ROLE OF PENSION AND GRATUITY ON SOCIAL - ECONOMIC INTEGRATION ON RETIREES IN UGANDA: A CROSS SECTIONAL STUDY.

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ABSTRACT.

Background:
The present study explored the role of pension and gratuity on the socioeconomic integration in the life of UPDF retirees in Uganda in the case of Wakiso District.

Methodology:
The survey data were collected from 21 administrators and 400 other ranks of UPDF retirees within Wakiso District. The survey data was collected from a sample size of 215 respondents of which 196 returned questionnaires, with 6 interviews conducted. The design was a cross-sectional survey and the data was collected using questionnaires and interview guides.

Results:
According to the respondents, Pension had an average positive response rate of 71% indicating a positive impact with 28.6% alternating negative impact, Gratuity had a 54.4% Positive impact on the social economic integration of retiree and 44.2% negative impact, the general social economic stature of retirees had 57.5% by average agree with retirement life and concepts, 20% strongly agree, 10.25% disagree and 0.124% strongly disagree with the retirement life and concepts. More to that from the Column Chart, an average rate of 63.8%, however, 38.2% by average responses mentioned that they were not knowledgeable of anything about retirement and its benefits.

Conclusion:
Based on the findings above, pension and gratuity have played a very vital role in the social economic integration of the life of UPDF retirees.

Recommendation:
It is recommended that the organization should carry out In-service skills training, training on retirement, financial management, Academic Training, Revision of the pension formula, Rehabilitation, psychosocial support and resettlement, foreign mission deployments, Civil jobs Empowerment, entrepreneurship training after service follows up as the retirees transit in life.

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BACKGROUND OF THE STUDY.

Retirement is a complex process that should be handled with ultimate care especially when it involves UPDF retirees. Social protection has become a major concern in developing countries.

Pensions are important for poverty alleviation among the elderly, ensuring income security, and addressing social inequality, given that the ability to earn an income may be fully or partially lost in old age Low and uncertain incomes limit access to private insurance and savings products leaving the elderly vulnerable. It has been noted in many cases that service men and women in the UPDF have lived and others are living a poverty-stricken life, associated with poor health community neglect, and failure to adapt to the new normal. Instead of the above, the UPDF has put in place a refined pension and gratuity plan to improve the socioeconomic status of the retirees. According to the UPDF Chieftaincy of Pensions and Gratuity, retirement in the UPDF is provided for, in the UPDF Act 2005 and Pensions Act 286, it is the point at which the officer ends his/her services. The UPDF pre-plans and prepares the minds of those about to retire through several procedures to enable them to settle into the new style of civilian life. Financial

literacy lessons are conducted and followed by psycho-social support. All these are intended to make the retiring person ready to socialize and as well integrate economically among the civilians. It is computed by use of formulae as indicated in the UPDF Act 2005 and Pensions Act 286. Even though the UPDF has put up a comprehensive plan for pension and gratuity as a way of contributing to the social and economic status of retirees, the situation is far from realistic. Of these gentlemen and women, a number of them live in abject poverty after serving the nation for a considerable period termed 24/7, they have failed to adapt to the civilian way of life due to the previous status, they are seen commanding respect where it is not necessary, yet to another side, the docile ones are trampled upon by rich civilians. This undermines the effect of pensions and gratuity on the social and economic living of retirees in Uganda. The need to bridge this knowledge gap forms a basis for the current study. Hence the researcher seeks to understand the role of pension and gratuity in the socio-economic integration of the lives of UPDF retirees in Uganda

METHODOLOGY.

Research Design.

The researcher employed a cross-sectional survey design; this is because it looks at a single point in time. It analyzes a specific character and provides specific desired responses to the research. This is through a set questionnaire that shall be distributed to respondents in person and its details clearly explained which will include describing characteristics related to a subject, as well as making estimates of the proportions of a population that have these characteristics in common. In the study, the emphasis will be on determining the effect of pension and gratuity on socio-economic integration. The quantitative method shall be used to generate numerical data, which will be statistically manipulated to meet the required objectives through descriptive statistics (frequencies and percentages) and inferential statistics shall be used to discover the associations among different variables

Study Population.

