

**Financial Literacy, Incentives Terms, Retirement Planning And Social Security Compliance Among Small
Medium Enterprise In Kampala, Uganda**

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Abstract

The purpose of the study was to examine the relationship between financial literacy, incentives terms, retirement planning on social security compliance among SMEs within Kampala Central Division. The study was guided by the objectives; to examine the relationship between financial literacy and retirement planning; incentives terms and retirement planning; retirement planning and social security compliance; financial literacy and social security compliance; incentives terms and social security compliance; and to examine the influence of financial literacy, incentives terms and retirement planning on social security compliance among SMEs. The study adopted a cross sectional research design along with a quantitative research approach. A sample of 377 SMEs was selected using simple random sampling from a total of 21,097 SMEs within Kampala Central Division. Primary data was obtained using a structured questionnaire instrument. The validity of the instrument was determined by computing CVI and reliability using Cronbach Alpha Coefficient. Data analysis was carried out using SPSS (v.25) obtaining descriptive, factor analysis and inferential statistics for interpretation of results. The study findings were; a positive relationship between financial literacy and retirement planning; positive relationship between incentives terms and retirement planning; positive relationship between retirement planning and social security compliance; a positive relationship between financial literacy and social security compliance; and a positive relationship between incentives terms and social security compliance. The study further found that jointly financial literacy, incentives terms and retirement planning were significant predictors of social security compliance. The findings also noted that the most critical predictor of social security compliance is retirement planning. The study concluded that there are varied predictors for social security compliance, and the relevance of financial literacy, incentives terms and retirement planning cannot be underestimated. Furthermore, the study concluded that social security compliance is more internally than externally driven. Based on the findings, offering of free investment advice; offering financial education; availing diversity of investment options; offering workplace retirement plan; and updating employees of their current accumulated savings were recommended.

**Keywords: Financial Literacy, Incentives Terms, Retirement Planning, Social Security Compliance and Small
Medium Enterprise**

Background to the study

Older people are widely perceived as vulnerable people (Akankwasa et al., 2022). Accordingly, international organizations and governments have deemed it imperative to develop and implement social security systems that utilize not only the formal but also the informal sector and guarantee citizens an adequate level of income to better

meet future needs (Ramadhan, Alex, Ariyo and coll., 2023). In Uganda, the National Social Security Fund (NSSF) is a national savings scheme enacted by the government through the National Social Security Act, cap 222 (Laws of Uganda) to provide social security services to workers in Uganda. The program is introduced to protect employees from the uncertainties of social and economic life (Alex & Kazaara, 2023). Through this program, employees are required to contribute 5% of their total monthly wages and their respective employers are required to match 10% of earnings to a total of 15% savings (NSSF Report, 2016). However, findings reveal that one of the key challenges facing countries including Uganda is the inability of informal sector businesses to comply with social security contributions (Paul & Kazaara, 2023).

(Polycarp et al., 2023) reveal that financial literacy empowers and educates people to gain knowledge about financial matters so that they can make informed decisions about finances. Additionally, financial literacy increases knowledge that compels people to create household budgets, initiate savings plans, and make strategic investment decisions (Ntirandekura & Friday, 2022). (Alex & Kazaara, 2023) highlights that incentive conditions encourage retirement savings, which increases voluntary social security contributions. Such incentives refer to tax credits or direct transfers. Furthermore, (Christopher, Moses, Muhindo and Nturanabo, 2022) notes that the perceived incentives associated with social security compel employers to make social security contributions for their employees.

(Nancy & Prudence, 2024) also reveal that retirement planning allows people to understand the retirement process, which instills a sense of control over the future and thus encourages social security contributions. In addition, people who plan for retirement avoid many unnecessary and serious expenses and savings. In addition, they work with the expectation that they will be limited in the future, which encourages them to participate in social security systems compared to those who do not plan for their future (Derrick et al., 2023).

Like any other country in sub-Saharan Africa, many workers do not comply with social security in Uganda. In 2015, the NSSF published a list of over 1,000 employers who have not remitted social security contributions for their employees for over 4 years amounting to Ugx 23 billion (Margaret & Kazaara, 2024). Furthermore, a compliance exercise conducted in 2016 revealed that over 67,000 workers across the country failed to remit their employee contributions worth Sh28 billion to the NSSF (Christopher, Moses, Muhindo and Muhammad, 2022). Most recently, the CEO of the NSSF reported that 12,000 of the total number of employers are non-compliant, while of the 13,000 that are compliant, only 8,900 (68.5%) are making NSSF contributions consistently (Nancy & Prudence, 2024).

