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INFLUENCE OF RETIREMENT SCHEME KNOWLEDGE ON JOB EXIT PREPAREDNESS AMONG HOSPITALS' EMPLOYEES IN NAKURU TOWN, KENYA

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ABSTRACT

Financial literacy enables individuals to plan for job exit and retirement, make proper choices on pension products and contribute effectively in management of their pension schemes. The objective of this study was to determine the influence of retirement scheme knowledge on job exit preparedness of employees in hospitals in Nakuru town, Kenya. The study was anchored on the Prospect Theory. The study adopted descriptive survey. The target population included employees in 15 hospitals in Nakuru town which have a total of 2221 employees. A sample of 96 respondents was selected as the respondents. Questionnaires were used for data collection. Questionnaires were tested for validity and reliability. Data was analyzed using descriptive statistics and inferential statistics and presented in tables accompanied by relevant discussions. The researcher established that retirement scheme knowledge had a significant relation with job exit preparedness. In this regard, the study concluded that retirement scheme knowledge had a crucial role in determining job exit preparedness of employees in hospitals in Nakuru Town. The study recommended that in regard to retirement scheme knowledge the employers should ensure that financial literacy programs and workshops be offered and conducted with comprehensive information on savings and more specifically on retirement be emphasized.

Keyword: Financial Literacy, Job Exit Preparedness, Hospitals' Employees, Retirement Knowledge Scheme, Retirement Scheme

1 .INTRODUCTION

There is increasing demand for workers to increasingly take on an unprecedented degree of responsibility for their retirement and other savings, as defined benefit pensions decline in a majority of organizations (Annamaria & Olivia, 2007). Therefore, workers are required to be rational thinkers as far financial decision making is concerned. This implies that it's becoming more important for households to acquire and manage economic know-how. But in practice, there is widespread financial illiteracy; many employees are unfamiliar with even the most basic economic concepts needed to make sensible saving and investment decisions. This has serious implications for saving, retirement planning, retirement, mortgage, and other decisions raising the need to boost financial literacy and education among the employees (OECD, 2005).
Research has been conducted worldwide for measuring the level of financial literacy. And also financial literacy survey has been conducted at country level by the governments. Most of the surveys have thrown light on their poor level of financial literacy. In the year 2006, the Special

Commission on Puerto Rico Government Pension Systems published a report that described how knowledgeable government employees were about the services and benefits of the retirement system. Some questions in the survey asked whether the employees knew about financial planning, pension benefits, social security benefits and health costs during retirement. Between 64 and 79 percent of the employees assured they did not have information about these matters. Studies show that once households calculate their savings needs after job exit, they often follow through with setting up retirement plan and are successful in sticking to their plan (Lusardi and Mitchell, 2011).

Bucher-Koenen (2011) examines financial literacy in Germany. Results seem similar. They found that knowledge of basic financial concepts is deficient among women, less educated, and those living in East Germany. Compared to West Germans, East Germans have little financial literacy, especially those with lower income and low education. Differences based on gender were not observed in the East. They also found a positive impact of financial knowledge on retirement planning. Alessie, Lusardi and Van Rooij (2011) results for the Netherlands concur. Also, Almenberg and Save-Soderbergh (2011) found similar results for a study conducted in Sweden.

Studies done in India also indicate low levels of financial literacy among employees (Agarwalla, Barua, Jacob & Jayanth, 2012; Lusardi, Mitchell & Curto 2006). This means that many individuals who lack financial literacy have been deterred from embracing innovative financial products, making sound financial planning decisions (Hilgert, *et al*, 2003; Agnew & Szykman, 2005;Alessie, et. al., 2007; Agarwal, *et al* 2007; Lusardi & Mitchell, 2005; 2007; Lusardi, 2008a; 2008b; Cory & Pickard, 2008), as well giving serious consideration and commitment to their financial plans.