The total population comprised UPDF Retirees from Wakiso. The total population of the study was approximately 421 and the targeted sample size was 215 respondents consisting of both males and females this shall be a representation of the whole population as calculated under the Krejcie & Morgan population determination.

$$\text{Unlimited population:} \quad n = \frac{z^2 \times \hat{p}(1-\hat{p})}{\varepsilon^2}$$

$$\text{Finite population:} \quad n' = \frac{n}{1+\frac{z^2 \times \hat{p}(1-\hat{p})}{\varepsilon^2 N}}$$

Where z is the z score, ε is the margin of error, N is the population size, and $\hat{p}$ is the population proportion. Therefore, the population size n is equal to the product of sample size squared (215) multiplied by population {421(1-421)}, whose total is divided by the square of margin error. The value sample size given is located in the table.

Determination of the sample size.

There is no specified rule on how large a sample should be though it's circumstances that dictate which number of percentages of the population is to be studied Owalabi (2016). The sample size was determined using the Krejcie & Morgan (1970) sampling guideline. A sample size of 215 was used. See Table 1.

Table 1: Sample size and sampling technique.

Category	Population	Sample size	Sampling Techniques
Top administrators	21	19	Purposive sampling
Other ranks	400	196	Simple Random sampling
Total	421	215	

Sampling techniques and procedure.

The researcher employed probability sampling techniques which shall include Purposive sampling and simple random sampling respectively

Purposive Sampling.

The researcher used Purposive sampling to select key informants who included top administrator retirees and other ranks based on the knowledge they have on the subject under study as well as their role in decision-making. Top administrators included the heads of departments and units yet others belonging to any rank in the Militia are the field and operational technical staff of the UPDF. The researcher defined the problem, determined the population, defined the characteristics of the sample, and then collected data which was analyzed and results interpreted

Random sampling.

This technique was employed to select respondents across departments on the fact that it enables equal participation chances for the respondents and arrives at reliable data, as Amin (2010) states. It followed the random number table system. This entailed establishing the population size of respondents in each category, after which sample size was calculated using Manual (2014) as well as Krejcie and Morgan, (1970) hence determining the sample size selection.

Data collection methods.

Data was collected by use of a questionnaire survey, interview methods, and Documentary review.

Questionnaire.

The study used a questionnaire to gather data from the respective respondents. This was an affordable and faster way of collecting information from a vast range of respondents as quickly as possible. According to (Neuman 2010), structured or closed-ended questionnaires are easier to analyze since they are in an immediate usable form. They are easier to administer as possible answers follow each item. Questionnaires are critical to this study to help simplify the researcher's work.

Interview Method.

The study used the interview method to gather first-hand information from the retirees. This involved utilizing a semi-structured interview guide depicted in Appendix B. The semi-structured interview method guide will be considered appropriate as the previously mentioned classes of respondents are seen to possess important data yet they have less time to fill in questionnaires (Sekaran, 2003).

Data collection instruments.

The data collection instruments that were used are questionnaires and interview guide

Questionnaire.

A questionnaire was used as a data collection instrument because it allows in-depth research to gain firsthand information and more experience over a short period. The data collection instrument for the study is developed based on literature from various scholars on the subject of the effect of pension and Gratuity on the socio-economic integration of UPDF retirees. The questionnaire was divided into three sections; Section one consists of the demographic information of the respondent, section two consists of pension factors, and section three comprises the Gratuity factors.

Interview Guide.

The researcher used an interview guide to collect the data. These interviews were physical; one-on-one and this is because they ensure the attraction of attention for more information, clarification, and capturing the facial expressions of the respondents. In addition, the respondents allowed the researcher to revisit some of the issues that had been over-sighted in other instruments on the pretext that they are vital for the study.

Documentary Review Guide.

This entails all meaningful documentation pieces, such as technical review meetings and then sending the checklist to individual reviewers. The study customized each line item in the checklist to fit specific document and review needs. This gave better information gathered through the documentary review method. It entailed all the details about the research.

Quality Control.

The Quality control looked at the reliability, and validity of the research to ensure that the researcher receives the necessary information needed.

Reliability.

The researcher for purposes of ensuring maximum degree of consistency and reliability, the data produced using questionnaires was subjected to Cronbach's alpha reliability coefficient. For any Cronbach's Alpha coefficient for the questions asked in a questionnaire that is equal to or above 0.6 which is recommended by (Nunnally 1967), cited by (Kent, 2020), the questionnaire and interview guide will be considered reliable for collecting data.

Validity.

