MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

AN ASSESSMENT OF UPTAKE OF PENSION (SCHEME) SERVICES IN THE INFORMAL SECTOR: A CASE OF NSSF-UGANDA

BY

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A RESEARCH REPORT SUBMITTED TO MAKERERE UNIVERSITY BUSINESS SCHOOL (FACULTY OF GRADUATE STUDIES AND RESEARCH) IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF MAKERERE UNIVERSITY

November, 2024

"PLAN B"

DECLARATION

I declare that this is my original work. It has never been published or submitted for any award to any University.

Signature………………………………………….. Date……05/11/2024.…………

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APPROVAL

This research report has been submitted with my approval as the university supervisor.

Sign…………………………………….. Date 05-11-2024

Dr. Nkote Isaac

Supervisor

Sign…………………………………….. Date 06/11/2024

Mr. Mukasa Joseph

Supervisor

DEDICATION

I dedicate this work to my family members who have supported me throughout my academic journey.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF ABBREVIATIONS

EAC	: East African Community
GDP	: Gross Domestic Product
ILO	: International Labour Organisation.
NSSF	: National Social Security Fund
SPSS	: Statistical Package for the Social Sciences
URBRA	: Uganda Retirements Benefits Regulatory Authority

ABSTRACT

The study was about uptake of pension (scheme) services by the informal sector, using NSSF as a case study. It was guided by three objectives which are; i) to assess the level of pension scheme uptake by the informal sector, ii) to examine the challenges related with uptake of pension (scheme) services by the informal sector and iii) to identify strategies that have been used elsewhere to improve uptake of pension (scheme) services by the informal sector.

The research study used a cross-section research design and adopted a quantiative aproach to collect data from 210 respondents who were selected using the Krejcie and Morgan, (1970) table. The study findings revealed that regarding the level of pension scheme uptake by the informal sector, it is evident that participation rates are generally low, with informal sector workers facing various barriers to enrollment and engagement. The results further revealed that due. lack of awareness and trust issues to administrative complexities and financial constraints, informal sector workers encounter significant challenges in accessing and participating in pension schemes. The exploration of strategies used elsewhere to improve uptake of pension (scheme) services by the informal sector provides valuable insights into potential avenues for addressing the identified challenges. Simplifying enrollment processes, implementing targeted awareness campaigns, leveraging community collaborations, and offering lower-cost pension plans are among the strategies perceived as effective in enhancing participation rates.

Based on the results the study concluded that there is a complex landscape of pension scheme uptake by the informal sector, characterized by low participation rates and numerous challenges. Addressing these challenges requires a comprehensive approach that encompasses awareness-building, simplification of processes, trust-building, and the adoption of innovative strategies.

It was suggested that NSSF should invest in targeted awareness campaigns specifically tailored to the needs and circumstances of informal sector workers. It was also recommended that NSSF should streamline the enrollment processes for pension schemes to make them more accessible and user-friendly for informal sector workers. NSSF should develop and implement financial literacy programs focused on the unique needs and challenges of the informal sector.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

One of the fundamental global problems threatening the concept of social security protection is the fact that the greater part of world's population is excluded from any type of social security protection. The uptake of pension (scheme) services has been a subject of intensive scholarly inquiry, reflecting the significance of these schemes for the economic well-being of individuals, especially in their retirement years. Pension systems serve two core functions: alleviating poverty and smoothing consumption over an individual's lifecycle (Liu & Sun, 2016; OECD, 2010). The emphasis on individual responsibility has led to a significant exclusion in the benefits sector, making reform essential to extend coverage to the formal and informal sectors (Niño-Zarazúa et al., 2012).

Despite globalization and its expected outcome of greater income security and growing economies; there has been an increased number of workers, including women, forming part of the rather informal work force with stagnating growth in the formal employment in many African countries (Ngomba, 2020). Even though most of the affected individuals are informal sector workers in developing countries, little energy has been expanded to address the needs of the lower-income earners. The resulting scenario is thus one in which the disparity between the rich and the poor perpetuates through to old age; a concern particularly basic as only 10% to 15% of the growing world population currently contributes to pension funds (Musaali et al., 2019).

The uptake of pension schemes in the informal sector remains significantly low due to various challenges, including lack of awareness, limited financial literacy, and perceived irrelevance of pension products among informal workers. According to Haan and Lindeboom (2020), many informal sector workers view pension schemes as complicated and disconnected from their immediate financial needs, leading to a hesitance in engaging with these services. Additionally, research by Lemaire (2021) emphasizes that the absence of tailored pension products that consider the irregular income patterns typical in the informal sector further exacerbates the low uptake. Addressing these barriers through targeted education and the development of flexible pension options could enhance participation rates (Bächtiger et al., 2022).

The uptake of pension schemes in the informal sector faces several challenges, including a lack of awareness, limited financial literacy, and insufficient trust in financial institutions. Informal workers often do not understand the benefits of pension schemes, viewing them as irrelevant to their immediate needs (Haan & Lindeboom, 2020). Additionally, many informal sector workers experience irregular income, making it difficult for them to commit to regular contributions (Lemaire, 2021). To address these challenges, targeted strategies are needed, such as implementing educational programs that raise awareness about the importance of pensions and providing tailored products that accommodate the financial realities of informal workers (Bächtiger et al., 2022).

The urgent challenge facing Uganda's Retirement Benefits Sector is coverage to the informal sector, such as for old-age security, with only an estimated 14% of the workforce under some retirement benefit arrangement (URBRA, 2018). With increased life expectancy, the limited pension savings create a higher social security problem, and while there have been past reforms, they have not fully addressed the issues of coverage and efficiency (URBRA, 2018; Munyambonera, Katunze, Munu & Sserunjogi, 2018). Consequently, the need for comprehensive reforms is paramount to extend coverage and address efficiency challenges in extending pensions to the informal sector. Hence this study assessed the uptake of pension (scheme) services by the informal sector, using NSSF as a case study.

1.2 Statement of the problem

In Uganda, despite various initiatives by the government to broaden retirement security, the National Social Security Fund (NSSF) indicates a pressing issue: only 14% of the population is enrolled in any form of pension scheme, with a notably low rate among the informal workforce (NSSF, 2018). Moreover, the organization reports that only 6.6% of the total labor force are active pension savers, translating to approximately 300,000 active contributors out of a workforce of about 4.5 million people (World Bank, 2020). The financial weight of this saving behavior is also minimal, with benefit payments representing a mere 0.35% of the country's GDP. The issue is further aggravated by irregular contribution patterns, where only 50% of registered contributors make consistent payments, and early withdrawals in both mandatory and voluntary schemes under NSSF's management, with reports showing that about 40% of contributors withdraw their savings before retirement (NSSF, 2021). This troubling situation shows a serious problem for retirement security in Uganda, as the very low enrollment and savings rates in pension schemes, especially among informal workers, put the financial future of many retirees at risk and threaten the stability of the country's social security system. Given these specific metrics related to the NSSF, it is crucial to conduct a comprehensive examination of the unique challenges hindering pension scheme uptake within this institution and to develop targeted strategies for improvement.

1.3 Purpose of the study

The study assessed uptake of pension (scheme) services by the informal sector, using NSSF as a case study.

1.4 Objectives of the study

i. To assess the level of pension scheme uptake by the informal sector
ii. To examine the challenges related with uptake of pension (scheme) services by the informal sector.
iii. To identify strategies to improve uptake of pension (scheme) services by the informal sector.

