very few retirees aged below 60 years by the time the data collection exercise for this study was completed. Computation based on the 2009 Population and Housing Census shows that Nyeri County had 83,996 persons aged above 55 years in 2009 (KNBS, 2010).

Statistics obtained from the KNBS (2010) show that a total of 10,885,300 persons in Kenya are employed in both the formal and informal sectors. This implies that about 28 percent of all Kenyans (38,610,097) are in employment. Out of these, 2,059,100 people (19 percent) are employed in the formal sector while 8,826,200 persons (81 percent) are employed in the informal sector. Due to limited data on employment by age for Nyeri County, these national employment percentages were utilized in calculating the estimated target population. In view of this, to get an estimated number of retirees from the formal sector in Nyeri County, the study first estimated the total number of people aged above 55 years who may have been previously employed in both formal and informal sectors (28 percent of 83,996 equals 23,519 persons). Only 19 percent of those who were previously employed ( $19\% \times 23,519$ ) were expected to have retired from the formal sector, giving a target population of 4,469 retirees.

### **3.4 Unit of Analysis and Observation**

The 'unit of analysis' is the object about which generalizations are made based on an analysis. The 'unit of observation' represents the objects that are observed and about which information is systematically collected. In this study, the retiree was the unit of analysis as well as the unit of observation. A sample of retirees was therefore systematically studied and the findings generalized to the general retirees' population in the county. The study defined 'retiree' as anybody who had retired from formal employment upon attaining the mandatory retirement age.

### 3.5 Sampling Design

A sampling design is that part of the research plan that indicates how cases are to be selected for observation. In this study, a combination of purposive sampling, cluster sampling, simple random sampling and proportionate stratified random sampling were utilized. The sampling started with purposive selection of Nyeri County as explained in Section 3.2. Nyeri county population was then divided into 8 clusters based on the existing sub-counties (former districts). In order to ensure a representative sample, proportionate stratified random sampling was done as follows;

Simple random sampling was used to select four clusters (Sub-Counties) from where respondents were to be selected. The population in each sub-county was stratified into male and female to ensure gender representation. Proportionate sampling was then utilized to select a random sample from the male and female populations in each of the sampled sub-counties.

The sampling frame was composed of registered members of KARO (residents of the selected sub-counties) and retired NSSF members. The rationale for supplementing the KARO register with other retired NSSF members was to enhance representativeness since KARO is a voluntary organization. The NSSF list of retired members was obtained from the NSSF headquarters and those whose contact addresses indicated they could be Nyeri residents were contacted to confirm if they resided in the sampled sub-counties. Both the KARO and NSSF registers yielded 941 retirees, 618 male and 323 female. Proportionate sampling based on the number of male and female retirees in each sub-county was done to get the final sample as discussed in section 3.6.

FGD participants were selected from the respondents in each of the four sub-counties. Both male and female participants of different ages, marital status, education and income levels were purposively selected. Age and gender are important socio-demographic variables that significantly influence QoL. Research confirms that although retirees may experience a period of disenchantment soon after retirement, majority usually adjust as they get older (Atchley, 2000). Hence, this study held separate FGDs with younger retirees (aged below 65 years) and older retirees (aged 65 years and above). Age 65 was used as an arbitrary cut-off between younger and older retirees such that younger retirees would have been in retirement for not more than 10 years. Studies have also established that retirement experiences are different for male and female retirees (Kim & Moen, 2002; Bender, 2004; Dan, 2004). In view of this, separate FGDs were held with male and female participants. In total, four FGDs were held to cater for younger male retirees (aged below 65 years), younger female retirees (aged below 65 years), older male retirees (aged 65 years and above) and older female retirees (aged 65 years and above). Each of the FGDs had 8 participants drawn from the four sub-counties to represent the various socio-demographic characteristics of interest. The selected participants were requested to attend the FGDs. Those who expressed their willingness to attend were given an appointment with date, time and venue. A follow-up call was made to confirm attendance.

### **3.6 Sample Size**

Computations based on the 2009 Population and Housing Census (KNBS, 2010), show that the sampled sub-counties namely; Nyeri Central, Mukurwe-ini, Nyeri South and

Tetu Sub-Counties had a total of 41,998 people aged above 55 years, from where the sample of retirees was drawn. Using national statistics, 11,759 people (28% of 41,998) were previously employed, with 2,234 (19% of 11,759) people having retired from the formal sector. The study sample (unit of observation) was drawn from the 2,234 retirees from the formal employment sector.

Different researchers have used different methods to determine sample sizes. However, it is generally agreed that 10 percent of the population is representative enough (Gay, 1987). This study therefore determined the minimum sample size by calculating 10 percent of 4,469 (unit of analysis) to get 447 retirees. This sample was selected using the sampling frame of 941 retirees provided by KARO office (Nyeri Branch). The retirees in the sampling frame of each sub-county were first stratified into male and female. To ensure representativeness, a proportionate sample of male to female retirees in each sub-county was computed as follows;

To get the sample of respondents per Sub-County ( $n_{\text{sub-county}}$ );

$$n_{\text{sub-county}} = 447/941 * \text{Sub-County Population in sampling frame } (N)$$

Where; 447 = total sample size required(n) and 941 = population in sampling frame (N).

To get the sample of male respondents for sub-counties ( $n_{\text{sub-county,male}}$ );

$$(n_{\text{sub-county,male}}) = N_{\text{sub-county, male}} / N_{\text{sub-county,total}} * n_{\text{sub-county}}$$

Where;  $N_{\text{sub-county, male}}$  = Sub-County male population in sampling frame

$N_{\text{sub-county,total}}$  = Sub-County total population in sampling frame

$n_{\text{sub-county}}$  = Total Sub-County sample size (n)

To get the sample of female respondents for sub-counties ( $n_{\text{sub-county, female}}$ );

$$(n_{\text{sub-county, female}}) = N_{\text{sub-county, female}} / N_{\text{sub-county, total}} * n_{\text{sub-county}}$$

Where;  $N_{\text{sub-county, female}}$  = Sub-County female population in sampling frame

$N_{\text{sub-county, total}}$  = Sub-County total population in sampling frame

$n_{\text{sub-county}}$  = Total Sub-County sample size (n)

A computer generated table of random numbers was used to select the respondents.

Table 3.1 shows a summary of sampling frame and sample size of respondents from the four sub-counties.

**Table 3.1 Sampling Frame and Sample size**

Sub-County	Retirees in Sampling Frame		Selected Sample Size	
	Gender	$N_{\text{sub-county}}$	Gender	$n_{\text{sub-county}}$
Nyeri Central	Male	85	Male	40
	Female	38	Female	18
	Total	123	Total	58
Mukurwe-ini	Male	148	Male	70
	Female	67	Female	32
	Total	215	Total	102
Nyeri South	Male	172	Male	81
	Female	86	Female	41
	Total	258	Total	122
Tetu	Male	213	Male	102
	Female	132	Female	63
	Total	345	Total	165
Total	Male	618	Male	293
	Female	323	Female	154
	Total	941	Total	447

### 3.7 Data Collection Instruments

This study used structured interview schedules with both closed and open-ended questions to collect data from respondents (Appendix 1). The interview schedule had six sections seeking data on the following;

Section A: Socio-Demographic details

Section B: Quality of Retirement Life

Section C: Psychosocial Preparation for Retirement

Section D: Financial Preparation for Retirement

Section E: Health Preparation for Retirement

Section F: Open-ended questions on quality of life and retirement preparation

Focus Group Discussion guides were utilized in the collection of qualitative data from the FGDs. Separate FGD Guides were prepared for each of the four different Focus discussion groups namely; younger male retirees (Appendix 2), younger female retirees (Appendix 3), older male retirees (Appendix 4) and older female retirees (Appendix 5) to find out their subjective views on the influence of retirement preparation on QoL.

In order to collect quantitative data from respondents, both the dependent and independent variables were operationalized to make them measurable. The dependent variable (QoL) and the independent variables (retirement preparation in the psychosocial, financial and health domains) were measured using the indicators presented in Table 3.2.