This refers to the degree to which research instruments measure what they are planned to gauge (Oso & Onen, 2008). Under this, pre-testing of the instruments will be done to ascertain their validity. Relevant and irrelevant aspects of the study shall be sorted or modified to suit the study. Content validity will also be done to show the extent to which the content of the instrument corresponds to the intended theoretical (Amin, 2005).To assess this, the key supervisors shall be reached to assess the pertinence of every item in the instruments to the goals. The researcher then rated each item as either irrelevant or not. Validity will be determined by utilizing Content Validity Index (C.V.I)

=Items rated relevant by both judges divided by the total number of items in the questionnaire as shown hereinafter.

Credibility and trustworthiness.

To ensure credibility and trustworthiness, a notifying paragraph will be used at the introduction of the questionnaire stating "Note that the data collected will be for academic purposes only and will be treated with utmost confidentiality." The Data Submitted shall only be used for academic purposes, and the credentials of respondents are considered confidential to the researcher unless permission is granted in writing.

All documents reviewed in this research were fully acknowledged by the corresponding authors and at the end of the research paper the researcher notifies that all the authors have been acknowledged by appending a signature against it.

Procedure of Data Collection.

The researcher presented the research proposal to the research supervisor for approval after which, he defended it to a panel of professors who would approve it. The researcher obtained an introduction letter from the University that allowed him to carry out the research. The researcher visited the field to get in touch with the respondents. The purpose and objectives of the study were made known to the respondents so that they stand on informed decisions for partaking in a certain move. The researcher assured the respondents that the information would be treated with utmost confidentiality and only used for this research study. Upon agreement, the researcher distributed questionnaires to the intended retirees, organized group and individual interviews, and conducted them as well. The survey period for data collection was one month and the questionnaires were picked after they were fully answered.

Data analysis.

Quantitative data analysis.

The study used a statistical package for social sciences (SPSS) to analyze the data and summarize raw data obtained from the respondents. This was after sorting, coding, and entering data into SPSS data analysis to generate various results.

Measurement of variables.

The researcher used an ordinal scale to measure the variables. The scale provides for variables that generate responses that can be ranked. The study shall use a four-point Likert scale and the level of agreement ranging from strongly disagree as response 1, disagree as response 2, u, agree as response 3 and strongly agree as response

4. Nominal variables will be captured with clear responses of yes or no to enable the respondent to draw a clear conclusion of the study findings, Yeadon, (2017).

Consent was obtained presenting to the respondents a letter specifying the details of consent. Respondent's names will not be mentioned to ensure anonymity and confidentiality in terms of any prospects. The researcher shall minimize bias. To guard against plagiarism, works of used authors in this work will be acknowledged whenever they are cited.

Ethical Considerations.

Confidentiality is a very crucial ethical benchmark to make preparations for this examination by educating the members ahead of time that their names would not be required and along these lines the data they give would stay mysterious, and any member shall not feel awkward to respond to specific inquiries, they reserve a privilege to be unmentioned and are not forced (Mugenda and Mugenda, 2003). To guard against written falsification, every single academic article and journal utilized will be referenced. The researcher will also ensure that creativity is guaranteed while utilizing others' work by checking plagiarism by utilizing trusted Software from university sites (Kothari, 2010).

More still, free will participation was fostered whereby respondents will be at liberty to take an interest in the investigation or not. The researcher openly explained to them through goodwill to guarantee that the study would maintain a strategic distance from inclination/bias. The analyst shall remain objective by guaranteeing the perspective of every single respondent is acknowledged without infringement. In instances of no response, the aider shall focus on building rapport with respondents to guarantee that no-response occasions are limited.

RESULTS.

The bio-data of respondents.

This section concerns the bio-data of the respondents stating the category of retirees responding to the role of pension and gratuity in Kiboga district hence analyzing the first section of the Questionnaire of this study and the findings are as shown.

Table 2. Sample population by Gender.

S/n	Category	Respondent
1	Male	164
2	Female	32
	TOTAL	196

The results in Table 2 clearly show that the biggest number of retirees in Wakiso is male and being so in one way or another determines the possibility of survival after retirement. This is because, by retirement age, men may have more ability to do heavier work than ladies.

Table 3 Marital Status Retirees.

S/n	Category	Respondent
Marital Status		
1	Married	102
2	Single	68
3	Divorced	12
4	Separated / widow/ widower	14

According to results in Table 3, the biggest number of retirees is married though it is commented that many are not under legal marriage, and 68 are completely single but with children, some are divorced and few either separated or lost a partner. This is crucial in retirees' ability to settle after service

Table 4 Sample size by Age

S/n	Category	Respondent
Age		
1	20-29	0
2	30-39	69
3	40-49	118
	50-59	9
4	Over 60	0
5	Average	65.3

According to the results in Table 4, the retirees are aged between 40 -19, which means they can work more and continue with life, these are normally it is a performance age of growth with only well-defined decisions for life.