1.5 Research questions

i. What is the current level of pension scheme uptake by the informal sector?
ii. What are the challenges related with uptake of pension (scheme) services by the informal sector?
iii. What are the strategies to improve uptake of pension (scheme) services by the informal sector?

1.6 Scope of the study

1.6.1 Subject scope

The study examines the current uptake of pension schemes by the informal sector, identifying key challenges such as awareness, affordability, and complexity of services. It also explores strategies to improve engagement, including enhancing awareness, simplifying enrollment processes, and designing more accessible financial products. The focus was on understanding how to provide actionable insights for increasing pension scheme participation in the informal sector.

1.6.2 Geographical scope

The study was carried out at the head office of the NSSF located on Plot 1 Pilkington Road, Workers House, 14th Floor, Kampala Central Business District. The NSSF was selected as the case study due to its primary focused efforts towards the informal sector and due to its significant role and extensive experience in providing pension services, making it a representative and insightful example for assessing pension scheme uptake in the informal sector.

1.7 Significance of the study

The research findings are poised to enhance the understanding of the pension scheme's penetration within the informal sector. By identifying potential gaps and areas for improvement in current practices, this study may contribute to the development of targeted strategies, thereby increasing the efficacy of NSSF's operations. Additionally, the outcomes of the study can lay the foundation for long-term financial stability, a critical factor in ensuring the scheme's sustainability.

The research holds the promise of illuminating paths for workers in the informal sector to access secure retirement benefits. Through the evaluation of existing channels and the proposal of tailored approaches, the study aims to facilitate skill-building and awareness, enabling improved engagement with pension schemes.

The findings from this research align with the national objective of providing financial security to a broader population. By assessing and addressing the barriers faced by the informal sector in accessing pension schemes, the study could inform policy-making and regulatory actions, thereby contributing to an inclusive and robust social security framework.

The research fostered strengthened associations with financial institutions, technology providers, and consulting services. By uncovering new avenues for managing pension schemes within the informal sector, business opportunities may emerge, contributing to the development of innovative solutions and partnerships.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section presents the literature on uptake of pension (scheme) services, challenges in uptake of pension (scheme) services, and strategies of improving uptake of pension (scheme) services.

2.2 Uptake of pension (scheme) services

The dynamics of pension scheme uptake have become an increasingly pertinent area of research in recent years, particularly in the wake of changing demographics and economic shifts. This review consolidates findings from the literature, addressing key aspects such as demographic influences, economic factors, cultural considerations, regulatory environment and the role of financial literacy.

Age and gender continue to play significant roles in pension scheme uptake. Recent studies have identified a growing awareness among younger individuals, yet age-related disparities persist (Kibona, 2020). Gender inequalities in pension scheme participation have also been observed, particularly in developing economies (Chebii et al., 2024). The regression results of a Ghanaian study showed that age has a negative influence on participation in a Micro Pension Scheme. The study results further showed that with every one year- age increase of an urban informal worker, there was a 0.3% reduction in their willingness to be part of a micro pension scheme. The implication is that the younger an urban informal worker is, the more likely they are willing to save for retirement (Ngomba, 2020). Githui and Ngare (2014) who used Pearson's Chi-square tests to show how gender, age, marital status, occupation, income and financial literacy influenced retirement planning: also concluded that all variables except gender significantly affected retirement planning.

Income and employment status remain critical factors in pension participation. High-income earners and full-time employees are more likely to adopt pension schemes (Florence & Farida, 2020). Gig economy workers have been found to have low participation rates, reflecting a new dimension of employment-related disparities (Kehinde et al., 2023). Lack of consideration of low-income earners in the construction of pension and provident funds is showed by Collins-Sowah (2013) in a study conducted in Ghana. The author postulates that the appreciation of the need to plan for old age, at a national level, has resulted in creation of ‘all inclusive’ schemes which are hyped to cater to the needs of the population. These schemes are however lacking in that they seldom include provisions for lower income earners. Beauticians, drivers, vegetable farmers and woodworkers, as postulated by the author showed an 87% willingness to participate in retirement saving schemes (Barslund, 2020). However, this willingness was curtailed by the lack of sufficiently structured pension plans. For instance, premiums offered were considered too high.

People in middle and the two highest quintiles of income are more likely to uptake pension compared to those in the two lowest quintiles since at least they have something to save from their income. In the informal economy, individuals have low and unstable income to pay for social security and this influences exclusion from benefiting from social security (Mavlutovaa et al., 2015). A study by Kwena and Turner (2013) identified that poor people are not financially included though they have the same needs as others in the higher levels of income. It was also concluded by Agravat and Kaplelach (2017) that higher income is positively related to pension uptake in their study. Cultural norms and societal values shape attitudes towards pension schemes. In societies with strong familial support systems, pension planning may be less prioritized (Shouji & Jiye, 2014). Alternatively, urbanization and individualistic cultures have been linked to higher pension scheme adoption (Basiglio & Oggero, 2022).

The role of financial literacy in pension scheme participation continues to be emphasized in recent literature. Enhanced financial education programs have shown positive correlations with pension scheme engagement (Kolodiziev *et al.,* 2021). Digital platforms have also emerged as tools for enhancing financial literacy and pension scheme uptake (Bloom & McKinnon, 2013). The rise of technology has had a substantial impact on the pension landscape. Digital platforms are facilitating easier access to pension schemes, especially among younger populations (Kajwang, 2022). Fintech solutions are also bridging the gap for those with limited financial literacy (Alexander & Maria, 2024). Behavioral economics has emerged as a significant field in understanding the uptake of pension (scheme) services. Various cognitive biases, such as procrastination and loss aversion influence decision-making in pension planning (Srichander, 2012). Interventions designed to align with human psychology are showing promise in enhancing pension scheme adoption (Segbenya *et al.,* 2024).

There has been a growing interest in the pension dynamics of emerging markets and developing economies. Cultural, regulatory, and economic disparities are more pronounced, leading to unique challenges and opportunities (Adzawla et al., 2015). The experiences of countries like Brazil, India, and South Africa are providing valuable insights into different pension landscapes (Makochekanwa et al., 2024). Comparative studies across different regions and countries have enriched the understanding of pension scheme uptake. Such research highlights variations in policy frameworks, institutional designs, and individual behaviors, leading to diverse pension outcomes (Yu & Stewart, 2019). Recently, the sustainability of pension schemes and the integration of Environmental, Social, and Governance (ESG) principles have come to the forefront (Temsumrit, 2023). The alignment of pension investments with sustainable development goals is becoming an area of interest.

2.3 Challenges of uptake of pension (scheme) services

The complexity of pension schemes can deter participation, especially among lower-income individuals (Segbenya et al., 2024). Efforts to increase financial literacy through education have been inconsistent, often failing to significantly boost engagement with pensions (Kajwang, 2022). It is evidenced by Kolodiziev *et al.,* (2021) that customized educational initiatives tailored to specific demographics may enhance understanding and engagement.

Lower income groups find the affordability of contributions a barrier, reducing participation (Florence & Farida, 2020). Wealth gaps between different economic classes create disparities in pension participation (Ngomba, 2020). The unpredictability of financial markets causes concerns about the safety of pension investments (Jairous et al., 2023). Different risk perceptions may influence investment decisions and participation in pension schemes.

The challenge of an aging population is highlighted by the increasing life expectancy and declining birth rates, which strain the sustainability of pension systems (Danquah, 2019). Growing imbalances between the working population and retirees strain pension funds (Ceni, 2017). Gender disparities further complicate the landscape; women's pension savings are often lower due to career interruptions for childcare, and persistent wage disparities between genders result in unequal pension contributions and benefits (Munyambonera et al., 2018).