Lack of proper preparation for job exit causes psychological distress, strains government support systems in countries where such systems exist and generally leads to old age poverty (Lusardi & Mitchell, 2011). The worrying trend observed by Hershey, Jacobs-Lawson, McArdle, and Hamagami (2007) is that many individuals do not save when they are economically active even though they have the financial resources to do so; a fact that could be attributed to inadequacies in financial literacy. Aluodi, Amos and Omboi (2017) showed that an individual who possesses a future time orientation and favourable retirement expectations are more likely to plan and save for retirement. However, individuals who lack financial knowledge may face negative consequences of their financial decisions and are less likely to plan for retirement and are more likely to end up with less wealth close to retirement (Van Rooji, Lusardi, & Alessie, 2011; Lusardi & Mitchell, 2007).

Nyamute and Monyoncho (2011) established that financial literacy among employees enable them understand the importance of different savings option at their disposal for life after employment. Well knowledgeable employees set aside adequate funds to secure their desired lifestyle after active working period. The amounts saved have been found to increase as an individual nears retirement on realization that it is important to save for retirement and a better appreciation and application of the financial management practices.

As observed by Lusardi and Mitchell (2007), fewer than half of Americans have even attempted to estimate how much money they might need in retirement, and many older adults face significant retirement saving shortfalls. While Keizi (2006) explained that the goal of social protection is not mere survival, but social inclusion and preservation of human dignity, on the other hand too liberal use of non retirement purpose runs the risk of depleting accumulated balance and leaving too little capital for retirement.

A study conducted by the Ministry of Finance and Economic Planning (MoFEP 2009) revealed that about 20 percent adults in Ghana have entry to financial services, for example, savings, loans, investment and insurance. However, FinScope Survey (2010 cited in Lisa & Bilal, 2012) on Access to Finance and Financial Literacy in Sub-Saharan Africa and Pakistan, in 2010 put those using financial products in Ghana at 56 percent, comprising 41 percent in the formal sector and the remaining 15 percent in the informal sector. This shows that access to financial service is lower in Ghana compared to Lesotho which is 81 percent. FinScope also indicated that 52 percent of urban adults have commercial bank accounts. Furthermore, only 4 percent have formal insurance, and an even smaller percentage has informal insurance. InterMedia (2010) reports the results of a national representative surveys of youths aged 15-24 in Ghana and Kenya on their access to financial information. The results show that older youths (aged 20-24) have more access to financial information than younger youths (aged 15-19), this makes it very imperative for teachers to start teaching financial literacy from the basic level of education.

In Kenya, the Fin-Access 2013 survey results revealed that the levels of financial literacy are low despite the concerted efforts to raise literacy levels by the government and other stakeholders. The Kenyan government while admitting the seriousness of this problem said “education and training in Kenya today is facing various challenges that have negatively impacted on its economic development (Fonseca, Mullen, Zamarro, & Zissimopoulos, 2010).

2. STATEMENT OF THE PROBLEM

Cases of labour downsizing have been a common occurrence in Kenya today. Faced with dwindling economic prospects, organizations are resulting to downsizing their labour force to try and reduce their operational expenditures. These cases have brought to light concerns on the fate of employees who are faced with eminent danger of retrenchment from their job. Thus there is need to examine the preparedness of employees to exit employment as there is no guarantees on security of tenure. The security of tenure in employment is one of the most important things to any employee as it ensures the financial stability of the employees. Any interruption or disruption to the continuity of employment has serious consequences for the daily life existence. Since 2008, Kenya has had bouts of retrenchments in both public and private institutions. International Labour Organization (ILO) (Working Paper no 13, 2010) indicated that as the records show, wage employment in manufacturing declined by 4 per cent during 2007-08, as a result of the closure of garment factories in the Export Processing Zones, EPZs, where employment contracted by 8 per cent. The standard digital news paper in November 2016 reported that companies that had jumped into the retrenchment bandwagon included Telkom (500 employees), Flower farm Karuturi (2,600), Kenya Meat Commission (118), Airtel (more than 60), Sameer Africa (600), Portland Cement (1,000), and Uchumi (253). Also, in the same year Kenya Flouspar Company shut its operations and sent home about 700 workers. Faced with the uncertain future, employees need to adequately prepare themselves for any eventuality that may lender them jobless. Based on this, the study sought to establish the influence of retirement scheme knowledge on employees’ job exit preparedness in Hospitals in Nakuru town.