Table 5 Educational Level of the Retirees.

S/n	Category	Respondent
Education Level		
1	Certificate	125
2	Ordinary Diploma	65
3	Bachelors	4
4	Post Graduate Diploma	0
5	Masters	2

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According to the results in Table 5, the biggest number of retirees have only attained a certificate as far as education is concerned. The sample population equated to 215 retirees, then out of the 196 respondents -sample size, only 2 attained master's, with 4 having Bachelor's degrees, 65 with ordinary diplomas, and 125 being with certificates (ordinary certificate, Uganda Advanced Certificate of Education, Uganda Certificate of Education, and Primary Leaving Examinations). This gives a picture that the biggest number of retirees did not go high with education.

Table 6 level of positions held while in service.

S/n	Category	Respondent
Designation		
1	Top Administration	7
2	Other positions	189

According to the results in Table 6, the biggest number of retirees was in lower positions with a total random sample size of 189. This project is the kind of life one is to live after retirement. This is because the pension is measured according to the salary one was receiving, which is also determined by rank

Table 7: Responses on pension and gratuity.

Table 8 Years spent in UPDF.

S/n	Category	Respondent
Level of experience (Years)		
1	Less than 1	0
2	1-3	0
3	3-6	0
4	6-9	0
5	Over 10	196

The findings in Table 8 all retirees have dully served the army to the utmost of over 10 years, which is a recommendable period. This implies all retires have satisfactorily served the UPDF.

Table 9: Pearson's Rank Correlation on Retirement Life.

		Retirement	Pension and Gratuity
Retirement	Pearson Correlation	1	.632[**]
	Sig. (2-tailed)		.000
	N	243	243
Pension and Gratuity	Pearson Correlation	.632[**]	1
	Sig. (2-tailed)	.000	
	N	243	243

Descriptor	Variable	Yes	No
RT	RETIREMENT	%	%
RT1	Do you understand pension and gratuity?	80	19
RT2	Is life after Service manageable?	31	78
RT3	Were you prepared to plan your retirement Life?	49	50
RT4	Is your retirement package recommendable?	75	22
RT5	Has your package helped you?	80	18
PENSION			
PS1	Did you receive your Pension?	92	8
PS2	Did you know what your retirement package should be?	42	58
PS3	Was your pension enough compared to the time of service?	80	20
PS4	Was the process in the offices friendly?	64	36
PS5	Did you experience any fraud?	79	21
GRATUITY			
GT1	Do you understand gratuity?	7	93
GT2	Did you know what your retirement package should be?	42	58
GT3	Was your gratuity enough compared to the time of service	70	23
GT4	Did you experience any fraud?	34	66
GT5	Has your package helped you in retirement?	68	32

According to the results, there is a positive significant relationship between Pension and Socioeconomic integration of 0.71 correlation and 0.00standard devastation roughly 71%. This indicates that any rise in pension, affects the socio-economic life of retirees positively and any reduction in pension affects the socio-economic life of retirees negatively.

Table 10: Pearson's Rank Correlation on Pension

		Pension	Socio-economic Integration
Pension	Pearson Correlation	1	.716**
	Sig. (2-tailed)		.000
	N	243	243
Socio economic Integration	Pearson Correlation	.716**	1
	Sig. (2-tailed)	.000	
	N	243	243

Table 11: Pearson's Rank Correlation on Gratuity

		Gratuity	Socio-economic Integration
Gratuity	Pearson Correlation	-1	-.448**
	Sig. (2-tailed)		.000
	N	113	113
Socio economic Integration	Pearson Correlation	-.448**	-1
	Sig. (2-tailed)	.000	
	N	113	113

**. Correlation is significant at the 0.01 level (2-tailed).

According to the results, there is a negative significant relationship between Goal gratuity and socio-economic integration of life of UPDF retirees of -0.448 of correlation and 0.00standard deviation of roughly 45%. Therefore, gratuity performs the most negative concept, it is too low to motivate UPDF retirees

DISCUSSION OF FINDINGS.

Pension.

The objective was to examine the role of pension on socio-socioeconomic life of UPDF retirees. Pension is taken in two folds, that is to say, knowledge and financial, for this research.