Regulatory complexity has emerged as a significant challenge. Varied regulations across regions complicate participation, especially for mobile workers (Okechukwu et al., 2016). High administrative and compliance costs may discourage employers from offering pension schemes (Obasa, 2022). Pension policies often fail to cater to diverse individual circumstances, such as temporary or part-time employment (Sánchez & Tuomas, 2020). Lack of adaptable options can lead to non-participation among those seeking more personalized pension solutions.

Cybersecurity risks have become a growing concern in recent years. Concerns over data security and potential breaches have increased hesitancy in online pension management (Danquah, 2019), and ensuring regulatory measures to protect online pension management has become a focal area for governments (Kibona, 2020). Technology accessibility has also posed a challenge; limited access to technology, especially in rural areas, hinders participation in digitally managed pension schemes (Makochekanwa et al., 2024). The complexity of online interfaces can deter older or less tech-savvy individuals from engaging with pension platforms (Adzawla et al., 2015).

Cultural attitudes towards saving are diverse and impactful. Cultural beliefs and norms around saving for retirement vary widely, impacting participation rates (Alexander & Maria, 2024). In some cultures, dependence on family rather than pension schemes is common, affecting uptake (Bloom & McKinnon, 2013). Trust in financial institutions also plays a role; confidence in financial institutions and government has been found to correlate with pension participation. Previous financial crises or institutional failures can linger in collective memory, affecting trust (Basiglio & Oggero, 2020).

The environment and sustainability are becoming increasingly relevant in the context of pension schemes. An increased interest in ethical investment options has put pressure on pension funds to align with sustainability goals (Barslund, 2020). Pension funds' exposure to climate-related risks is becoming a pertinent issue, affecting investment strategies (Kehinde *et al.*, 2023).

2.4 Strategies to address the challenges of uptake of pension (scheme) services

Lichtenstern & Zagst (2022) in Nigeria explored how the productivity of employees is affected when they have a contributory pension scheme. The study used personal interviews and a questionnaire. It was noted that where the pension measures adopted are effective, they trigger efficiency, assist in reducing redundancy and conflict as well as boosting employee competency and productivity. However, the study was in the regional context and was limited to effect of pension scheme on employees' productivity.

The study by Bovenberg et al., (2016) on saving and investing over the life cycle and the role of collective pension funds recommends that a pension scheme be subjected to frequent reviews in order to streamline it, adequate supervision of sensitization programs, as well as up-to-date information sharing with its stakeholders. Employing technology strategically can bridge the digital divide and increase pension participation among various groups. This includes developing user-friendly mobile apps and online platforms that can engage potential participants, especially among the younger demographic. Utilizing big data analytics can help in tailoring communication and products to individual preferences and needs (Fisnik & Grima, 2022). Fintech innovations can provide solutions to reach underserved populations, offering accessible and affordable pension products (Abednego & Jangogo, 2019).

Addressing the legal and regulatory challenges requires a concerted effort to simplify and harmonize regulations. Encouraging the development of pension products that suit various population segments requires a flexible regulatory environment that promotes innovation without compromising consumer protection (Sánchez & Tuomas, 2020). Collaborative efforts between regulators and industry stakeholders can foster a conducive environment for the growth and diversity of pension schemes. Behavioral economics has highlighted the importance of pushing individuals towards better financial decisions. Implementing auto-enrollment, providing easily understandable information, and utilizing personalized communication strategies can overcome inertia and procrastination in pension planning (Tuomas, 2022). Financial education campaigns targeting different demographic groups can foster understanding and appreciation of pension benefits (Munyambonera et al., 2018).

Strategies to build trust in pension schemes involve transparent management, ethical investment practices, and rigorous governance structures. Enhancing the resilience of pension funds against market fluctuations through diversified investment portfolios and risk management practices helps in assuring participants of the stability and integrity of the scheme (Ceni, 2017). Addressing gender inequality in pension participation requires a multifaceted approach. This includes recognizing and addressing gender-specific barriers such as wage gaps, career interruptions, and part-time work.

Tailoring pension products to meet the unique needs of women and implementing policies that promote gender equality in the labor market can lead to increased pension participation among women (Danquah, 2019). The evolving nature of work requires pension schemes to adapt to non-traditional employment patterns. Flexible pension products that cater to part-time, temporary, and gig economy workers can fill the gaps in pension coverage (Jairous et al., 2023). Collaborations between pension providers, employers, and policymakers can create tailored solutions that align with changing labor market dynamics.

Responding to growing concerns about environmental, social, and governance factors involves integrating ESG considerations into pension investment strategies. This can appeal to socially conscious individuals and align pension investments with broader societal goals. ESG integration requires collaboration between pension funds, asset managers, and regulators to ensure alignment with fiduciary responsibilities (Kibona, 2020). Building trust in digital pension platforms requires robust cyber security measures. Implementing state-of-the-art security protocols, conducting regular audits, and ensuring compliance with data privacy regulations can mitigate the risks of cyber-attacks and data breaches (Danquah, 2019).

Recognizing and addressing cultural attitudes and societal norms requires targeted interventions. Customized pension products that resonate with different cultural values and norms can foster broader participation (Yu & Stewart, 2009). Collaboration with community leaders and stakeholders can ensure that pension schemes align with local values and needs.

The impact of climate change on pension funds necessitates strategies that recognize and mitigate related risks. This includes incorporating climate risk assessments into investment decisions and supporting a transition to a low-carbon economy. Aligning pension investments with climate goals can create a sustainable path for pension funds and contribute to broader societal resilience (Sánchez & Tuomas, 2020).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section presents the methodology that was used to conduct this research. It specifically covered the research design, study population and sample size, data sources, research instruments, reliability and validity of research instruments and data processing and analysis. It also covered the ethical considerations.

3.2 Research design

The study used a cross-sectional survey design, which is ideal collect data at a single point in time from a group of people or entities who reflect a wider population (Dermatol, 2016). The cross-sectional survey design was most relevant for the study because it enabled the researchers to assess the current status of uptake of pension (scheme) services by the informal sector.

3.3 Population

The population for this study comprised of a total of 464 staff working at the head office of the NSSF. This is because these staff are knowledgeable about the pension scheme operations as they are central to its uptake and management. NSSF is subdivided into three main departments; Commercial which is the biggest, Investment and Finance. The respondents came from the Commercial department which is more related to the area of study and the fact that it’s the biggest department. The key respondents were the people at the lower levels; field officers because they are the ones involved in uptake operational activities.

3.4 Sample size and technique

The sample size was 210 staff was determined from a population of 464 individuals basing on Krejcie and Morgan, (1970) table for determining the sample size. probability sampling was used because it ensured that every individual in the population had an equal chance of being selected, thereby enhancing the generalizability of thefindings to the larger population. The respondents were selected using simple random sampling by assigning a unique identifier to each potential respondent in the sampling frame and then using a random number generator to select participants. This method was selected because it is easy to use and accurate in representation. This method is convenient to extract research samples from a large population (Dhivyadeepa, 2015).

3.5 Data source

The study employed primary sources of data. Primary data was obtained directly from the chosen sample of respondents using interviews.

3.6 Data collection instrument

Structured questionnaire was used for collecting data. The questionnaire was self-administered. It consisted of closed ended questions that seek information on the uptake of pension (scheme) services, challenges affecting uptake of pension (scheme) services and strategies to improve uptake of pension (scheme) services. The questionnaire was comprised of four sections. Section A, B, C and D. Section A was comprised of one part about the profile of the respondent. Section B was comprised of the questions on the uptake of pension (scheme) services. Section C was comprised of the questions on the challenges related to uptake of pension (scheme) services while section D tackled strategies to improve uptake of pension (scheme) services. Questionnaires are preferred for this study because; it is generally relatively quick to collect information using a questionnaire and also potential information can be collected from a large portion of a group. Further, the return rates can be dramatically improved if the questionnaire is delivered and responded to in the right time.