3. OBJECTIVE OF THE STUDY

The objective of the study was to investigate the influence of retirement scheme knowledge on job exit preparedness among hospitals' employees in Nakuru town, Kenya.

4. HYPOTHESIS OF THE STUDY

Knowledge about the benefits of a retirement scheme has no significant influence on employees' job exit preparedness in hospitals in Nakuru town.

5.CONCEPTULA FRAMEWORK

Retirement Scheme Knowledge
- Financial needs in retirement
- Training on retirement planning
- Perception on retirement

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Job Exit Preparedness
- Debt level
- Level of saving
- Working after retirement

Independent Variables

Dependent Variable

6.THEORETICAL REVIEW

6.1 Prospect Theory

Prospect theory was developed by Daniel Kahneman, professor at Princeton University's Department of Psychology, and Amos Tversky in 1979 as a psychologically realistic alternative to expected utility theory. Kahneman (2003) explain that prospect theory allows one to describe how people make choices in situations where they have to decide between alternatives that involve risk. It describes how people frame and value a decision involving uncertainty and therefore they look at choices in terms of potential gains or losses in relation to a specific reference point, which is often the purchase price.

Prospect theory describes the states of mind affecting an individual's decision-making processes including regret aversion and loss aversion (Waweru et al, 2008). Regret is an emotion that occurs after people make mistakes. Investors avoid regret by refusing to sell shares whose prices have gone down and willing to sell those that have appreciated. Moreover, investors tend to be more regretful about holding losing stocks too long than selling winning ones too soon (Forgel and Berry, 2006). According to prospect theory, people feel more strongly about the pain from loss than the pleasure from an equal gain. People tend to under-weigh probable outcomes compared with certain ones and people respond differently to the similar situations depending on the context of losses or gains in which they are presented (Kahneman and Perttunen, 2004).

According to Kahneman (2003), an important implication of prospect theory is that the way economic agents subjectively frame an outcome or transaction in their mind affects the utility they expect or receive. This theory guided the current study which considered decision making between current consumption and savings for future consumption. This incorporates the usefulness of time value of money based upon discount rates and credit constraints and thus this study explored the influence of financial literacy and financial stability of employees upon job exit.

7.EMPIRICAL REVIEW

7.1 Retirement Scheme Knowledge

People with low financial literacy are less likely to plan for retirement (Lusardi & Mitchell, 2009). Providing for retirement is also important in financial management. This involves understanding how much it costs to live at retirement and coming up with a plan to distribute assets to meet any income shortfall (Hilgert & Hogarth, 2002). This helps to ensure financial security, physical and emotional health as well us a comfortable way to utilize so much free time after retirement. It is therefore important to take control of one's financial future by putting in place a retirement savings plan throughout one's working years.

Planning for retirement is considered an important but a difficult task; many employers have started offering financial education to their employees. Financial education is particularly prevalent among firms offering defined contribution pensions, where workers have to make their own decisions on how to allocate pension funds (Bernheim & Garrett, 2003). To ensure one is adequately preparing for retirement, Di Vito and Pospiech (2012) posit that a behavioural preparation process ought to occur. First, an individual must be excited about the prospects of retiring to be motivated enough to seek information and advice, and to finally take action to save for retirement. The final step generally involves choosing to save in personal retirement savings account, an employer retirement savings program, or both. The stronger the attitudes and behaviors are before taking the final step of saving in retirement accounts, the greater the likelihood that the chosen financial action would be "adequate" in ensuring a comfortable future retirement.