Kampala Central Division has one of the most non-compliant firms as more than 788 small and medium enterprises were recently disclosed as non-compliant with NSSF contributions (Turyatamba et al., 2022). This trend reduces the

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quality of life and, in addition to impacting the country's financial inclusion, causes economic discomfort individually and socially (Racheal et al., 2023). Although extensive studies have been conducted and confirmed the link between financial literacy, incentive conditions and retirement planning to influence NSSF compliance, most of these studies have been conducted in Europe, America and developing countries such as China, Taiwan and Japan, with very little evidence. of all studies evaluating the relationship of the same is known in Uganda (Musimenta et al., 2017). Therefore, it is necessary that a similar study be conducted to determine the impact of financial literacy, incentive conditions and retirement planning on NSSF adherence to see if these findings apply to a less developed country such as Uganda.

Statement of the problem

The number of businesses that do not meet NSSF requirements has increased in Uganda. In 2015, the NSSF presented a list of over 1,000 businesses that do not send funds to the NSSF (Alex & Moses, 2024). The report states that some of these businesses deduct remuneration from employees, while others have deliberately not registered with the NSSF as they meet the registration mandate. One of the main areas that is affected is Kampala Central Division (Alex & Kazaara, 2023). More than 788 companies that failed to comply with the NSSF monthly transfer were recently disclosed (Faridah et al., 2023). As a mechanism to improve compliance, the NSSF conducted training campaigns and conducted response campaigns, although the trend did not improve. It is likely that low social security compliance among SMEs can be attributed to low financial literacy, incentive conditions and retirement planning, although limited studies have been conducted in this context (Musimenta et al., 2017). This prompts the researcher to seek further investigation into the matter.

Specific Objectives

1. To examine the relationship between financial literacy and retirement planning among SMEs in Kampala Central Division.
2. To examine the relationship between incentives terms and retirement planning among SMEs in Kampala Central Division.
3. To assess the relationship between retirement planning and social security compliance among SMEs in Kampala Central Division.
4. To ascertain the relationship between financial literacy and social security compliance among SMEs in Kampala Central Division.
5. To examine the relationship between incentives terms and social security compliance among SMEs in Kampala Central Division.
6. To examine the influence of financial literacy, incentives terms and retirement planning on social security compliance among SMEs in Kampala Central Division.

Research Hypotheses

H₁: There is significant and positive relationship between financial literacy and retirement planning

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H₂: There is a significant and positive relationship between incentives terms and retirement planning

H₃: There is a significant positive relationship between retirement planning and social security compliance

H₄: There is a significant and positive association between financial literacy and social security compliance

H₅: There is a significant and positive relation incentives terms and social security compliance H₆: Jointly financial literacy, incentives terms and retirement planning significantly predict social security compliance

Methodology

The study adopted a cross sectional research design because it would save time during the research process to enhance presentation of conclusions and recommendations about the subject matter within the shortest period possible (Maiga et al., 2021). The study further applied a quantitative research approach because it would efficiently address the research objectives which intended to examine the cause and effect relationship between study variables (Paul & Kazaara, 2023).

The study population constituted 1200 Small and Medium Enterprises (SMEs) within Kampala Central Division (Ronald et al., 2023). These enterprises were also regarded the unit of analysis.

A sample size of 377 SMEs was selected, and this number was determined based on Krejcie and Morgan (1970) table for selecting samples from a given population (Rasheed et al., 2022). From each selected SME, an accounts officer and manager were selected to serve as the unit of inquiry. The study applied simple random sampling to select the sample size by way of picking without replacing until the targeted sample size was selected (Nafiu et al., 2013). This technique was applied because it is free from bias since it accords each element of the population an equal chance of being selected (Abiodun & Christopher, 2024). The unit of inquiry was selected by applying purposive sampling because it ensures that only those people who are conversant with the subject matter under investigation are the only ones who are selected. The study used primary data. This form of data was selected directly from the field during the data collection process. This form of data was justified since it provides recent information about the subject matter which increases accuracy of conclusions and recommendations of the study (Nafiu, 2012).

The study used a questionnaire instrument to collect data. This questionnaire was structured in nature and constituted only closed ended questions which were gauged on a 5-Likert scale which had extremes defined as 1 (Strongly disagree) and 5 (Strongly agree) (Olanrewaju et al., 2021). The instrument was selected because it would enhance data collection from a large sample. In addition, the questionnaire was self-administered to increase data accuracy through instant explanation of unclear questions to the respondents (Nafiu, 2012).