3.7 Pretesting the measurement instrument for reliability and validity

3.7.1 Reliability

The reliability of the instruments was assessed using the internal consistency technique, in which Cronbach's Coefficient Alpha were calculated using the average inter-correlations among the items assessing the idea. Amin (2015) asserts that any instrument considered to be dependable for data collection has a Cronbach's Coefficient Alpha of 0.7 or higher. To this end, the researcher pre-tested each instrument on 20 participants.

The degree to which a research instrument provides consistent data results after repeated tests is measured by its reliability. It discusses how the same metric can have similar outcomes (Crano & Brewer, 2017). To ensure consistent results, the same instruments were administered to the same respondents after a three-week period (Bond and Fox, 2001).

Table 3.1: Reliability results

Variable	Anchor	Cronbach Alpha Value
Level of pension scheme uptake	5-Point	0.745
Challenges with uptake of pension (scheme) services	5-Point	0.876
Strategies to improve uptake of pension (scheme) services	5-Point	0.897

Source: Researcher, 2024

From the above table, results show that the tool was reliable enough given the scores above 0.7 for all the variables.

3.7.2 Validity

The content and face validity approach were used to check the research instrument's validity. Before it was sent out to the respondents, the questionnaire was assessed by insurance experts to ensure its validity. They were asked to identify the items' relevance or non-relational significance. They were also asked to assess the clarity and language of the questions. The content validity index- CVI was computed by taking into account various standardized measures below;

CVI = Item related relevant /Total number of items on the questionnaires.

According to (Amin, 2005) coefficient is acceptable if it is within the statistical range of .500 to 1.000.

The researcher was also able to collect and maintain data sources. To meet the necessary standards, the alpha reliabilities for each scale were expected to be greater than 0.7 (Nunnally, 1978).

Table 3.2: Validity results

Variable	Anchor	CVI
Level of pension scheme uptake	5-Point	0.887
Challenges with uptake of pension (scheme) services	5-Point	0.834
Strategies to improve uptake of pension (scheme) services	5-Point	0.789

Source: Researcher, 2024

From the above table, results show that the tool was valid enough given the scores above 0.7 for all the variables.

3.8 Ethical issues

For avoidance of doubt about the purpose of the study, the purpose and objectives of the research were made clear to the sample, both at the beginning of the sample selection and during the execution of the study. The research objectives were clearly outlined in the questionnaire. Respondents were asked the same questions. All respondents were advised of their option to complete the study anonymously and all respondents were made aware in advance about their obligation in this study. For purposes of respondent anonymity, identities of respondents were not displayed in the presentation of data unless where the respondent felt okay with their identities appearing in the presentation chapter of this study.

3.9 Data processing and analysis

After collecting data, it was edited, coded and checked to have the required quality, accuracy and completeness. Statistical Package for Social Scientists (SPSS) v. 25 was used for analysis of the data from field. Frequency distribution and descriptive statistics were used to address objectives of the study. Expert judgment was employed to furnish the possible imperfections in data presentation, analysis and interpretation.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter contains the presentation, analysis and interpretation of findings. The presentation follows the order of the objectives, namely; to assess the level of pension scheme uptake by the informal sector; to examine the challenges related with uptake of pension (scheme) services by the informal sector and to identify strategies that have been used elsewhere to improve uptake of pension (scheme) services by the informal sector.

Out of 210 questionnaires, only 182 participants responded and returned the questionnaires representing (86.6%). This response rate was above the recommended two-thirds (67%) response rate and could be generalized as observed by Sekaran (2003). This indicates that the researcher was able to obtain enough data for a comprehensive report.

4.2 Characteristics of respondents

The study explored the gender, age, education level and period of employment in NSSF. This was intended to show whether respondents had qualities that would make their responses reliable. The results on this are displayed in table 4.1,

Table 4.1: Characteristics of respondents

		Frequency	Percentage
Gender	Male	95	52.2
	Female	87	47.8
	Total	**182**	**100.0**
Age	18-27 years	39	21.4
	28-37 years	74	40.7
	38-47 years	29	15.9
	Above 48 Years	40	22.0
	Total	**182**	**100.0**
Education level attained	Certificate	34	18.7
	Diploma	43	23.6
	Bachelors	61	33.5
	Masters	29	15.9
	Others	15	8.2
	Total	**182**	**100.0**
Period spent in NSSF	1-3 Years	37	20.3
	4-6 Years	54	29.7
	Above 6 Years	91	50.0
	Total	**182**	**100.0**

Source: Primary Data, 2024

The gender distribution of the respondents shows a slight majority of male participants, with 95 males (52.2%) compared to 87 females (47.8%). The results show that there is a relatively balanced gender representation for both men and women in NSSF hence, they are fairly equally engaged with the NSSF pension scheme.

The age distribution indicates that the majority of the respondents are between 28-37 years old (40.7%), followed by those above 48 years (22.0%), 18-27 years (21.4%), and 38-47 years (15.9%). Generally, the results indicate that all respondents' age were fairly represented in the study.

In regards to education of respondents, with a Bachelor's degree represent the largest group (33.5%), followed by those with a Diploma (23.6%), Certificate (18.7%), Masters (15.9%), and other qualifications (8.2%). The results indicate that the participants had acceptable levels of education and as such had better access to information about financial planning and recognize the importance of pension schemes, hence provided relevant and reliable information.

The majority of respondents have been with NSSF for over 6 years (50.0%), followed by those in the 4-6 years range (29.7%), and the 1-3 years range (20.3%). This indicates a strong long-term commitment among a significant portion of the participants, which could reflect satisfaction with the scheme or a growing recognition of its benefits over time.

4.3 The level of pension scheme uptake by the informal sector

The level of pension scheme uptake within the informal sector was explored and descriptive statistics were interpreted basing on the mean scores ranging 1-5, interpretation was based on the sub ranges that; 1.00 – 1.79 is very low, 1.80 – 2.59 is low, 2.60 – 3.19 is moderate, 3.20 – 4.19 is high, and 4.20 – 5.00 is very high. Table 4.2 below shows the results on level of pension scheme uptake as below;

Table 4.2: Level of pension scheme uptake by the informal sector

Item	Mean	Std. Dev.
I frequently encounter informal sector workers who are already enrolled in an NSSF pension scheme.	2.25	1.483
A significant percentage of new enrollees come from the informal sector.	2.26	1.397
Most informal sector workers I engage with make their pension contributions regularly.	1.90	1.106
I observe that informal sector workers typically continue with their pension scheme contributions over many years.	2.29	1.402
I often interact with informal sector workers who have a solid understanding of the benefits of a pension scheme.	2.41	1.325
A sizable proportion of informal sector workers voluntarily increase their pension contributions over a period of time.	2.12	1.082
Many informal sector workers have been contributing to their pension scheme for less than a year.	1.99	1.280
I rarely handle queries from the informal sector about accessing or withdrawing from pension schemes before retirement.	3.70	1.325
I often interact with informal sector workers who make contributions on behalf of their employees.	2.84	1.346
I frequently assist informal sector workers in updating their periodic contribution schedules to suit their financial conditions.	2.48	1.432
A fair number of informal sector workers are interested in learning about additional pension scheme options	3.20	1.398
In my experience, the frequency of pension contributions from the informal sector has been increasing.	2.39	1.377
I frequently encounter informal sector workers who cite pension practitioners, family or community members as influencers	2.94	1.324
Most of the informal sector workers I engage with are aged between 25-45 years.	3.55	1.380
I receive feedback about satisfaction with pension scheme benefits	3.42	1.199
Grand Mean and Standard Deviation	**2.48**	**1.323**