Njuguna and Otsola (2011) sought to assess the levels of financial and pension literacy amongst employees drawn from membership of occupational pension schemes in Kenya. The study found out an overall of 39.5% had participated in a finance or pension training much of which had been offered by RBA, and most of them had attended the training once. An overall of 45.3% of the respondents were in the low literacy group and demonstrated a strong understanding of pension scheme issues as opposed to financial issues. The literacy levels did not differ significantly between those with primary education and secondary education.

Sharon (2014) on her study on social and cultural dynamics of life after retirement from public service in Kenya: A case study of retirees from Kenyatta National Hospital, Nairobi Kenya. She found out that there was not enough preparation made towards retirement due to inadequate pre-retirement planning programs done by the public organisations and that support for the retirees was not sufficient and they were forced to cut down a lot of their expenditure after retirement which in turn affected the quality of services they could afford/access and in turn compromised the quality of life that they lived. The study retirement benefit schemes should be properly regulated and managed efficiently to ensure prompt and better payment for the retirees' pensions and further ensure a regular income for the retirees. The study also recommended that retirees should be encouraged to develop their own income generating activities or to actively engage in their hobbies whilst in employment and to continue even after retirement to avoid idling and to earn some extra income.

Lusardi (2008) asserts that basic financial knowledge is the working of interest compounding, basics of risk diversification and the difference between nominal and real values. She further asserts that financial literacy affects financial decision making and ignorance about basic financial concepts can be linked to lack of retirement planning, poor borrowing behavior and lack of participation in the stock. Financial literacy is measured by percent correct on knowledge tests where each question has a right answer (Al-Tamimi & Kalli, 2009).

Keizi (2006) observe that most of the people who have retired now did not have the opportunity to save enough for their old age due to fewer financial instruments available to them. Most people started engaging in business while they were just about to retire or when they have retired. According to Kapoor et al. (1994) most of these ventures usually do not survive and it means that the little hard- earned retirement savings go down the drain. It is vital to engage in basic retirement planning activities throughout one's working years and to update retirement plans periodically. Though it is never too late to begin sound financial planning, one can avoid the unnecessary difficulties by starting to plan early. Saving now for the future requires tackling the trade-off between spending and saving.

Githui (2011) investigated the perception of retirement by teachers in public secondary schools in Kenya. Noting that the mandatory retirement age is 60 years, the study notes that majority of the teachers are not ready to stop working until they reach 60 years of age. Furthermore, Majority of the teachers are not prepared for retirement and this causes stress and anxiety as Majority of the teachers take long before they receive their pension benefits after retirement.

7.2 Job Exit Preparedness

Di Vito and Pospiech (2012) posit that as individuals approach retirement, the question of whether they are financially prepared becomes top of mind. These doubts may be fuelled by several factors, such as employers moving away from offering the traditional defined benefit plan (pension plan) and the potential for Social Security benefits being decreased and delayed, all of which are increasingly shifting the responsibility to individuals to save for their own retirement. Different studies have indicated that many individuals may not have sufficient resources to maintain their financial independence during their retirement (Gist, *et al*., 2004). Lusardi, Skinner and Venti (2003) opine that many individuals encounter a late life financial shortfall that stems, in part, from a failure to set aside sufficient personal savings during their working years.

The lack of understanding among members of the public of the best approach to financing their retirement, including the appropriate level of saving, may in itself aggravate retirement risks in private systems (Mitchell and Bodie 2000), although some outstanding risks may be ameliorated by feasible financial innovations, such as a reverse mortgage system. Old age dependency has become a major issue of concern to governments today. This is because a large number of retirees lack any form of regular income to sustain them in retirement. Kenya has one of the highest levels of old age dependency currently estimated at 56% (Githui and Ngare, 2014).