Table 3.2 Study Variables and Measurement of Indicators

Type of Variable	Study Variable	Variable Indicators
Dependent Variable	Quality of Life (QoL)	Quality of social support from spouse
		Quality of social support from children
		Quality of social support from siblings
		Extent of inclusion in family matters
		Social support from neighbours
		Support from religious associates
		Reliability of friends
		Security in neighbourhood
		Satisfaction with retirement life
		Satisfaction with social inclusion
		Ability to meet basic needs
		Ability to meet emergency needs
		Ability to finance leisure activities
		Perceived financial security
		Satisfaction with access to medical care
Satisfaction with quality of medical care received		
Satisfaction with one's health status		
Independent Variable	Psychosocial Preparation for Retirement	Discussing retirement with spouse
		Discussing retirement with other family members
		Discussing retirement with friends
		Reading literature on retirement
		Listening to media programs on retirement
		Participating in retirement preparation workshops
		Spending free time with colleagues
		Spending free time with family
		Spending free time with friends
		Spending free time with religious associates
		Spending free time on job-related activities
		Spending free time on leisure activities
		Spending free time on family activities
		Spending free time on extra income generating activities
Spending free time on religious activities		
Independent Variable	Financial Preparation for Retirement	Making financial savings for general use
		Saving specifically for retirement
		Making long-term investments
		Acquisition of retirement residence
		Life insurance
		Medical insurance

		Estimating monthly retirement financial needs
		Estimating expected monthly income in retirement
		Identifying income generating activities for retirement
		Saving for retirement emergencies
		Saving for leisure expenses
		Saving through pension schemes
		Saving through SACCOs
		Accumulating assets
		Plan on how to spend pension savings
Independent Variable	Retirement Preparation in Health Domain	Engaging in physical exercises
		Engaging in vigorous physical/manual work
		Observing a balanced diet
		Avoiding excessive alcohol intake
		Avoiding cigarette smoking
		A plan on health-care provision for retirement
		Undertaking regular medical check-ups
		Seeking specialized treatment when necessary
		Following doctors' prescriptions
Seeking health-promoting information		

### 3.8 Reliability and Validity of the Data Collection Instruments

Before commencement of actual data collection, a pilot study was conducted to pre-test the data collection instruments for reliability and validity. Using the KARO register, simple random sampling was used to select 20 respondents from Kieni-East for the pilot study. Kieni-East was not among the sub-counties sampled for the study.

Pre-testing of the interview schedule was done after the two research assistants recruited for the study were trained on how to approach and handle respondents, conduct the face to face interviews and translate the questions, if necessary. After pre-testing, data from the pilot study was reviewed and elementary analysis done. The results of the pilot study were utilized to revise the research instruments for clarity and simplicity. The

reliability of the scale was determined using Cronbach's Alpha. It had an alpha value of 0.83 and was regarded as reliable.

### **3.9 Data Collection Procedure**

The researcher with the help of the two research assistants collected data in the field. Before commencing on the data collection process, the researcher applied for a research permit from the National Council for Science and Technology (NCST) now renamed NACOSTI (National Commission for Science, Technology and Innovation). Once the permit was issued (Appendix 11), the researcher reported to the District Officers of the selected Districts (now sub-counties) as required, and was allowed to collect data.

It took three months to collect field data. Data from the respondents was collected using face to face interviews. This was to ensure that no sampled respondent would be excluded from the study simply because he/she had challenges in reading or writing.

Each FGD took approximately 90 minutes. The principal researcher was the moderator, while the research assistants took notes during the discussions. Before any FGD began, every respondent was required to fill a form with their socio-demographic details (age, gender, marital status, education level and average monthly income level). Socio-demographic characteristics were important in the analysis of FGD findings. In order to ensure anonymity, code names were used to identify the participants. For example, all the young male retirees' participants had the code numbers YMR and individual identification numbers ranging from 1-8. In this case, the first young male retired participant to fill the form was coded YMR1 while the last one was YMR8. Similar coding was done for older male retirees (OMR1-8), younger female retirees (YFR1-8)

and older female retired participants (OFR1-8). Each participant was issued with a tag bearing his/her code number for identification. The FGDs began after a welcome message from the moderator, introductions, reminder of the purpose and setting of ground rules.

### **3.10 Data Analysis and Presentation**

The study generated both quantitative and qualitative data which was analyzed accordingly. Data from interview schedules was first reviewed and cleaned carefully. Quantitative data was coded and keyed into a computer using the Statistical Package for Social Sciences (SPSS) Version 16. Frequencies and percentages were run to show the general characteristics of the respondents. Cross-tabulation was done to reveal any associations between various variables of interest. Further, Chi-Square tests (using the 95 percent confidence level) were conducted to test for significance of relationships between variables. The chi-square test was selected because the variables were measured at nominal and ordinal levels.

In order to enable quantitative analysis and thus test for the significance of relationships between the dependent and independent variables, the respondents' qualitative responses were quantified by awarding scores. For the independent variables (psychosocial, financial and health preparation for retirement), the following Likert Scale was used; 'very high extent' (score=4), 'high extent' (score=3), 'low extent' (score=2), 'very low extent' (score=1) and 'not at all' (score=0). For anybody to be regarded as adequately prepared for retirement in any domain, he/she needed to have scored at least 3 (high extent) in each of the indicators (questions).

To assess the QoL of respondents (the dependent variable), their qualitative responses were quantified by awarding scores using a Likert Scale. The 5-point ordinal scale was first re-coded into a dichotomous scale such that responses 'very unsatisfactory, unsatisfactory & not applicable' were combined to form 'unsatisfactory' and awarded a score of zero (0). The responses 'satisfactory & very satisfactory' were combined to form a 'satisfactory' response which was awarded a score of one (1). A composite variable 'overall QoL' was computed by summing up scores obtained in all the 17 indicators that measured psychosocial wellbeing, financial status and health. Since each indicator had a maximum score of '1' and a minimum of '0', a person who was satisfied with his/her 'overall QoL' was expected to score 17 (the maximum expected score). However, for purposes of statistical analysis, those who scored more than  $\frac{3}{4}$  ( $>12$ ) were categorized as experiencing a high QoL; scores of between 8.5 to 12 were regarded as fairly satisfactory while those below 8.5 (less than half) were considered low, implying dissatisfaction with QoL.

In hypotheses testing, Chi-square tests were conducted to examine whether any significant relationships existed between the dependent variable (QoL) and each of the independent variables. However, to fulfill the chi-square rules, the 5-point independent variable categories were collapsed into three. This was to ensure that none of the expected cell frequencies was less than one and at least 80 percent were more than five (Cochran, 1954 cited in Elliott & Woodward, 2007). In this case, the recoding was done as follows; the responses 'not at all' and 'very low extent' were combined and transformed into the variable 'unprepared', 'low extent' was re-coded to 'slightly

prepared' and 'high extent' plus 'very high extent' were re-coded to 'adequately prepared'. The new Likert Scale formed was awarded scores as follows; 'unprepared' (score=0), 'slightly prepared' (score=1) and 'adequately prepared' (score=2). The null hypothesis was rejected and the relationship between QoL (dependent variable) and the independent variables considered significant if  $p \leq 0.05$ . The Spearman correlation coefficient was used to explain the strength and direction of the relationships.

Where a significant relationship between the dependent and independent variables was established, a logistic regression was conducted to delineate the significant predictors of the dependent variable. In order to identify the variables for use in regression analysis, the reliability of the scale was tested using Cronbach's Alpha which was calculated for related items measured on Likert Scale. All the indicators of the variables used in this study had an alpha value of above 0.8 and the scale was regarded as reliable. Logistic regression was selected for the study due to its ability to determine the impact of multiple independent variables presented simultaneously to predict membership to one or other of the two dependent variable categories. In view of this, in order to conduct the binary logistic regression, the 5-point ordinal scales of both the dependent and independent variables were collapsed into dichotomous nominal scales. The ordinal dependent variable (quality of life) was re-coded to 'high quality life' (score=1) and 'low quality life' (score=0). The 'high quality life' category was used as the reference category in the regression analysis. This meant that the predictors were to predict group membership in each category. The ordinal independent variables (psychosocial, financial and health preparation) were also dichotomized into 'adequately prepared' (score=1) and 'inadequately prepared' (score=0).