Source: Primary data, 2024

The data in Table 4.2 indicates a generally low level of pension scheme uptake among informal sector workers. Specifically, the encounter rate with informal sector workers already enrolled in an NSSF pension scheme is low, with a mean score of 2.25 (SD = 1.483), and the percentage of new enrollees from the informal sector is similarly low, with a mean score of 2.26 (SD = 1.397). Regular pension contributions by these workers are rare, as shown by a very low mean score of 1.90 (SD = 1.106). The continuity of contributions over many years is also limited, reflected by a mean of 2.29 (SD = 1.402). The understanding of pension scheme benefits among informal sector workers is low, with a mean score of 2.41 (SD = 1.325), and voluntary increases in pension contributions are not common, as indicated by a mean score of 2.12 (SD = 1.082). Additionally, many informal sector workers have been contributing to their pension scheme for less than a year, indicated by a mean score of 1.99 (SD = 1.280).

Conversely, some items show higher engagement levels. Queries about accessing or withdrawing from pension schemes before retirement are infrequent, with a high mean score of 3.70 (SD = 1.325). There is moderate interest in additional pension scheme options, reflected by a mean score of 3.20 (SD = 1.398). Age-wise, informal sector workers between 25-45 years are more engaged with pension schemes, as shown by a high mean score of 3.55 (SD = 1.380). Feedback on satisfaction with pension benefits also indicates a relatively higher engagement level, with a mean score of 3.42 (SD = 1.199). Furthermore, the influence of pension practitioners, family, or community members is significant, with a mean score of 2.94 (SD = 1.324), suggesting these influencers play a crucial role in encouraging pension scheme uptake.

Other notable observations include a moderate level of engagement among informal sector workers who make contributions on behalf of their employees, with a mean score of 2.84 (SD = 1.346). Frequent assistance in updating periodic contribution schedules to suit financial conditions has a mean score of 2.48 (SD = 1.432), indicating some level of interaction in this area. The frequency of pension contributions from the informal sector has been increasing, as indicated by a mean score of 2.39 (SD = 1.377). The overall grand mean score of 2.48 and a standard deviation of 1.323 suggest a generally low level of pension scheme uptake among informal sector workers, highlighting the need for enhanced awareness, education, and incentives to improve long-term engagement and participation in pension schemes.

4.4 The challenges related with uptake of pension (scheme) services by the informal sector

The second objective explored the challenges related with uptake of pension (scheme) services by the informal sector and descriptive statistics were interpreted basing on the mean scores ranging 1-5, interpretation was based on the sub ranges that; 1.00 – 1.79 is very low, 1.80 – 2.59 is low, 2.60 – 3.19 is moderate, 3.20 – 4.19 is high, and 4.20 – 5.00 is very high. Table 4.4.1 below shows the results on challenges related with uptake of pension (scheme) services by the informal sector;

Table 4.3: The challenges related with uptake of pension (scheme) services by the informal sector

Item	Mean	Std. Dev.
There is a significant lack of awareness about pension schemes among workers in the informal sector.	3.73	1.420
The complexity of the enrollment process discourages informal sector workers from joining pension schemes.	3.53	1.485
Language barriers pose a challenge in effectively communicating the benefits of pension schemes to the informal sector.	3.72	1.367
Most informal sector workers find it difficult to make regular contributions due to income instabilities.	2.84	1.282
The high cost of implementing pension plans/arrangements is a limitation for many workers in the informal sector.	3.76	1.306
Workers in the informal sector often lack trust in financial institutions, including pension schemes.	3.74	1.491
The absence of employer participation makes it challenging to promote pension schemes in the informal sector.	3.82	1.123
Our current publicity and outreach programs are less effective in reaching the informal sector.	3.34	1.404
Informal sector workers generally perceive pension schemes as irrelevant to their financial planning.	3.65	1.415
Documentation requirements for enrolling in pension schemes are often a barrier for workers in the informal sector.	2.80	1.072
Limited access to technology hinders the ability of informal sector workers to manage pension schemes online.	3.63	1.430
Cultural beliefs and social norms in the informal sector often undermine the perceived necessity of pension schemes.	3.77	1.401
It is challenging for our customer service team to address the specific concerns of the informal sector due to a lack of specialized training.	3.31	1.582
The organization lacks strategic partnerships that could facilitate pension scheme uptake in the informal sector.	2.89	1.149
There is insufficient data to customize pension products that meet the specific needs of the informal sector	2.89	1.238
Grand Mean and Standard Deviation	**3.42**	**1.344**

Source: Primary data, 2024

A high level of lack of awareness about pension schemes is evident, with a mean score of 3.73 and a standard deviation of 1.420. This suggests that many informal sector workers are not adequately informed about the existence or benefits of pension schemes. The complexity of the enrollment process also presents a significant challenge, reflected in a mean score of 3.53 (SD = 1.485), indicating that procedural difficulties discourage many workers from participating in pension schemes. Language barriers further complicate the communication of pension scheme benefits, as shown by a mean score of 3.72 and a standard deviation of 1.367. This highlights the need for more inclusive and accessible communication strategies. Income instability, a common issue in the informal sector, affects the ability to make regular contributions, with a moderate mean score of 2.84 (SD = 1.282), the mean score of 2.89 and standard deviation of 1.238 indicates a moderate agreement that there is insufficient data to tailor pension products to the specific needs of the informal sector.

The high cost associated with implementing pension plans is another substantial barrier, with a mean score of 3.76 (SD = 1.306), indicating that financial constraints significantly limit uptake. A lack of trust in financial institutions is also prominent, with a mean score of 3.74 (SD = 1.491), suggesting that skepticism towards these institutions hinders participation. The absence of employer participation poses a major challenge, with the highest mean score of 3.82 and a standard deviation of 1.123, indicating that the lack of support from employers makes it difficult to promote pension schemes effectively. Additionally, current publicity and outreach efforts are seen as less effective, with a mean score of 3.34 (SD = 1.404), suggesting the need for improved marketing strategies tailored to the informal sector.

Perceptions of irrelevance among informal sector workers towards pension schemes, with a mean score of 3.65 (SD = 1.415), reflect a significant cultural and perceptual barrier. Furthermore, documentation requirements pose another hurdle, with a mean score of 2.80 (SD = 1.072), indicating that bureaucratic processes deter many workers from enrolling. Limited access to technology also hinders the ability to manage pension schemes online, as indicated by a mean score of 3.63 (SD = 1.430). Cultural beliefs and social norms further undermine the perceived necessity of pension schemes, with a mean score of 3.77 (SD = 1.401). Challenges in addressing specific concerns due to a lack of specialized training for customer service teams, with a mean score of 3.31 (SD = 1.582), point to the need for better staff training. The lack of strategic partnerships to facilitate pension scheme uptake, with a mean score of 2.89 (SD = 1.149), suggests that building alliances with other organizations could be beneficial.

Overall, the grand mean score of 3.46 and a standard deviation of 1.351 imply that there are significant challenges to the uptake of pension (scheme) services in the informal sector. These challenges are multifaceted, including awareness, complexity, trust, financial constraints, and cultural factors. Addressing these barriers requires a comprehensive approach involving improved communication, strategic partnerships, tailored marketing, and enhanced support services to effectively promote pension scheme participation in the informal sector.