The relationship between financial literacy and pension preparedness in the informal sector in Kenya is investigated by Ade (2013) using a stratified random sample of 30 traders in each of the selected markets from Nairobi. In each market, five informal sector traders were randomly selected from small scale trader categories namely second hand clothes dealers, small shops and kiosks, Jua Kali artisans, hawkers, fruits and vegetable vendors and food processing kiosks. The multivariate logit model developed from 150 responses to the questionnaires propose that retirement preparedness is explained by financial literacy, age, income, marital status and highest education level. The study notes that there is a statistically significant positive relationship between financial literacy and retirement preparedness. It is inferred that the foregoing study has not clearly articulated how retirement preparedness is measured in the study. The choice of the sample frame from micro scale entrepreneurs leads to questions on the possibility of retirement in the informal sector in Kenya.

The association between financial literacy and retirement planning in Russia is investigated by Klapper and Panos (2011). With a correlation matrix, a significant and positive association between savings for retirement and all financial literacy measures is established. Instrumental variables indicate that the three measures of financial literacy exert a positive impact on private retirement planning. Paradoxically, continuing to work after retirement is also positively correlated to correct financial literacy responses. This finding therefore suggests that financial literacy influences provate retirement planning though at the same time, financially literate individuals who have planned for retirement are not willing to retire which means that there may be other considerations for the willingness to stop actively working after retirement.

8.RESEARCH METHODOLOGY

The researcher adopted a descriptive research design that is unrestricted which as defined by (Devin, 2015) is an attempt to explore and explain a topic in the dark while creating a fuller picture of the topic. A research design as described by Mafuwane (2012) is the strategic framework for action that serves as a bridge between research questions and the execution, or implementation of the research strategy. The target population of this study consisted of employees working in hospitals with inpatient services in Nakuru town. There are fifteen (15) hospitals with inpatient services in Nakuru town with a total of 2221 (Nakuru County Ministry of Health 2018) employees. A sampling technique method was applied where 96 employees were selected and formed the population for the study. The main data collection instrument which was used in this study were questionnaires which contained both open ended and close ended questions with the quantitative section of the instrument utilizing a 5-point Likert-type scale format. Questionnaires were preferred since according to Dempsey (2003), they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the researched problem. The questionnaires were tested for validity and reliability. The primary data collected in this study was coded and tested for completeness and then analyzed using descriptive statistics and inferential statistics and presented using tables. Descriptive statistical techniques (frequencies, percentages, means and standard deviation) were employed to analyze field data from questionnaires to assist the interpretation and analysis of data using Statistical Package for Social Sciences (IBM SPSS). Inferential statistics, in form of Pearson correlation coefficient were used to check the relationship between the variables.

9.FINDINGS AND ANALYSIS

96 questionnaires were distributed to be filled by the respondents for data collection. 8 questionnaires were not returned. 88 questionnaires were completely filled up and returned for data analysis. This represented a response rate of 91.7 % which was characterized as very good (Mugenda & Mugenda, 2003).

9.1 Descriptive Statistics

9.1.1 Retirement Scheme of Knowledge Descriptive Statistics Results

The study observed respondents view regarding retirement scheme knowledge and findings from the analysis were as presented in Table 4.4

Table 4. 1: Descriptive Statistics on Retirement Scheme of Knowledge

	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
I am aware of my financial needs in retirement	30.7	48.9	2.3	8.0	10.2	3.82	1.246
I am always ready to exit my job due to great awareness of my finances	17.0	28.4	27.3	15.9	11.4	3.24	1.241
Awareness of retirement financial needs gives me financial security	26.1	38.6	17.0	11.4	6.8	3.66	1.183
I have attended workshops on retirement planning	2.3	12.5	13.6	36.4	35.2	2.10	1.094
I have received training on job exit preparedness through financial planning	5.7	12.5	5.7	40.9	35.2	2.12	1.192
I have ensured that my assets are well distributed to meet any income shortfall that may arise	11.4	40.9	6.8	27.3	13.6	3.09	1.301
I plan for my future financial needs by being in a savings scheme	26.1	58.0	2.3	6.8	6.8	3.90	1.083
Valid N (listwise)	88						