According to Eliot & Woodward (2007), logistic regression calculates changes in the 'log odds of the dependent variable' and not changes in the 'dependent value' as linear regression does. For a dichotomous variable, the odds of membership of the target group are equal to the probability of membership in the target group divided by the probability of membership in the other group. The log distribution (or logistic transformation of  $p$ ) is also called the logit of  $p$  or  $\text{logit}(p)$  and is calculated as follows;

$$\text{logit}(p) = a + b_1x_1 + b_2x_2 + b_3x_3 + \dots$$

Where:

$p$  = the probability that a case is in a particular category,

$a$  = the constant of the equation,

$b$  = the coefficient of the predictor variables and

$x$  = the observed value of the predictor variable

Hence, odds value can range from 0 to infinity and inform on how much more likely it is that an observation is a member of the reference group rather than a member of the other group. In view of this, a significant positive predictor pushed the respondent towards 'high quality retirement' while a significant negative one pulled one down into the 'low quality' category. The logistic regression model for this study was developed by initially entering the relevant indicators of the independent variable and then excluding the least significant predictors using the backward conditional method. The final correlation matrices for the logistic regressions conducted in this study are attached as appendices 6, 7 and 8.

Analysis of qualitative data from FGDs commenced immediately after each FGD was successfully concluded. This started with a debriefing session between the moderator and assistants where data was summarized, major themes identified and notes labeled with the date and name of the group.

Soon after all the FGDs were held, data analysis started by coding the data into predetermined categories based on the study objectives. The data was then unitized and direct quotes (voices) from participants included whenever possible. This was followed by categorizing the units into themes and negotiating with the assistants as consensus was sought on category titles and information units. The data was then interpreted in reference to the study objectives and triangulated with the findings from quantitative analysis.

### **3.11 Ethical Considerations**

Soon after the researcher was issued with a letter of 'Approval of Research Proposal' by Kenyatta University, the researcher obtained a research permit from the then National Council for Science and Technology (NCST) now NACOSTI (National Commission for Science, Technology and Innovation) as required by law (see Appendix 11).

Before the data collection instruments were administered, the respondents were informed that they were under no obligation to participate and that they could withdraw their participation at any point if they so wished. However, those who agreed to participate were requested to be as honest as possible in their answers.

To protect their identity, the respondents were assured that they would not be required to indicate their names anywhere in the data collection instruments. At the same time, the respondents were informed that the data collected would only be used for purposes of the academic study, and the final report would bear no reference to their identity. In this regard, when the FGD participants expressed their reservations at being recorded, the tape-recorders were withdrawn.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.0 Introduction

This chapter presents research data gathered from the field. It is organized in relation to the study objectives and hypotheses. The data was collected from 400 respondents out of the sampled 447, indicating a response rate of 89.5 percent. Four Focus Group Discussions (FGDs) with eight participants each were held in order to provide a subjective view and thus enrich the quantitative findings. Separate FGD's were held for the younger male retirees (below 65 years), older male retirees (65<sup>+</sup> years), younger female retirees (below 65 years) and older female retirees (65<sup>+</sup> years).

The chapter starts by describing the socio-demographic characteristics (namely; age, gender, marital status, education and income) of the 400 respondents. This is followed by the discussion of research findings based on the study objectives and testing of hypotheses. The chapter ends with a brief summary of the key findings and the formulation of a retirement preparation model.

#### 4.1 Demographic Characteristics of Respondents

Demographic characteristics are important factors that usually influence an individual's access to opportunities, thus determining the course of a person's life. According to Kock et al (2012), hierarchies and differences based on gender, education and income create systems of disadvantage and privilege in society which lead to considerable diversity in retirement. This section discusses the distribution of respondents by age,

gender, marital status, level of education and monthly income. A summary of the socio-demographic characteristics of respondents is presented in Table 4.1.

**Table 4.1 Demographic Characteristics of Respondents**

Variable	Category	Frequency	Percent	Cumulative Percent
Age Category in years	55-59	95	23.75	23.75
	60-64	99	24.75	48.50
	65-69	79	19.75	68.25
	70-74	71	17.75	86.00
	75+	56	14.00	100.00
	Total	400	100.00	
Gender	Male	260	65.00	65.00
	Female	140	35.00	100.00
	Total	400	100.00	
Marital status	Married	329	82.25	82.25
	Single (never married)	20	5.00	87.25
	Separated	31	7.75	95.00
	Divorced	5	1.25	96.25
	Widowed	15	3.75	100.00
	Total	400	100.00	
Education level	Primary	51	12.75	12.75
	Secondary	40	10.00	22.75
	Mid-level college	270	67.50	90.25
	University	39	9.75	100.00
	Total	400	100.00	
Income Level in Kenya Shillings	10,000 and below	295	73.75	73.75
	10,001-20,000	72	18.00	91.75
	20,001-40,000	21	5.25	97.00
	40,001-80,000	9	2.25	99.25
	Above 80,000	3	0.75	100.00
	Total	400	100.00	

As shown in Table 4.1, the respondents were of different ages, gender, marital status, level of education and income. The following sub-sections discuss in detail the characteristics of the respondents in reference to Table 4.1.

#### 4.1.1 Age of Respondents

Since the study targeted retirees who had exited formal employment upon attainment of the mandatory retirement age, all respondents were aged above 55 years (Table 4.1). The modal age for the respondents was 60-64 years (24.8%), with the next largest cluster being those aged between 55-59 years (23.8%). The lower percentage of retirees aged 55-59 years compared to those aged 60-64 years may be attributed to the recently raised mandatory retirement age for public servants in Kenya. The increase in mandatory retirement age from 55 to 60 years was introduced under the circular 'OP.CBA.2/7A of 20.03.2009' (Barasa, 2009; KNCHR, 2009). Consequently, most of the employees aged below 59 years were still in employment when this study was conducted.

#### 4.1.2 Gender

According to KNBS (2010), 173,014 males and 167,919 females were employed in both formal and informal sectors in Nyeri County. This gives a ratio of employed male to female in the County at almost 1:1. However, the number of male respondents in this study was almost twice that of female ones. As shown in Table 4.1, 65 percent of the respondents (260) were male while 35 percent (140 respondents) were female. This may be a reflection of gender imbalance in the formal employment sector which is usually skewed in favour of the male (Raichura, 2008; KU, 2014). As explained in section 3.6, out of a population of 941 retirees, only 323 (34.33 percent) were female (Table 3.1). Since this study had adopted proportionate sampling of male to female retirees, the gender disparity was reflected among the respondents. One of the reasons for this

disparity could be that more females were employed in the informal sector compared to the formal one thus the low representation of female retirees. Prior research confirms that although females constitute 50.1 percent of the total Kenyan population, only about 29.4 percent are employed in the formal sector (Raichura (2008). Another reason that could be attributed to gender disparity among the respondents is that all of them were born before Kenya attained her independence, a time when education opportunities were limited especially for the girl child. As research shows, lack/low level of education limits employment opportunities especially in the formal sector (Raichura, 2008; Wong and Earl, 2009). However, Nyeri County has over time almost achieved gender parity on access to education (Lloyd et al, 1998). The Institute of Policy Analysis and Research (IPAR, 2003) observed that Nyeri was among the counties with the highest gross enrollment rate and near gender parity in both primary and secondary education. Although this study did not determine the exact reason for gender disparity in the retirees' population, the findings correspond to prior research which observed a lower representation of women than men in the formal employment sector (Dan, 2004; Raichura, 2008; Wong and Earl, 2009; KU, 2014). Such a situation could have directly translated to a population of fewer female than male retirees.

#### **4.1.3 Marital status**

Marital status is an important factor in this study since many researchers have positively correlated marriage with QoL (Kim & Moen, 2001; Price & Joo, 2005; Bierman et al, 2006; Ondigi & Mugenda, 2011; Maina & Mugenda, 2013; Nzabona, 2014). Figure 4.1 shows that majority of the respondents (82.2%) were married. The divorced respondents

were only 1.2 percent. Those who were single (never-married), separated and widowed constituted 5 percent, 7.8 percent and 3.8 percent of respondents respectively. The high percentage of respondents in the married category and the low percentage in the divorced category is an indicator that the society appreciates the positive contribution of marriage to QoL. As observed by Wong and Earl (2009), spouses support each other psychologically and financially leading to higher quality lives. Furthermore, data gathered from FGDs showed that being married not only made women more financially secure but also enhanced their social status by making them respectable in society. As one older female participant put it;

*'There are many times that I considered ending my marriage when I was younger..... But, the thought of my children without their father, and of how people would perceive me if I got divorced was strong enough to make me withstand the challenges'* (OFR6).