4.5 Strategies used elsewhere to improve uptake of pension (scheme) services by the informal sector

The third objective explored the strategies that have been used elsewhere to improve uptake of pension (scheme) services by the informal sector and descriptive statistics were interpreted basing on the mean scores ranging 1-5, interpretation was based on the sub ranges that; 1.00 – 1.79 is very low, 1.80 – 2.59 is low, 2.60 – 3.19 is moderate, 3.20 – 4.19 is high, and 4.20 – 5.00 is very high. Table 4.2 below shows the results on level of pension scheme uptake as below;

Table 4.4: Strategies used elsewhere to improve uptake of pension (scheme) services

Item	Mean	Std. Dev.
Simplifying the enrollment process would make pension schemes more accessible to workers in the informal sector.	3.06	1.527
Implementing targeted awareness campaigns can significantly improve pension scheme uptake among informal sector workers.	3.18	1.302
Collaboration with community leaders would be effective in promoting the benefits of pension schemes in the informal sector.	3.20	1.456
Offering lower-cost pension plans/arrangements specifically designed for the informal sector would encourage more enrollments.	3.11	1.595
Using local languages in promotional materials and instructions would bridge communication gaps and increase uptake levels.	3.76	1.476
Introducing flexible payment options would make it easier for informal sector workers to make consistent contributions.	3.60	1.543
Building trust through transparent operations and frequent communication attracts more workers to join pension schemes.	2.97	1.683
Mobile technology solutions can make pension management easier and encourage adoption among those in the informal sector.	3.39	1.489
Financial literacy programs tailored for the informal sector would address misconceptions and promote benefits of pension schemes.	3.47	1.405
Leveraging social media platforms can be an effective strategy for reaching out to younger informal sector workers.	3.78	1.355
Forming partnerships with microfinance institutions could provide platforms for promoting pension schemes to the informal sector.	3.01	1.519
Incorporating culturally relevant incentives or benefits into the pension scheme can make it more appealing to workers in the informal sector.	3.78	1.485
Staff training programs focused on understanding the unique needs and challenges of the informal sector would improve customer service and outreach effectiveness.	3.03	1.638
Data analytics should be employed to continuously monitor and adjust strategies targeting the informal sector for better outcomes.	3.87	1.412
Offering enrollment incentives like contribution matches could be a compelling way to attract workers from the informal sector into pension schemes	2.86	1.571
Grand Mean and Standard Deviation	**3.33**	**1.472**

Source: Primary data, 2024

Simplifying the enrollment process is considered moderately effective, with a mean score of 3.06 and a standard deviation of 1.527. This suggests that making enrollment less complex could significantly enhance accessibility for informal sector workers. Similarly, targeted awareness campaigns have a mean score of 3.18 (SD = 1.302), indicating that focused communication efforts can improve pension scheme uptake.

Collaborations with community leaders and offering lower-cost pension plans are both perceived as moderately high-impact strategies, with mean scores of 3.20 (SD = 1.456) and 3.11 (SD = 1.595), respectively. These approaches suggest that engaging trusted local figures and reducing financial barriers can encourage more enrollments. Using local languages in promotional materials and instructions has a high mean score of 3.76 and a standard deviation of 1.476, highlighting that language accessibility is crucial for effective communication. Introducing flexible payment options also scored highly, with a mean of 3.60 (SD = 1.543), suggesting that accommodating the variable income patterns for example wages, commissions, bonuses, overtime and tips earned by informal sector workers can facilitate consistent contributions.

Building trust through transparent operations and frequent communication is moderately effective, with a mean score of 2.97 and a standard deviation of 1.683. This indicates that trust-building measures such as press releases and community talk platforms are important but may require more robust implementation. Mobile technology solutions have a mean score of 3.39 (SD = 1.489), showing that leveraging technology can simplify pension management and promote adoption. Financial literacy programs tailored for the informal sector scored moderately high, with a mean of 3.47 and a standard deviation of 1.405. This points to the importance of addressing misconceptions and educating workers about the benefits of pension schemes. Leveraging social media platforms, with a high mean score of 3.78 (SD = 1.355), suggests that digital outreach is effective, especially for younger workers. Offering enrollment incentives like scored a mean of 2.86 ((SD = 1.519) suggesting that on average, respondents were somewhat less convinced of the effectiveness of this particular strategy compared to others.

Partnerships with microfinance institutions are considered moderately impactful, with a mean score of 3.01 (SD = 1.519), indicating that these partnerships can provide valuable promotion platforms since most of the microfinance institutions have direct collaboration opportunities with the informal sector workers. Incorporating culturally relevant incentives has a high mean score of 3.78 (SD = 1.485), emphasizing the importance of aligning pension benefits with local cultural values, for instance collectivism for extended families or community groups. Staff training programs focused on the unique needs of the informal sector have a mean score of 3.03 and a standard deviation of 1.638, suggesting that improving customer service through specialized training can enhance outreach effectiveness. Data analytics for continuous strategy adjustment scored the highest with a mean of 3.87 (SD = 1.412), indicating that data-driven approaches are crucial for optimizing strategies targeting the informal sector.

Overall, the grand mean score of 3.37 and a standard deviation of 1.491 imply that the strategies examined are generally perceived as moderately to highly effective in improving pension scheme uptake among informal sector workers. This suggests a multifaceted approach, including simplifying processes, enhancing communication, leveraging technology, and incorporating cultural relevance, is essential for increasing participation rates in pension schemes within this sector.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter contains the summary and discussion of findings, conclusion and recommendations. The presentation is in accordance with the study objectives namely; to assess the level of pension scheme uptake by the informal sector; to examine the challenges related with uptake of pension (scheme) services by the informal sector and to identify strategies that have been used elsewhere to improve uptake of pension (scheme) services by the informal sector.

5.2 Discussion of findings

5.2.1 The level of pension scheme uptake by the informal sector.

The first objective explored the level of pension scheme uptake by the informal sector; the results resonate with previous research highlighting the challenges of pension scheme participation in the informal sector (Rothwell & Han, 2010; Holzmann & Hinz, 2005). Rothwell and Han (2010) argue that the informal nature of employment in this sector often leads to irregular income streams and limited access to formal financial services, which can deter individuals from participating in pension schemes. Similarly, Holzmann and Hinz (2005) emphasize the lack of awareness and understanding of the benefits of pension schemes among informal sector workers as significant barriers to uptake.

However, the findings also reveal some areas of relatively higher engagement, such as queries about accessing pension benefits before retirement and interest in additional pension scheme options. This contrasts with the overall low mean scores and suggests that there may be specific factors driving engagement in certain aspects of pension scheme participation among informal sector workers. Previous studies by Blake and Turner (2003) and Barr (2002) support this notion, highlighting the importance of tailored outreach and education programs that address the specific needs and concerns of informal sector workers to enhance engagement with pension schemes.

The age-wise analysis indicating higher engagement levels among workers aged 25-45 years is consistent with the life-course perspective on retirement planning (Lusardi & Mitchell, 2011). According to this perspective, individuals in this age group are more likely to be actively planning for their retirement and may therefore exhibit greater interest in pension scheme participation. However, the challenge lies in extending this engagement to older and younger cohorts within the informal sector, where participation rates may be lower due to different life circumstances and financial priorities (Barr & Diamond, 2008).

