

Pension Scheme Acquisition in The Informal Economy: The Consumer Behaviour Perspective

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Abstract

Purpose – This paper seeks to understand consumers' behaviour towards pension scheme acquisition in the informal sector from the perspective of developing economies through the planned behaviour theoretical lens.

Design/methodology/approach – The study employed a quantitative approach using a survey technique as the method for data collection and analyzed with Smart-PLS utilizing the structural equations modeling technique.

Findings – It was confirmed that there is significant relationship between Attitude towards pension scheme and intention to acquire pension scheme. It was further revealed that Subjective Norm positively influences intention to acquire pension scheme. Finally, it was noted that Perceived behavioural control favours the intention to acquire pension scheme. However, Perception about pension and alternative plans to pension were disconfirmed to influence intention to acquire pension scheme considering that these constructs haven't stood the test of time and had no theoretical grounding.

Research limitations/implications – This implies that the pre-existing beliefs of an employee in the informal sector about pension are likely to influence the person's intention to patronise or reject a pension scheme

Practical implications – Theoretically Perceived Behavioural Control had the greatest impact on the informal employee intention towards pension scheme than attitude and subjective norm which implies that there is difficulty in acquiring a pension scheme in the developing economies hence it would be relevant that pension scheme institutions revise the procedures for acquiring a pension scheme. Therefore, marketers are to segment and target the diverse associations, educate and promote the value of pension schemes.

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Originality/value – This study builds on literature by bridging the gap in explaining consumers attitudes toward pension scheme acquisition amongst people in the informal sector who are aware of the schemes in the formal sector but are yet to acquire them in the informal sector. Besides, this research is a forerunner paper about pension acquisition in the informal sector in West Africa settings.

Keywords: Pension scheme, Informal sector, Consumer behaviour, developing economy