#### **4.1.4 Level of Education**

Education is an important socio-economic factor as it influences access to job opportunities, income and subsequent quality of life (Wong and Earl, 2009). As shown in Table 4.1, the modal education level for the studied respondents was middle level college (attained by 67.5 percent of respondents). About 12.75 percent of respondents had attained primary level education; 10.0 percent had secondary education and 9.75 percent had attained university education. None of the respondents lacked formal education and only 12.75 percent had below secondary education. Majority of the respondents (77.25 percent) had attained post-secondary education. This is an indicator

that majority of people who attained secondary school education in Nyeri County advanced to tertiary education institutions. The results confirm a report from the Commission on Revenue Allocation (CRA) where Nyeri County was ranked in the top position based on the percentage of people with secondary school education (CRA, 2012).

#### **4.1.5 Monthly Income**

To a large extent, income determines important lifestyle choices, consequently influencing the QoL (Albert, 2006). However, research studies in Kenya show that majority of retirees have inadequate income (Ng'aru, 2008; Kithinji, 2012; Muthondeki et al, 2014). As shown in Table 4.1, while 73.75 percent of respondents had an average monthly income of 10,000 shillings and below, only 0.75 percent received more than 80,000 shillings. Out of the remaining respondents, 18 percent earned between 10,001-20,000 shillings, 5.25 percent received 20,001-40,000 shillings and 2.25 percent earned 40,001-80,000 shillings. The modal income category was 10,000 shillings and below received by 73.75 percent of the respondents.

Data gathered from the FGD participants showed that most retirees were financially constrained. Although monthly pension was highly appreciated by retirees, it was reported to be too meager to meet daily needs. In addition, not all retirees were eligible for the monthly pension implying that many of them relied on irregular income from agricultural produce, commercial activities and support from children. The main agricultural activities engaged in were small scale tea farming, coffee, maize and other food crops, dairy and poultry farming. The main business enterprises operated by

retirees were small grocery shops, agro-vet shops and clothing boutiques that hardly brought profits but kept them occupied. However, a few were running successful businesses such as private schools and real estate firms. For the retirees engaged in farming, the high cost of labour and agricultural inputs left them with very little disposable income. As captured in the words of one FGD participant;

*'...the monthly pension is too little to depend on. For retirees who do not have reliable businesses, the only other source of income is sale of agricultural products especially tea and milk. However, tea-pickers fertilizers and animal feeds are so costly that the farmer is left with very meager net income. In fact, if farmers audited their accounts, some would stop farming once they realize the losses they make' (OMR2).*

Similar views were expressed by another FGD participant;

*'...I do not know how I would have survived were it not for the generosity of my children. They cater for my medical expenses and occasionally give me money for sustenance. Nevertheless, despite my engagement in tea, dairy and subsistence farming, there are many times that I cannot afford to pay my farm workers' (OFR5).*

In view of the centrality of income in QoL studies, cross-tabulations were conducted to establish its relationships with selected demographic variables. The categories of income were collapsed into three namely; 10,000 shillings and below, 10,001-20,000, and above 20,000shillings. This was to ensure that none of the expected cell frequencies

were less than one and at least 80 percent were more than five (Cochran, 1954 cited in Elliott & Woodward, 2007).

#### 4.1.6 Age and Monthly Income

Research studies suggest that age is positively associated with wellbeing (Bender, 2004; Maina & Mugenda, 2013). Similarly, income is positively correlated with QoL where those with adequate income have been found to adjust better to the retirement transition (Dan, 2004; Sams, 2004; Vienne, 2004; Muthondeki et al, 2014). In view of this, a cross-tabulation between the age and income of respondents was conducted to establish if any significant relationship existed. The results are presented in Table 4.2.

**Table 4.2 Relationship between Age and Monthly Income**

Age in years		Monthly Income in Kenya Shillings			Total
		10,000 and below	10,001-20,000	Above 20,000	
55-59	Frequency	57	22	16	95
	% within age	60.0%	23.2%	16.8%	100.0%
60-64	Frequency	77	15	7	99
	% within age	77.8%	15.2%	7.1%	100.0%
65-69	Frequency	61	17	1	79
	% within age	77.2%	21.5%	1.3%	100.0%
70-74	Frequency	52	14	5	71
	% within age	73.2%	19.7%	7.0%	100.0%
75+	Frequency	48	4	4	56
	% within age	85.7%	7.1%	7.1%	100.0%
Total	Frequency	295	72	33	400
	% within age	73.8%	18.0%	8.2%	100.0%

From Table 4.2, although more than half of the respondents in all age categories earned 10,000 shillings and below, the age category that was over-represented in the lowest

income was that of respondents aged 75 years and above (85.7 percent). The cluster with the lowest percentage of respondents who earned the lowest income is that of the youngest respondents (55-59 years) at 60 percent. The respondents who earned the highest income of above 20,000 shillings included 16.8 percent of those aged below 60 years, 7.1 percent of the ones aged 60-64, 1.3 percent of 65-69 year old respondents and 7.1 percent of the oldest category aged above 75 years. In contrast to the lowest income bracket where the oldest retirees dominated, the highest income was earned by a higher percentage of the youngest retirees compared to the other age categories. However, since the trend could not be easily established by focusing on the frequencies alone, a chi-square test was conducted to establish whether any significant relationship existed between the two variables (Table 4.3).

**Table 4.3 Chi-Square Test on the Relationship between Age and Income**

	Value	df	Significance (p=0.05)
Pearson Chi-Square	23.596	8	0.003
Likelihood Ratio	25.320	8	0.001
Linear-by-Linear Association	9.402	1	0.002
Somers'd	-0.13		0.002
Gamma	-0.24		0.002
Spearman	-0.16		0.002
N of Valid Cases	400		

As Table 4.3 shows, the Pearson chi-square statistic was significant ( $p=0.003$ ,  $\text{value}=23.60$ ). However, a Spearman's correlation coefficient of  $-0.16$  and negative values in the directional and symmetric coefficients (Somers'd  $=-0.13$  and Gamma= $-0.24$ ) imply an inverse relationship where as age increases income decreases. The significant inverse relationship between age and income may be attributed to gradual biological degeneration as one ages, making it harder for older retirees than younger ones to engage actively in many income generating activities. This corresponds to prior studies where financial constraints are among the major challenges facing the older persons including retirees (Schwarz, 2003; Kithinji, 2012).

#### **4.1.7 Gender and Monthly Income**

Research has found that women face multiple and cumulative disadvantages such as lower education levels which lead to fewer job opportunities and lower incomes than men (Dan, 2004; UNFPA & HAI, 2012; Nzabona, 2014). Gender disparity in formal employment may explain why the retirees' population consisted of almost twice the number of male to female ones (Section 4.1.2). Hence, a cross-tabulation was conducted to establish whether gender and income were significantly related in this study. The results are presented in Table 4.4.

**Table 4.4 Relationship between Gender and Income**

Gender		Monthly Income in Kenya shillings			Total
		10,000 and below	10,001-20,000	Above 20,000	
Male	Frequency	177	55	28	260
	% within gender	68.1%	21.2%	10.8%	100.0%
Female	Frequency	118	17	5	140
	% within gender	84.3%	12.1%	3.6%	100.0%
Total	Frequency	295	72	33	400
	% within gender	73.8%	18.0%	8.2%	100.0%

It is notable from Table 4.4 that in the higher income categories of above 10,000 shillings, the percentage of male respondents is higher than that of female ones. However, in the lowest income category of 10,000 shillings and below, the percentage of female respondents is higher than that of the male. Hence, a chi-square test was conducted to confirm whether indeed the relationship between gender and income was significant (Table 4.5).