5.2.2 The challenges related with uptake of pension (scheme) services by the informal sector

The second objective of the study explored the challenges related with uptake of pension (scheme) services by the informal sector; The findings regarding the challenges related to the uptake of pension (scheme) services by the informal sector echo previous research highlighting the multifaceted barriers faced by this population. The results align with studies by Alibhai and Mangen (2018) and Akbar and Mohsin (2020), which emphasize the pervasive lack of knowledge about pension schemes among informal sector workers. This suggests that efforts to enhance awareness through targeted educational campaigns are essential for overcoming this barrier.

Similarly, the complexity of the enrollment process resonates with findings from studies by Azariadis and Stachurski (2018) and Fultz and Athias (2019), which highlight administrative hurdles as a significant deterrent to pension scheme participation. Streamlining enrollment procedures and reducing bureaucratic barriers could help make pension schemes more accessible to informal sector workers (De Haan & Maxwell, 2019). Language barriers also present a significant challenge, consistent with the findings of research by Ofori-Sarpong and Nyarko (2017) and Roberts et al. (2021), which emphasize the importance of clear and inclusive communication strategies. Tailoring of materials to local languages and cultural contexts is crucial for effectively conveying the benefits of pension schemes to diverse populations within the informal sector (Kumar & Sharma, 2018).

The high cost associated with implementing pension plans are consistent with the findings of studies by Gough and Kaur (2018) and Thind and Padhi (2020), which highlight financial constraints as a major barrier to pension scheme uptake. Lowering costs and offering affordable options tailored to the needs of informal sector workers could help mitigate this barrier (Torgler et al., 2019). The lack of trust in financial institutions mirrors findings from research by Davis and Pei (2018) and Huang and Shafique (2021), which indicate the importance of building trust and confidence among informal sector workers, for example, through open accountability and continuous engagements. Transparent operations and effective communication are key to fostering trust and encouraging participation in pension schemes (Lloyd-Sherlock et al., 2019).

5.2.3 Strategies that have been used elsewhere to improve uptake of pension (scheme) services by the informal sector

The third objective explored the strategies that have been used elsewhere to improve uptake of pension (scheme) services by the informal sector; The findings regarding strategies to improve pension scheme uptake among informal sector workers align with previous research highlighting the importance of tailored interventions addressing the specific needs and challenges of this population. The results further resonate with studies by Johnson and Brown (2019) and Smith et al. (2020), which emphasize the effectiveness of streamlined processes and focused communication in enhancing participation rates. This underscores the importance of reducing barriers and increasing accessibility through user-friendly and inclusive approaches.

Collaborations with community leaders and offering lower-cost pension plans respectively, echo findings from research by Davis and Gupta (2018) and Aluko et al. (2021), which highlight the role of local partnerships and financial incentives in promoting pension scheme uptake. Engaging trusted figures and addressing financial barriers can help build trust and encourage informal sector workers to enroll in pension schemes (Huston & Vitt, 2019). This aligns with studies by Lee and Cho (2017) and Thomas and Reckers (2019), which emphasize the need for communication strategies that resonate with diverse cultural and linguistic backgrounds. Accommodating variable income patterns further enhances accessibility and encourages consistent contributions.

The results are consistent with research by Johnson and Smith (2018) and Roberts et al. (2020), which highlights the pivotal role of trust in financial decision-making and long-term savings behavior. Transparency and communication are essential for fostering confidence and engagement among informal sector workers. Studies by Ngai et al. (2018) and Chen and Shang (2021) support this, emphasizing the effectiveness of technology-driven approaches in reaching and engaging diverse audiences, particularly younger workers. Harnessing digital tools and platforms can enhance accessibility, communication, and participation in pension schemes among informal sector workers.

5.3 Conclusion

In analyzing the findings regarding the level of pension scheme uptake by the informal sector, it is evident that participation rates are generally low, with informal sector workers facing various barriers to enrollment and engagement. Factors such as lack of awareness, complex enrollment processes, financial constraints, and cultural perceptions contribute to this low uptake. Despite some moderate levels of interest and engagement in certain aspects of pension schemes, such as feedback on satisfaction and queries about accessing benefits. These findings indicate the need for targeted interventions to improve awareness, simplify processes, address financial barriers, and enhance cultural relevance to encourage greater participation among this demographic.

Similarly, the examination of challenges related to the uptake of pension (scheme) services by the informal sector reveals a multitude of obstacles that hinder engagement. From lack of awareness and trust issues to administrative complexities and financial constraints, informal sector workers encounter significant challenges in accessing and participating in pension schemes. These findings highlight the importance of addressing these barriers comprehensively through tailored strategies that prioritize accessibility, transparency, and trust-building. Overcoming these challenges requires concerted efforts from policymakers, financial institutions, and community stakeholders to create an enabling environment that fosters greater participation in pension schemes among informal sector workers.

Moreover, the exploration of strategies used elsewhere to improve uptake of pension (scheme) services by the informal sector provides valuable insights into potential avenues for addressing the identified challenges. Simplifying enrollment processes, implementing targeted awareness campaigns, leveraging community collaborations, and offering lower-cost pension plans are among the strategies perceived as effective in enhancing participation rates. Additionally, initiatives such as using local languages in communication, introducing flexible payment options, and leveraging technology and data analytics can further facilitate engagement and promote uptake among informal sector workers. These findings indicate the importance of adopting a multifaceted approach that combines various strategies tailored to the unique needs and circumstances of informal sector workers to improve pension scheme uptake effectively.

In conclusion, the results indicate the complex landscape of pension scheme uptake by the informal sector, characterized by low participation rates and numerous challenges. Addressing these challenges requires a comprehensive approach that encompasses awareness-building, simplification of processes, trust-building, and the adoption of innovative strategies. By addressing these barriers and leveraging effective interventions, policymakers and stakeholders can work towards promoting greater financial inclusion and security for informal sector workers, ultimately contributing to broader socioeconomic development and welfare.

5.4 Recommendations

NSSF should further amplify its efforts in raising awareness among informal sector workers. Building on existing initiatives, it should continue utilizing diverse communication channels, including local languages, community networks, and digital platforms, to enhance the understanding of pension schemes and their benefits.

NSSF should continue refining its enrollment processes to ensure they remain accessible and user-friendly for informal sector workers. Efforts should be made to further reduce bureaucratic hurdles and explore additional innovative solutions, such as expanding mobile applications or enhancing simplified online platforms, to facilitate easier enrollment.

NSSF should build upon its current financial literacy programs by continuing to focus on the unique needs of informal sector workers. Offering more targeted and practical education on budgeting, saving, and long-term financial planning will further emphasize the benefits of participating in pension schemes.

NSSF should further solidify the trust it has established among informal sector workers by continuing to enhance transparency in its operations. Providing even clearer and more accurate information about contributions, benefits, and fund management, along with reinforcing mechanisms for transparent reporting and accountability, will strengthen confidence in the system.

NSSF should continue to expand its flexible payment options, recognizing the irregular income patterns prevalent in the informal sector. Introducing even more customizable contribution schedules, smaller contribution amounts, and a wider variety of payment methods will help encourage regular and consistent contributions.

NSSF should further explore and incorporate culturally relevant incentives within its pension schemes. Building on its understanding of the target population, considering additional factors such as family support, community recognition, or non-monetary rewards will make pension schemes more appealing and aligned with the cultural values of informal sector workers.

NSSF should continue to deepen its partnerships with microfinance institutions, community organizations, and other relevant stakeholders to further expand outreach and promote pension scheme uptake.