From the table, findings indicate that respondents agreed that they are aware of their financial needs in retirement. 48.9% of the respondents agreed while 30.7% of them strongly agreed with the assertion returning a mean of 3.82 and a standard deviation of 1.246. On the other hand, respondents were undecided (M=3.24, SD=1.241) whether they are always ready to exit their job due to great awareness of their finances. 45.4% of the respondents agreed, 27.3% of them were undecided while 27.3% of the respondents disagreed. Further, findings also demonstrated that respondents agreed with a mean of 3.66 and a standard deviation of 1.183 that awareness of retirement financial needs gives them financial security. 38.6% of the respondents agreed while 26.1% of them strongly agreed with the statement. In addition, 36.4 % and 35.2% of the respondents disagreed and strongly disagreed respectively that they have attended workshops on retirement planning hence registering a mean of 2.10 and a standard deviation 1.094. Respondents were also in disagreement that they have received training on job exit preparedness through financial planning. 40.9% of the respondents disagreed while 35.2% of them strongly disagreed. This aspect had a mean of 2.12 and a standard deviation of 1.192. Findings demonstrated that (M=3.09, SD=1.301) respondents were not sure whether their assets are well distributed to meet any income shortfall that may arise. 52.3% of the respondents agreed, 6.8% of them were undecided while 40.9% of them disagreed. Finally, respondents agreed that they have a plan for their future financial needs by being in a savings scheme.58.0% of the respondents agreed while 26.1% of the respondents strongly agreed registering a mean of 3.90 and a standard deviation of 1.083.

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9.1.2 Job Exit Preparedness Descriptive Statistics Results

The researcher sought to examine job exit preparedness of the employees in hospitals. The percentages, mean and standard deviation were computed. Findings from the analysis were as presented in Table 4.8

Table 4. 2: Descriptive Statistics Of Job Exit Preparedness

	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
I have avoided being in much debt that may strain my finances in case of job termination	36.4	44.3	8.0	4.5	6.8	3.99	1.119
I fear that I may not have cleared my debts at job termination	5.7	23.9	17.0	29.5	23.9	2.58	1.248
I ensure that I save a huge portion of my income for the sake of the future	28.4	35.2	11.4	18.2	6.8	3.60	1.264
I have always ensured that I have savings amounting to at least six months of my income to shield me upon job exit	14.8	35.2	14.8	27.3	8.0	3.22	1.227
I plan to be working way after my retirement	17.0	38.6	22.7	8.0	13.6	3.37	1.253
I have already set up a side business to replenish my income	6.8	47.7	18.2	17.0	10.2	3.24	1.135
I would like to exit this job before my retirement age	18.2	31.8	21.6	11.4	17.0	3.23	1.345
I plan to build a business that can sustain me in case a job termination	39.8	45.5	6.8	2.3	5.7	4.11	1.033
Valid N (listwise)	88						

From the table, findings demonstrated that majority of the respondents agreed that they have avoided being in much debt that may strain their finances in case of job termination. 44.3% of the respondents agreed while 36.4% of them strongly agreed registering a mean of 3.99 and a standard deviation of 1.119. 29.5% and 23.9% of the respondents disagreed and strongly disagreed respectively that they fear that they may not have cleared their debts at job termination where a mean of 2.58 and a standard deviation of 1.248 were registered. Further, findings also demonstrated, that with a mean of 3.60 and a standard deviation of 1.264, respondents agreed that they ensure that they save a huge portion of their income for the sake of the future. 35.2% and 28.4% of the respondents agreed and strongly agreed respectively. Respondents also were not sure (M=3.22, SD=1.227) whether they always ensure that they have savings amounting to at least six months of their income to shield them upon job exit. 50.0% of the respondents agreed, 14.8% of them were neutral while 35.3% of the respondents disagreed. In addition, respondents agreed that they plan to be working way after their retirement. 38.6% and 17.0% of the respondents agreed and strongly agreed respectively registering a mean of 3.37 and a standard deviation of 1.253. A mean of 3.24 and a standard deviation of 1.135 were registered where 53.5% of the respondents strongly and/or agreed that they have already set aside business to