**Table 4.5 Chi-Square Test on the Relationship between Gender and Income**

	Value	df	Significance (p=0.05)
Pearson Chi-Square	13.061	2	0.001
N of Valid Cases	400		

As shown in Table 4.5, the Pearson chi-square statistic was significant ( $p=0.001$ , value=13.06) implying that a significant relationship existed between gender and income level. Since pre-retirement income is positively correlated to post-retirement

income, the findings imply that women are not only lowly represented in the formal employment sector, but they are also under-represented in the high income categories. This could be attributed to their lower level of education which limits their access to high income professional careers compared to men (UNFPA & HAI, 2012). In addition, the need for women to combine employment with child-bearing, child-care and other cultural roles makes it more difficult for women than men to progress in their careers, thus limiting their income. The findings correspond with Raichura (2008) who observed that women in Kenya cumulatively earn about 33 percent less than their male counterparts. Data gathered from FGDs confirmed that men are economically more advantaged than women because they are culturally entitled to inherit property from their parents thus giving them a better start in life. In addition, the patriarchal society provides more flexibility for men to diversify their income generating activities as they are entitled to more free time and less domestic chores than women. In the words of one female FGD participant;

*'People associate high income with men than women. The riches of a married woman are attributed to her husband's hard work while those of an unmarried woman are generally viewed with suspicion.... The cultural expectations discourage many women particularly young mothers from some high-income jobs especially those that involve a lot of travelling and long working hours'* (YFR1).

#### 4.1.8 Marital Status and Income

Marital status has been positively correlated with retirement adjustment where married persons reported more happiness than non-married individuals (Kim & Moen, 2001; Price & Joo, 2005; Bierman et al, 2006; Maina & Mugenda, 2013; Nzabona, 2014). Since income is also positively correlated with QoL, a cross-tabulation between marital status and income was conducted to establish the type of relationship that existed between the two variables. The marital categories were collapsed into two (married and non-married) where the non-married category included all respondents who were single (never-married), separated, divorced or widowed. The findings are shown in Table 4.6.

**Table 4.6 Relationship between Marital Status and Income**

Marital Status		Monthly Income in Kenya shillings			Total
		10,000 and below	10,001-20,000	Above 20,000	
Non-married	Count	66	4	1	71
	% within marital Status	93.0%	5.6%	1.4%	100.0%
Married	Count	238	68	23	329
	% within marital Status	72.3%	20.7%	7.0%	100.0%
Total	Count	304	72	24	400
	% within marital Status	76.0%	18.0%	6.0%	100.0%

As seen in Table 4.6, 93.0 percent of all non-married respondents had an income of 10,000 shillings and below and only 1.4 percent of them had an income of more than 20,000 shillings. In the married category, 72.3 percent had an average monthly income

of 10,000 shillings and below while 7.0 percent had above 20,000 shillings. A chi-square test was conducted to establish whether the relationship was significant or due to chance (Table 4.7).

**Table 4.7 Chi-Square Test on the Relationship between Marital Status and Income**

	Value	df	Significance
Pearson Chi-Square	9.643	2	0.008
N of Valid Cases	400		

Table 4.7 shows that Pearson chi-square statistic was significant ( $p=0.008$ , value=9.64) implying that the relationship between marital status and income was not due to chance. This led to the conclusion that married persons generally have higher incomes than unmarried persons. This may be attributed to spouses pooling together their financial resources when investing and financing family expenses thus resulting to higher family incomes and lower costs per individual.

#### 4.1.9 Comparing Education and Income

Scholars agree that retirees who are more educated have higher incomes than those with lower education (Schwarz, 2003; Wong & Earl, 2009; Donaldson et al, 2010). To find out if this applied to the respondents in this study, level of education was cross-tabulated against level of income as shown in Table 4.8.

**Table 4.8 Level of Education and Monthly Income**

Level of Education		Monthly Income in Kenya shillings			Total
		10,000 and below	10,001-20,000	Above 20,000	
Primary	Frequency	42	4	5	51
	% within education	82.4%	7.8%	9.8%	100.0%
Secondary	Frequency	28	6	6	40
	% within education	70.0%	15.0%	15.0%	100.0%
Middle Level College	Frequency	211	49	10	270
	% within education	78.1%	18.1%	3.7%	100.0%
University Level	Frequency	14	13	12	39
	% within education	35.9%	33.3%	30.8%	100.0%
Total	Frequency	295	72	33	400
	% within education	73.8%	18.0%	8.2%	100.0%

Table 4.8 shows that more than half of the respondents in other education categories except university earned 10,000 shillings and below per month. Specifically, 82.4 percent of those with primary level education, 70 percent with secondary education and 78.1 percent with college education earned 10,000 shillings and below. However, only 35.9 percent of those with university education earned 10,000 shillings and below. Among the respondents who earned above 20,000 shillings included 30.8 percent of those with university education, 15 percent of those with secondary education and 9.8 percent of respondents with primary level education. The percentage of respondents earning between 10,001-20,000 shillings steadily increased with advancing education level. Although the level of income did not increase with rising level of education in all cases, Table 4.8 reflects a situation where a higher percentage of those who were more advanced in education appear to receive better income than those with lower education.

A chi-square test was therefore necessary to confirm whether the relationship between education and income was statistically significant or not. Table 4.9 presents the results.

**Table 4.9 Chi-Square Test on the Relationship between Education and Income**

	Value	df	Significance
Pearson Chi-Square	50.189	6	0.000
Likelihood Ratio	43.093	6	0.000
Somers' d	0.158		0.003
Gamma	0.305		0.003
Spearman	0.170		0.001
N of Valid Cases	400		

As shown in Table 4.9, the Pearson chi-square statistic was significant ( $p < 0.001$ , value=50.189). The directional and symmetric measures Somers' d and Gamma were also significant with values of 0.158 and 0.305 respectively. Furthermore, the Spearman rank correlation coefficient was significant with a value of 0.17, indicating a positive correlation between level of education and income. This implies that the higher the level of education, the more the opportunities of accessing formal jobs with high income. Adequate pre-retirement income increases the ability to save and invest prior to retirement, resulting in higher retirement income. Older male FGD participants explained that it was very easy for people who had formal education to get well paying jobs soon after Kenya attained independence because many Africans had little or no formal education. As a result, most of those who were formally employed with high incomes invested their earnings by buying property especially land and establishing

businesses which earned them adequate incomes in retirement. Furthermore, monthly pension is positively related to the amount of salary earned thus those who are more educated are likely to have earned higher incomes and receive higher monthly pension. The findings support earlier studies that observed a positive correlation between education and income among retirees (Wong & Earl, 2009; Donaldson et al, 2010; KU, 2014). One older participant explained how easily he got a formal job in pre-independent Kenya simply because he could understand and speak in English. He said;

*'... the four of us were arrested on suspicion of being Mau Mau and were beaten thoroughly before being taken to the police station. When the Mzungu at the police station asked why we had been arrested, the African policemen could not speak in English. Despite the pain I was feeling, I decided to act as their interpreter. The Mzungu was very impressed. The following day he ordered that I be released and immediately gave me a job as his clerk. Within a few months, he recommended me to join the police force where I was promoted quickly from one rank to the next....'* (OMR1)

Another older male participant agreed with the observation but added a different dimension to the view;

*'... although those who are more educated usually earn higher income, earning a high income does not necessarily guarantee adequate retirement income .... There are many retirees with low levels of education who are wealthier than those who are more educated. Income has to be invested to bear fruits.'* (OMR4)

Having analyzed the socio-demographic characteristics of respondents, the following sections discuss the study findings in relation to the research objectives. The retirement preparation of respondents in the psychosocial, financial and health domains is discussed next.

## **4.2 Retirement Preparation of Respondents**

Retirement preparation constitutes a kind of strategic planning for retirement. It is therefore a necessary and desirable activity for achieving retirement satisfaction (Prinsloo, 2009). Before analyzing the influence of retirement preparation on QoL, this study assessed the retirement preparation made by respondents. It examined the extent of retirement preparation done in each of the three domains of interest to the study namely; psychosocial, financial and health.