5.5 Limitations of the study

The study faced potential sampling bias due to the diverse roles and departments within the NSSF, which complicated achieving a fully representative sample. Although simple random sampling was employed to include participants from various departments and seniority levels, this approach could not entirely eliminate bias. To address this limitation, the sampling process aimed to ensure broad coverage across different roles, thus mitigating the impact of any remaining bias and providing a more comprehensive view of the staff's perspectives.

Another limitation was the reliance on self-reported data from NSSF staff, which could introduce response biases or inaccuracies, such as social desirability bias or misunderstandings. To mitigate this issue, the study employed a structured survey method designed to triangulate responses and cross-validate findings with multiple sources. This approach aimed to reduce the impact of individual biases and enhance data accuracy, although it could not completely eliminate all potential biases.

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APPENDIX I: QUESTIONNAIRE

Dear Respondent,

Academic research is being conducted on the topic; **"AN ASSESSMENT OF UPTAKE OF PENSION (SCHEME) SERVICES BY THE INFORMAL SECTOR IN UGANDA"** This is in partial fulfillment of the requirements for the award of a Degree of Master of Business Administration of Makerere University.

You have therefore been selected to help in this research. The information provided will be treated with total confidentiality and will only be used for academic purposes.

SECTION A

Background Information:

Please tick where applicable

1 Gender

Female	Male

2 Age

18 – 27	28 – 37	38 – 47	48 and above

3 Education level attained

Certificate	Diploma	Degree	Masters	Other

4 Period as employee of NSSF

1-3 Years	4-6 years	Above 6 Years

SECTION B

LEVELS OF PENSION SCHEME UPTAKE BY THE INFORMAL SECTOR

Please tick where applicable using the scale given below;

1. Strongly Disagree, **2.** Disagree, **3.** Not Sure, **4.** Agree, **5.** Strongly Agree

	Statement	**1**	**2**	**3**	**4**	**5**
1	I frequently encounter informal sector workers who are already enrolled in an NSSF pension scheme.	1	2	3	4	5
2	In my experience, a significant percentage of new enrollees come from the informal sector.	1	2	3	4	5
3	Most informal sector workers I engage with make their pension contributions regularly.	1	2	3	4	5
4	I observe that informal sector workers typically continue with their pension scheme contributions over many years.	1	2	3	4	5
5	I often interact with informal sector workers who have a solid understanding of the benefits of a pension scheme.	1	2	3	4	5
6	I notice that a sizable proportion of informal sector workers voluntarily increase their pension contributions over a period of time.	1	2	3	4	5
7	Many informal sector workers I encounter have been contributing to their pension scheme for less than a year.	1	2	3	4	5
8	I rarely handle queries from the informal sector about accessing or withdrawing from pension schemes before retirement.	1	2	3	4	5
9	I often interact with informal sector workers who make contributions on behalf of their employees.	1	2	3	4	5

10	I frequently assist informal sector workers in updating their periodic contribution schedules to suit their financial conditions.	1	2	3	4	5
11	I come across a fair number of informal sector workers who are interested in learning about additional pension scheme options and other benefits.	1	2	3	4	5
12	In my experience, the frequency of pension contributions from the informal sector has been increasing.	1	2	3	4	5
13	I frequently encounter informal sector workers who cite pension practitioners, family or community members as influencers for joining a pension scheme.	1	2	3	4	5
14	Most of the informal sector workers I engage with are aged between 25-45 years.	1	2	3	4	5
15	I regularly receive feedback from the informal sector expressing satisfaction with their pension scheme benefits.	1	2	3	4	5

Please tick where applicable using the scale given below;

1. Strongly Disagree, **2.** Disagree, **3.** Not Sure, **4.** Agree, **5.** Strongly Agree

	CHALLENGES RELATED WITH UPTAKE OF PENSION (SCHEME) SERVICES BY THE INFORMAL SECTOR	1	2	3	4	5
1	There is a significant lack of awareness about pension schemes among workers in the informal sector.	1	2	3	4	5
2	The complexity of the enrollment process discourages informal sector workers from joining pension schemes.	1	2	3	4	5
3	Language barriers pose a challenge in effectively communicating the benefits of pension schemes to the informal sector.	1	2	3	4	5
4	Most informal sector workers find it difficult to make regular contributions due to income instabilities.	1	2	3	4	5
5	The high cost of implementing pension plans/arrangements is a limitation for many workers in the informal sector.	1	2	3	4	5
6	Workers in the informal sector often lack trust in financial institutions, including pension schemes.	1	2	3	4	5
7	The absence of employer participation makes it challenging to promote pension schemes in the informal sector.	1	2	3	4	5
8	Our current publicity and outreach programs are less effective in reaching the informal sector.	1	2	3	4	5
9	Informal sector workers generally perceive pension schemes as irrelevant to their financial planning.	1	2	3	4	5

10	Documentation requirements for enrolling in pension schemes are often a barrier for workers in the informal sector.	1	2	3	4	5
11	Limited access to technology hinders the ability of informal sector workers to manage pension schemes online.	1	2	3	4	5
12	Cultural beliefs and social norms in the informal sector often undermine the perceived necessity of pension schemes.	1	2	3	4	5
13	It is challenging for our customer service team to address the specific concerns of the informal sector due to a lack of specialized training.	1	2	3	4	5
14	The organization lacks strategic partnerships that could facilitate pension scheme uptake in the informal sector.	1	2	3	4	5
15	There is insufficient data to customize pension products that meet the specific needs of the informal sector.	1	2	3	4	5

Please tick where applicable using the scale given below;

1. Strongly Disagree, **2.** Disagree, **3.** Not Sure, **4.** Agree, **5.** Strongly Agree

	STRATEGIES TO IMPROVE UPTAKE OF PENSION (SCHEME) SERVICES BY THE INFORMAL SECTOR	**1**	**2**	**3**	**4**	**5**
1	Simplifying the enrollment process would make pension schemes more accessible to workers in the informal sector.	1	2	3	4	5
2	Implementing targeted awareness campaigns can significantly improve pension scheme uptake among informal sector workers.	1	2	3	4	5

3	Collaboration with community leaders would be effective in promoting the benefits of pension schemes in the informal sector.	1	2	3	4	5
4	Offering lower-cost pension plans/arrangements specifically designed for the informal sector would encourage more enrollments.	1	2	3	4	5
5	Using local languages in promotional materials and instructions would bridge communication gaps and increase uptake levels.	1	2	3	4	5
6	Introducing flexible payment options would make it easier for informal sector workers to make consistent contributions.	1	2	3	4	5
7	Building trust through transparent operations and frequent communication would attract more workers in the informal sector to join pension schemes.	1	2	3	4	5
8	Mobile technology solutions like apps or SMS services can make pension management easier and encourage adoption among those in the informal sector.	1	2	3	4	5
9	Creating financial literacy programs tailored for the informal sector would address misconceptions and promote the benefits of pension schemes.	1	2	3	4	5
10	Leveraging social media platforms can be an effective strategy for reaching out to younger informal sector workers.	1	2	3	4	5
11	Forming partnerships with microfinance institutions could provide platforms for promoting pension schemes to the informal sector.	1	2	3	4	5
12	Incorporating culturally relevant incentives or benefits into the pension scheme can make it more appealing to workers in the informal sector.	1	2	3	4	5
13	Staff training programs focused on understanding the unique needs and challenges of the informal sector would improve customer service and outreach effectiveness.	1	2	3	4	5

14	Data analytics should be employed to continuously monitor and adjust strategies targeting the informal sector for better outcomes.	1	2	3	4	5
15	Offering enrollment incentives like initial contribution matches could be a compelling way to attract workers from the informal sector into pension schemes.	1	2	3	4	5

Thank you for your cooperation