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replenish their income. They were also not sure (M=3.23, SD= 1.345) whether they would exit job before their retirement age. 50.0% of the respondents strongly and/or agreed, 21.6% of them were not sure while 28.4% of the respondents strongly and/or disagreed. Additionally, 45.5% and 39.8% of the respondents agreed and strongly agreed respectively that they plan to build a business that can sustain them in case of job termination. A mean of 4.11 and standard deviation of 1.033 were registered.

9.2 Correlation Analysis

Relationship between Retirement Scheme Knowledge and Job Exit Preparedness

The researcher sought to establish whether there existed any significant relationship between retirement scheme knowledge and job exit preparedness in hospitals. The findings were as shown below.

Table 4. 3: Correlations between Retirement Scheme Knowledge and Job Exit Preparedness

		Retirement Scheme Knowledge	Job Exit Preparedness
Retirement Scheme Knowledge	Pearson Correlation	1	.467**
	Sig. (2-tailed)		.000
	N	88	88
Job Exit Preparedness	Pearson Correlation	.467**	1
	Sig. (2-tailed)	.000	
	N	88	88

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

An average positive significant (r=.467, p=.000) relationship was established between retirement scheme knowledge and job exit preparedness. The study therefore observed that retirement scheme knowledge was important in determining job exit preparedness of an employee in an organization. As such, the level of awareness of retirement scheme knowledge helps an employee in job exit preparedness.

9.3 Hypothesis Testing

The first hypothesis $\mathbf{H_{01}}$ indicated that there is no significant influence of retirement scheme knowledge and job exit preparedness of employees in hospitals in Nakuru town. Simple linear regression analysis gave the following results.

Table 4. 4: Model Summary on Retirement Scheme Knowledge

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.467[a]	.218	.209	.54805

a. Predictors: (Constant), Retirement Scheme Knowledge

From the model summary, the R-squared value was 0.218. This indicated that retirement scheme

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knowledge could significantly add up to 21.8% of the total variance in job exit preparedness. As such, level of awareness of retirement scheme knowledge would lead up to 21.8% variation in job exit preparedness of an employee in an organization. The analysis of variance results as shown in Table 4.14.

Table 4. 5:ANOVA[b] on Retirement Scheme Knowledge

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.197	1	7.197	23.961	.000[a]
	Residual	25.831	86	.300		
	Total	33.028	87			

a. Predictors: (Constant), Retirement Scheme Knowledge

b. Dependent Variable: Job Exit Preparedness

The table indicated an F-value ($F_{(1, 86)}$ =7.197, p=.000) which was significant at $p<.05$ level of significance. This indicated that retirement scheme knowledge significantly influenced job exit preparedness of employees. Therefore, the null hypothesis $\mathbf{H_{01}}$ that, knowledge about the benefits of a retirement scheme has no significant influence on employees' job exit preparedness in hospitals in Nakuru town was rejected. The researcher concluded that level of awareness in retirement scheme knowledge has a significant influence on job exit preparedness of employees in hospitals.

10 .CONCUSIONS AND RECOMMENDATIONS

The researcher established that retirement scheme knowledge had a significant relation with job exit preparedness. In this regard, the study concluded that retirement scheme knowledge had a crucial role in determining job exit preparedness of employees in hospitals in Nakuru Town. Therefore, the researcher recommended that in regard to retirement scheme knowledge the employers should ensure that financial literacy programs and workshops should be offered and conducted with comprehensive information on savings and more specifically on retirement be emphasized. Further the study recommended that financial education programs should be developed to focus particularly on the importance of financial planning and savings. Also it was recommended that various forums should be enhanced to create awareness to the employees on forms of financial instruments for investment that would enable them to choose the instruments to invest in and that would determine returns expected from such investment.

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