### **4.2.1 Retirement Preparation in the Psychosocial Domain**

Psychosocial domain involves aspects of both social and psychological behavior (Ondigi & Mugenda, 2011). Retirement preparation in the psychosocial domain therefore involves psychological preparation for the retirement transition as well as investing in social capital whose support is critical in retirement. According to Atchley (2000), retirement is a process and a life-stage that lasts for several years thus requires conscious planning and preparation. Psychological preparation for retirement includes thinking and discussing about retirement as well as being meaningfully engaged in social life within and outside the work place (Lee & Law, 2004; Osborne, 2012). In line with this definition, this study assessed retirement preparation by analyzing the extent to which the respondents had discussed retirement with significant others, had accessed

retirement information, had built a social life outside the workplace and engaged in a variety of activities. Discussing retirement with significant others (spouse, other family members and friends) prior to retirement enables individuals to visualize their retirement life and strengthens primary social support systems that continue in retirement. Consciously seeking retirement information through print media, audio/visual programs and attending retirement workshops equips recipients with relevant professional information to enable them adequately prepare for retirement. Spending free time (when one is not engaged in employment duties) with family, friends and religious associates builds social support and strengthens common interests that ensure continuity in retirement. In addition, engaging in various activities other than those which one performs as part of job-role enhances continuity in retirement as they can continue despite cessation of employment. The respondents' psychosocial preparation for retirement was measured by their extent of engagement in activities of interest to this study. They were expected to respond whether their level of engagement was; very high, high, low, very low or not at all. The responses are shown in Table 4.10.

**Table 4.10 Respondents' Extent of Psychosocial Preparation for Retirement**

Psychosocial Preparation for Retirement	Not at all	Very low extent	Low extent	High extent	Very high	Total
	%	%	%	%	%	%
Discussing retirement with spouse	20.25	19.75	36.25	23.75	0.00	100.00
Discussing retirement with other family members	5.00	29.75	60.25	5.00	0.00	100.00
Discussing retirement with friends	5.00	10.00	75.25	9.75	0.00	100.00
Reading literature on retirement	50.00	44.75	5.25	0.00	0.00	100.00
Listening to retirement programs	25.00	59.75	15.25	0.00	0.00	100.00
Attending retirement workshops	89.50	10.50	0.00	0.00	0.00	100.00
Spending free time with colleagues	0.00	35.00	40.50	24.50	0.00	100.00
Spending free time with family	0.00	0.50	17.75	81.75	0.00	100.00
Spending free time with friends	0.00	0.00	51.50	48.50	0.00	100.00
Spending time with religious associates	0.00	54.00	21.50	15.50	9.00	100.00
Spending free time on official work	19.50	20.25	40.50	19.75	0.00	100.00
Spending free time on leisure	0.00	45.00	36.00	14.00	5.00	100.00
Spending free time on family activities	0.00	0.00	20.50	70.25	9.25	100.00
Spending free time generating extra income	0.00	10.00	25.50	54.50	10.00	100.00
Spending free time on religious activities	0.00	54.25	20.75	25.00	0.00	100.00

As shown in Table 4.10, none of the respondents discussed retirement to a very high extent. However, 23.75 percent, 5 percent and 9.75 percent of respondents discussed retirement to a high extent with their spouses, other family members and friends respectively. This was an indication that majority of those who discussed retirement to a high extent with others, mostly did it with their spouses. Nevertheless, 20.25 percent, 5 percent and 5 percent of respondents did not discuss retirement at all with either spouse, other family members or friends respectively. Probably, they perceived retirement as a personal issue that did not require the input of significant others.

With regard to acquisition of retirement information, none of the respondents read literature on retirement, listened to media programs or participated in retirement

workshops to a high extent. This may be an indication that professional retirement information may be limited, effectively denying prospective retirees an opportunity to make informed decisions for retirement. The most popular social groups that many respondents had spent a lot of their free time with were family (81.75 percent), friends (48.5 percent) and colleagues (24.5 percent). Apparently, 9 percent of respondents had spent their free time with religious associates to a very high extent. In addition to social capital, religious associates also offer spiritual support needed to understand and accept the challenges of life.

Activities mainly performed during free time were family-related, income generating and religious activities with 70.25 percent, 54.5 percent and 25 percent of respondents engaging in them respectively, to a high extent. Job-related (such as performing office work at home) and leisure activities (such as hobbies) during free time were not very common. Only 19.75 percent and 15 percent of respondents engaged to a high extent in job-related and leisure activities respectively. Nevertheless, 5 percent of the respondents engaged in leisure activities to a very high extent.

To allow for a quantitative analysis of psychosocial preparation for retirement, scores were awarded to the respondents' qualitative responses. The following Likert Scale was used to award the scores; 'very high extent' (score=4), 'high extent' (score=3), 'low extent' (score=2), 'very low extent' (score=1) and 'not at all' (score=0).

Since there were 15 questions assessing psychosocial preparation, each with a maximum score of 4 and a minimum of 0, the maximum expected score was 60 (15\*4)

and the minimum was 0. For anybody to be regarded as adequately prepared for retirement, he/she needed to have scored at least 3 (high extent) in each of the 15 questions. This implies that 45 ( $15 \times 3$ ) was the minimum score for any respondent who was adequately prepared for retirement in the psychosocial domain. Table 4.11 presents the distribution of respondents based on psychosocial preparation for retirement.

**Table 4.11 Scores on Respondents' extent of Psychosocial Preparation for Retirement**

Scores on Psychosocial Preparation	Frequency	Percent	Cumulative Percent
18	1	0.25	0.25
19	18	4.50	4.75
20	24	6.00	10.75
21	3	0.75	11.50
22	34	8.50	20.00
23	20	5.00	25.00
24	7	1.75	26.75
25	55	13.75	40.50
26	41	10.25	50.75
27	116	29.00	79.75
28	2	0.50	80.25
29	2	0.50	80.75
30	17	4.25	85.00
31	1	0.25	85.25
32	2	0.50	85.75
33	18	4.50	90.25
34	1	0.25	90.50
35	20	5.00	95.50
36	18	4.50	100.00
Total	400	100.00	

Out of the expected maximum score of 60, the highest score obtained by respondents was 36 while the lowest was 18. None of the respondents had prepared to a high extent

in this domain since nobody scored 45 and above, thus none of the respondents was regarded as adequately prepared for retirement in the psychosocial domain. The majority of respondents (85.25 percent) scored below 30 indicating a very low extent of retirement preparation. The poor performance could be attributed to the lack of awareness on the importance of psychosocial preparation for retirement. These results imply that more effort on psychosocial preparation for retirement needs to be concentrated on 'acquisition of retirement information' since none of the respondents had acquired retirement information to a high extent. In fact all the respondents had read retirement literature, listened to retirement programs or attended retirement workshops to a low/very low extent. Inadequate access to professional retirement information could adversely affect the overall process of retirement preparation and the subsequent QoL.

Data gathered from FGD participants explained that retirement information was indeed very limited especially to the public sector workers. This could be because they were mainly under the Civil Service Pension Scheme (CSPS) which is financed by the government and thus were contented with the assurance of retirement benefits. Others may have been unaware that they have a role to play in retirement preparation. As Lubega (2012) observed, many employees lacked awareness on the importance of psychosocial preparation for retirement. However, FGD participants expressed the need for individuals to establish and maintain good relationships with family, friends and significant others so that they can co-exist and support each other in times of need. They regretted that the modern economic system allowed very limited time for most

employees to socialize with friends and family due to their busy work schedules. As expressed by an FGD participant;

*'...the rising cost of living and increasing financial demands, have made it increasingly challenging to spend adequate time with family members and friends. Many employees have diversified their income generating opportunities to make ends meet and have other part-time jobs in addition to their regular employer' (YMR8).*

A younger male retiree described how difficult it was for him to adjust to the retirement role using the following words;

*'I used to wake up every morning at the usual time, prepare myself and get a reason to justify my going to town. Most times I would end up visiting my former workplace. I did not know what else to do with my time after 34 years of public service... ' (YMR3)*

The above voices imply inadequate psychosocial preparation for retirement that results in a challenging transition to the retirement role. As pointed out by the participants, it is difficult to adjust to a life without routine or colleagues especially for people who occupied positions that allowed limited interaction with the outside world.

#### **4.2.2 Retirement Preparation in the Financial Domain**

Financial preparation for retirement focuses on guiding an individual to save, invest and raise money to meet his/her financial needs during retirement (Dan, 2004; Lubega, 2012). It is aimed at ensuring financial security in retirement. Financial stability allows

retirees to spend retirement as desired and make adjustments to their environment (if necessary) in order to maintain a high QoL (Dan, 2004). According to Sanlam Investment (2014), to be a financially secure retiree, an employee needs to save at least 8 percent of his/her salary (excluding employer's contribution) for 33.2 years, have other sources of income and consult a financial advisor before retirement.