A pension plan is a retirement savings plan typically offered by an employer to their employees as a benefit. It is designed to provide retired employees with a source of income by contributing a portion of their salary to the plan during their working years.

Under the study, it was revealed that, on average 71% of the retirees are satisfied about their pension and as well agree that it has helped them in their life after service. Pension provision is at a positive hand as far as retirees are concerned. However, 28.6% never agreed with the facts. The interviews conducted exhibited a confirmation that they know pension, it is good and it has enabled them to catch up with life.

Platts et al. (2017) argue that employees generally have few plans for what they want to do with their retirement. As research put it forward, that pension lack of plans on how to spend pension funds renders several ex-servicemen unable to establish and run ventures so as they can stand in economic freedom. This means that the fact of pension as it is with UPDF is good and commendable, it is appreciated by the biggest percentage though with some loopholes, these loopholes from the interviews conducted it is evident and rooted in the low salaries they receive when in service, each rank accrues different amounts of pension yet at the same time, not all of them go through many ranks of growth, which keeps a number of them at a low position, hence becoming a disadvantage. In the researcher's view, once the salaries and growth aspect is handled then all the retirees shall be happy with pension

CONCLUSION.

it can be concluded that pension and gratuity play a very crucial and fundamental role in the socio-economic life of the retirees in Uganda most especially the UPDF. Answering those questions Uganda People's Defense Forces filling the gaps as they prepare the service men for retirement early enough, educate them, train them in financial management, and as well reward them openly, transparently, and clearly for what they have done and the service offered to the nation will make them easily and amicably transit into the civil society, happily, live longer and build the economy.

RECOMMENDATIONS.

In-service skills training.

Skills training is designed to provide employees with the targeted training they need to gain the knowledge and abilities necessary to fulfill the specific requirements of their job positions. Skills training can also be used to re-educate and retrain employees whenever new technology, processes, or systems debut. In addition to skills training for employees, there are also special training programs for new graduates who are just getting started in the workplace. Such training can be especially beneficial for jobs that require applicants to have experience. Additional specialized training programs include those for disabled veterans, workers' compensation clients, and vocational rehabilitation

It was realized that the greatest number of service men and women did not go far with formal education, this hindered their promotion and as well less money valued for retirement. In-service skills training will provide them with different hands-on skills like baking, Agriculture, and others which they can do after retirement other than looking for something new to do in old age. The trainings are conducted by skilled and knowledgeable trainers and are targeted towards improvement in productivity and product quality of existing small businesses.

Financial Management.

Financial management is the business function concerned with profitability, expenses, cash, and credit. These are often grouped under the rubric of maximizing the value of the firm for stockholders. Thus, has to be trained to the retirees so that they may know how to run businesses and incorporate them into their lives for survival. Without financial management, there is no business sustainability without financial management

The purpose of financial management is to guide businesses or individuals on financial decisions that affect financial stability both now and in the future. To provide good guidance, financial management professionals will analyze finances and investments along with many other forms of financial data to help clients make decisions that align with goals.

Financial management can also offer clients increased financial stability and profitability when there's a strategic plan for where why, and how finances are allocated and used. How financial management professionals help clients reach goals will depend on whether the client is a company or an individual

Academic training.

This refers to the long-term upgrading training program offered for employees to grow their careers. It is recommended to UPDF, especially for servicemen who never went far with education. This would build their profile and at the same time lead them to promotions. These promotions come along with an increase in pay, the higher

the pay, the higher the projection of pension and gratuity to be calculated

Revision of the Pension Formula.

The pension formula used for UPDF is not factorable at all for the lower ranks, they do heavy-duty work, receive low pay, and retire earlier than the rest, yet they are all subjected to the same formula for computation of their Pension and gratuity. It is recommended that the constant of the formula needs to match the age of the Retirement according to the ranks

Rehabilitation, Psychosocial support, and resettlement
This is a program to cater for rehabilitation to psychological challenges and resettlement issues to the retirees in case of any problem. Psychosocial issues are rampant nowadays, in regards to the stress problems of the time; they need support, unlike other civilians. This is because they are changing their livelihood from what they are used to. Whenever they face any challenge, it may lead to psychological and stress issues

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LIST OF ACRONYMS AND ABBREVIATIONS.

UPDF: People's Defense Forces
SPSS: Statistical package for social sciences
C. V. I: Content Validity Index

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CONFLICT OF INTEREST.

The author declares no conflict of interest

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