Financial preparation is expected to enable individuals to examine the extent to which the financial resources they had accumulated would sustain them in retirement. This study assessed the financial preparation of respondents by asking them to indicate the extent to which they had made financial savings, asset investment and obtained insurance. Respondents were also required to have estimated their expected retirement income and expenditure with a view to identifying the deficit and thus determine how much more they needed to save in order to bridge the gap. The respondents were therefore expected to assess their extent of retirement preparation for the ten-year period prior to their retirement. A 5-point Likert scale was used to examine whether retirement preparation had been carried out to; 'a very high extent', 'high extent', 'low extent', 'very low extent' or 'not at all'. Table 4.12 shows the distribution of respondents based on their responses.

**Table 4.12 Respondents' extent of Retirement Preparation in the Financial Domain**

Variable Indicator	Not at all	Very low extent	Low extent	High extent	Very high extent	Total
	%	%	%	%	%	%
Made general financial savings	0.00	35.25	64.75	0.00	0.00	100.00
Savings made specifically for retirement use	30.25	69.75	0.00	0.00	0.00	100.00
Made long-term financial investments	4.75	42.75	34.50	18.00	0.00	100.00
Ownership of retirement residence	9.75	0.25	11.25	78.75	0.00	100.00
Life insurance coverage	54.75	15.75	29.50	0.00	0.00	100.00
Medical insurance coverage	54.25	31.50	14.25	0.00	0.00	100.00
Estimated financial retirement needs	99.25	0.75	0.00	0.00	0.00	100.00
Estimated expected retirement income	98.75	1.25	0.00	0.00	0.00	100.00
Engaged in extra income generating activities	20.00	35.25	36.00	8.75	0.00	100.00
Saved for future emergencies	20.25	75.25	4.50	0.00	0.00	100.00
Saved for leisure expenses	90.25	9.75	0.00	0.00	0.00	100.00
Saved through pension schemes	84.50	10.75	4.75	0.00	0.00	100.00
Saved through SACCOs	4.50	31.25	55.25	9.00	0.00	100.00
Made asset investments	40.25	21.25	38.5	0.00	0.00	100.00
Planned how to spend lump-sum pension	14.75	11.50	63.75	10.00	0.00	100.00

Table 4.12 shows that all respondents made financial savings to some extent. However, none of them saved to a high extent. Specifically, 32.25 percent of respondents saved to a very low extent while 64.75 percent saved to a low extent. When it came to making retirement savings, 30.25 percent of respondents did not save at all and the rest (69.75) saved to a very low extent. Majority of respondents made long-term investments with 42.75 percent investing to a very low extent, 34.5 percent to a low extent and 18 percent

to a high extent. This is an indication that respondents preferred to invest their money than to save it.

Only 4.75 percent of respondents indicated having made no long term investments. This was probably because their financial resources were inadequate. On acquisition of retirement residence, majority of the respondents (78.75 percent) had done it to a high extent. This meant they already owned a residential place or were very close to owning one. However, 9.75 percent had not started the process of owning a house while 11.5 percent (0.25+11.25) had started but were still far from completing their residential house prior to retirement.

None of the respondents indicated that they had insured their life or medical needs to a high extent. This implied that their life or medical insurance did not make them feel adequately covered for retirement shocks. More than half of the respondents, 54.75 percent and 54.25 percent had neither life nor medical insurance respectively. However, although the rest of the respondents had either one or both life and medical insurance, none of them indicated that they would be adequately covered by the insurance policies during their retirement.

Majority of the respondents had not made much effort at estimating their retirement monthly income and expenditure. Estimated retirement monthly income should be done based on the savings already made so that individuals can determine whether it would be adequate to meet their retirement expenses. However, 99.25 percent and 98.75 percent of the respondents had not estimated their retirement monthly expenditure and income respectively. Only 0.75 percent had made estimates of how much money they

would need and 1.25 percent who had estimated how much income they were likely to receive during retirement but only to a very low extent. This could be attributed to limited access to professional retirement information (refer to Table 4.10).

Only 8.75 percent of respondents had engaged in extra income generating activities to a high extent while 20 percent of them had not engaged at all. The extra income generation could continue during retirement thus contribute to retirement income. While none of the respondents had adequately saved for retirement emergencies, 75.25 percent and 4.5 percent had saved to a very low extent and low extent respectively. However, 20.25 percent of them had not saved for emergencies at all probably due to financial constraints. Apparently, 9.75 percent of respondents had saved for leisure expenses although to a very low extent. Majority (90.25 percent) had not factored in leisure expenses.

While none of the respondents had saved through pension schemes to a large extent, 84.5 percent had not saved through the schemes at all. However, 12.5 percent had made savings through the pension schemes though only to low or very low extent. Although 4.5 percent of the respondents had not saved through SACCOs, 9 percent had savings through them to a high extent. However, 55.25 percent and 31.25 percent had only utilized the SACCO's to a low extent and a very low extent respectively.

The majority of respondents were not satisfied with the amount of assets they had acquired. About 40 percent of the respondents indicated they had not made any asset investment. However, 38.5 percent and 21.25 percent of them reported to have made asset investment but only to a low and very low extent respectively.

With regard to the plan of spending lump-sum pension, only 10 percent of the respondents had made an elaborate plan on how to spend it. While 14.75 percent of them had not yet planned how to utilize it, 63.75 percent and 11.5 percent had an inconclusive plan on how to spend lump-sum pension benefits. FGD participants explained that most prospective retirees were not sure of their pension entitlements making it difficult to plan.

Based on the responses presented in Table 4.12, financial preparation among the respondents appeared to be skewed towards the low extent. This implies inadequate financial preparation by most of the respondents. It was only in 'making long-term investments', 'ownership of retirement residence' and 'engaging in extra income generating activities' that a few respondents reported a high extent of involvement. Most respondents had not done any estimates of retirement income or expenditure. This was probably because many respondents may not have been aware that it was a necessary activity or they did not know how to make the retirement estimates. According to Jagannathan (2008), in order to make a good financial plan for retirement, one must set financial retirement goals (identify retirement needs) and outline the means of achieving those goals. However, calculating retirement income and expenditure may be challenging if one does not access accurate retirement information in good time. The findings in Table 4.10 where majority of respondents had inadequate access to retirement information may have contributed to their inadequate financial preparation.

To allow for a quantitative analysis of the findings, scores were awarded to the respondents' responses using the following Likert Scale; 'very high extent' (score=4),

'high extent' (score=3), 'low extent' (score=2), 'very low extent' (score=1) and 'not at all' (score=0). Since there were 15 questions assessing financial preparation, each with a maximum score of 4 and a minimum of 0, the maximum expected score was 60 (15\*4) and the minimum was 0. Table 4.13 presents the distribution of respondents based on their financial preparation.

**Table 4.13 Scores on extent of Financial Preparation for Retirement**

Financial Preparation Scores	Frequency	Percent	Cumulative Percent
3	15	3.75	3.75
4	4	1.00	4.75
5	3	0.75	5.50
6	16	4.00	9.50
7	2	0.50	10.00
9	36	9.00	19.00
10	5	1.25	20.25
11	19	4.75	25.00
12	3	0.75	25.75
13	20	5.00	30.75
14	23	5.75	36.50
15	32	8.00	44.50
16	6	1.50	46.00
17	35	8.75	54.75
18	52	13.00	67.75
19	28	7.00	74.75
20	4	1.00	75.75
21	28	7.00	82.75
22	18	4.50	87.25
23	30	7.50	94.75
24	3	0.75	95.50
25	2	0.50	96.00
26	15	3.75	99.75
27	1	0.25	100.0
Total	400	100.0	

Out of the maximum expected score of 60, Table 4.13 shows that the maximum score obtained by respondents was 27 and the minimum was 3. To be regarded as adequately prepared for retirement in the financial domain, a score of at least 3 (high extent) was needed in each of the 15 questions. Hence, a score of 45 ( $15 \times 3$ ) was required for any respondent to be regarded as adequately prepared in the financial domain. Considering that the highest score obtained (27) was less than half of the expected score, the findings imply that financial preparation for retirement was inadequately done by all the respondents. A score of 27 in 15 questions implies an average of less than 2 (low extent) in each of the questions. Furthermore, about three-quarters (74.75 percent) of them scored less than 20, an indication that their financial preparation was on average 'to a very low extent'. This corresponds with prior studies that identified inadequate financial preparation as one of the major causes of retirement challenges (Ng'aru, 2008; Kwena, 2009; Muthondeki et al, 2014).

Data from FGD participants confirmed that financial preparation for retirement was very challenging. This was attributed to limited finances which were mainly used for immediate consumption. Male FGD participants (both younger and older ones) explained that it was better to invest in assets and businesses which could provide cash whenever the need arose. Nevertheless, the study established that most retirees in the county lived in houses they owned. The FGD participants pointed out that there is a need for all employees to build or buy houses before retirement to avoid the anxiety associated with tenancy especially among retirees with reduced income. Buying land and investing in other assets was popularly viewed as a better method of retirement preparation than saving money. This was based on the argument that while the value of

money depreciates with inflation, that of land appreciates. As expressed in the words of a male FGD participant;

*'It is unnecessary to give anybody/financial institution your money to invest when you can do it yourself.... supposing the institution collapses...?' (OMR4).*

Another male FGD participant who supported the statement said;

*'Investing money in a viable business prior to retirement ensures that one continuously receives profit and re-invests it such that by retirement, the business enterprise can sustain the family. However, it is also important to save through pension schemes just in case business collapses or one is no longer strong enough to run it' (YMR2).*

#### **4.2.3 Retirement Preparation in the Health Domain**

Research has shown that poor health is not an inevitable consequence of aging. This implies that one can avoid or reduce poor health as he/she grows old by living a healthy lifestyle. According to Browning et al (2012), older adults (including retirees) can remain independent longer and improve their quality of life if healthy ageing is promoted. Pre-retirement health status has been found to be a strong predictor of the post retirement one (Albert, 2006; Wang and Hesketh, 2012). Scholars acknowledge the great contribution that lifestyle choices have on quality life (Ondigi & Mugenda, 2011; Wang and Hesketh, 2012). Participation in physical activities, eating a healthy diet and avoiding drug abuse have been linked to physical fitness, prevention of disease, psychological well-being and an enhanced QoL in later life (Wang and Hesketh, 2012).

In Kenya, majority of the chronic health conditions could be prevented through simple lifestyle choices, early detection and management of risk factors (Ondigi & Mugenda, 2011). As explained by Wang & Hesketh (2012), engaging in moderate to high levels of physical activities (including manual work) on a daily basis contributes to physical well-being and QoL later in life. This implies that lifestyle choices prior to retirement could strongly influence retirement health status and the subsequent QoL. To assess the retirement preparation of respondents in the health domain, the study analyzed their diet, physical activities, drug use/abuse and other healthcare activities prior to retirement. The respondents were asked to indicate whether they had engaged in the activities of interest to 'a very high extent', 'high extent', 'low extent', 'very low extent' or 'not at all'. The responses are shown in Table 4.14.

**Table 4.14 Respondents' extent of Retirement Preparation in the Health Domain**

Variable Indicator	Not at all	Very low extent	Low extent	High extent	Very high extent	Total
	%	%	%	%	%	%
Engaged in physical exercises	0.25	84.25	10.75	4.75	0.00	100.00
Engaged regularly in physical/manual work	0.00	19.50	40.50	40.00	0.00	100.00
Observed a balanced diet	5.75	60.25	34.00	0.00	0.00	100.00
Avoided excessive alcohol intake	9.50	15.75	30.00	15.75	29.00	100.00
Avoided cigarette smoking	5.00	10.00	20.50	35.25	29.25	100.00
Had planned for medical care in retirement	74.25	11.00	14.75	0.00	0.00	100.00
Undertook regular medical check-ups	10.00	54.00	31.00	5.00	0.00	100.00
Sought specialized treatment when necessary	0.00	0.00	1.00	99.00	0.00	100.00
Followed doctors' prescriptions	0.00	0.00	0.50	94.25	5.25	100.00
Sought health-promoting information	0.00	5.25	60.00	29.75	5.00	100.00

As shown in Table 4.27, only 0.25 percent of respondents had not engaged in physical exercises. About 4.75 percent of them had engaged in physical exercises to a high extent. Among the others, 10.75 percent had exercised to a low extent and 84.25 percent to a very low extent. Nevertheless, 40 percent of respondents engaged in physical work to a high extent. 40.5 percent and 19.5 percent of them engaged in physical work but to a low extent, and a very low extent respectively. This observation was a positive indicator of pre-retirement physical activity by majority of respondents. Physical activity is recommended for healthy ageing. As observed by Wang and Hesketh (2012), moderate physical exercises and physical work have been positively correlated with physical fitness and subsequent QoL.

None of the respondents had been keen at ensuring that his/her meals were always balanced. Apparently, 5.75 percent of them had not been concerned about a balanced diet at all. However, 34 percent and 60.25 percent of them ensured a balanced diet to a low extent and a very low extent respectively. This was an indicator that the respondents did not put a lot of effort on healthy eating which could impact negatively on their health and subsequent QoL.

Alcohol and smoking habits varied across the respondents. While 9.5 percent and 5 percent of them neither avoided alcohol nor cigarettes; 29 percent and 29.5 percent, had done so to a very high extent. None of the respondents had adequately planned how their medical needs would be catered for in retirement and 74.25 percent of them had not planned at all. However, 14.75 percent and 11 percent of the respondents had planned for their medical needs to a low extent and a very low extent respectively. This

was an indication that many respondents had not paid much attention to their future medical needs prior to their retirement.

Only 5 percent of respondents usually went for regular medical check-ups. Although, 10 percent of them never went for medical check-ups at all, almost all of them sought specialized treatment whenever necessary. Furthermore, all the respondents had followed the doctor's prescriptions to a high extent. This was a positive indicator that majority of the respondents were seriously concerned about their health. However, only 29.75 had sought health promoting information to a high extent and 5 percent to a very high extent. The rest had sought it but to a low extent (60 percent) and a very low extent (5.25 percent) respectively.

Based on their responses to the questions on indicators of retirement preparation, the respondents appeared to have been fairly prepared for retirement in the health domain. However, the findings show that majority of them had not taken any independent steps to ensure that their medical needs would be catered for during their retirement. In addition, only 5 percent undertook regular medical check-ups that are necessary for early detection of chronic diseases. This observation implies that although the respondents were keen to ensure that any illnesses were treated, they did very little to prevent ill-health. This may be attributed to low awareness of the role of individuals in health promotion. It could also be due to financial constraints that limit access to medical check-ups and medical insurance.

In order to allow for more comprehensive analysis, preparation in the health domain was quantified by awarding scores to the various qualitative responses of respondents

(refer to Table 4.14). The following Likert Scale was used; 'a very high extent' (score=4), 'high extent' (score=3), 'low extent' (score=2), 'very low extent' (score=1) and 'not at all' (score=0). There were 10 questions, each with a maximum score of 4 and a minimum of 0. The maximum expected score was therefore 40 ( $10 \times 4$ ) and the minimum was 0. For one to be regarded as adequately prepared, he/she needed a score of at least 3 (high extent) in each of the 10 questions. A minimum score of 30 ( $3 \times 10$ ) was required for any respondent to be regarded as adequately prepared for retirement in the health domain. Table 4.15 shows the distribution of respondents based on their extent of preparation.

**Table 4.15 Scores on extent of Retirement Preparation in the health domain**

Scores on Retirement Preparation	Frequency	Percent	Cumulative Percent
15	20	5.00	5.00
16	19	4.75	9.75
17	43	10.75	20.50
18	22	5.50	26.00
19	58	14.50	40.50
21	39	9.75	50.25
22	24	6.00	56.25
23	115	28.75	85.00
24	19	4.75	89.75
25	2	0.50	90.25
26	19	4.75	95.00
27	20	5.00	100.00
Total	400	100.0	

As shown in Table 4.28, out of the expected maximum score of 40, the highest score obtained by respondents was 27 and the lowest was 15. None of the respondents scored 30 and above, an indication that no one had prepared fully for retirement in the health