Validity assesses whether each question within the data collection instruments measures the construct in question and captures the issues to be measured (Sekaran, 2003). The study determined validity using content validity index. Amin (2005) indicated that an instrument qualifies for validity if its CVI is either 0.7 or better (Olanrewaju et al., 2021). The CVI results obtained in relation to this study are shown in Table 1.

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Reliability measures the consistence of the instrument in measuring the consistence with which the instrument measures the concepts under study (Sekaran, 2003). This study pretested between 15-20 questionnaires before the actual data collection to test for consistence, upon which questions were rephrased. In addition, the study obtained the Cronbach Alpha Coefficient which was gauged on the 0.7 threshold (Nafiu et al., 2012).

Table 1: Validity and Reliability

Variable/ Construct	Cronbach Alpha	Content Validity Index	No of Items
Financial Literacy	.915	.750	12
Financial Knowledge	.717	.750	4
Financial Skills	.791	.750	4
Financial Abilities	.911	.750	4
Incentives Terms	.862	.750	8
Financial Benefits	.758	.750	4
Non-financial incentives	.808	1.000	4
Retirement Planning	.857	.917	12
Retirements Planning	.723	1.000	4
Goals Setting	.789	.750	4
Preparedness	.837	.750	4
Social Security Compliance	.912	.750	8
Mandatory Compliance	.829	1.000	4
Voluntary	.857	.750	4

Source: Primary Data

Table 1 shows that the results in the calculation of Cronbach Alpha coefficients were .915 for financial literacy, .862 for incentives terms, .857 for retirement planning and .912 for social security compliance (Abiodun & Christopher, 2024). The high coefficient scores (more than 0.7) led to the conclusion that the scales were acceptably reliable. In addition, the content validity index also revealed .750 for financial literacy, .750 for incentives terms, .917 in relation to retirement planning and .750 for social security compliance (Nafiu et al., 2013). The content index was therefore

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over and above the threshold of .070 conclusively implied that the items used in the instrument were good measures under each construct (Olanrewaju & Abiodun, 2021).

Data was coded, sorted and edited and then entered in Statistical Package for Social Scientists (SPSS. version 20) for analysis (Nelson et al., 2022). Data in relation to demographic characteristics was presented using descriptive statistics, frequency tables and the interpretation was based on corresponding percentages. Inferential statistics of correlation and regression analyses were used to address research objectives and testing hypotheses (Nelson et al., 2023). Zero Order Pearson Correlation Model was used to establish the nature of the relationships between variables and testing hypotheses H_1 to H_5 . Multiple regression Analysis was used to examine the predictive potential of both the independent variables and moderating variable towards the dependent variable. H_6 was also tested based on the multiple regression analysis.

RESULTS

Table 2: Organizational Characteristics

Particulars	Parameter	Freq (n=269)	Percent
Number of Employees	5-49 employees	147	54.6
	50-99 years	96	35.7
	100 and above	26	9.7
Nature of business	Trade and commerce	111	41.3
	Manufacturing	64	23.8
	Service	94	35.9
Type of scheme	Mandatory	144	53.5
	Voluntary	125	46.5

Source: Primary Data

Table 2 shows that most of the of the enterprises employ between 5-49 employees. In other words, the findings imply that majority of the businesses are categorized as small enterprises. Most small businesses are regarded compliant, and hence their likelihood to comply with social security remittance is relatively lower compared to medium enterprises which have clearer structures. Moreover, the results indicate that majority of the enterprises are engaged in trade and commerce while the least number of such enterprises are manufacturing in nature (Paul & Kazaara, 2023). These results signalize that most enterprises operate within Kampala operate on a small capital base. Lastly, the results

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indicate that most SMEs are under mandatory social savings scheme. Therefore, the results imply that most of the SMEs are less willing to voluntarily save for the future.

Factor Analysis for Financial Literacy**Table 3: Rotated Component Matrix for Financial Literacy**

	Component		
	1	2	3
I stick to the budget I make except in circumstances of uncertainty.	.840		
I feel confident while taking financial decisions	.836		
I am able to make a personal budget.	.820		
I am personally aware of the amount supposed to be remitted.	.820		
I understand the importance of spending according to plan.		.895	
I plan before making any financial decision.		.845	
I know the different savings schemes terms and conditions.		.596	
I am knowledgeable about opening a savings account with NSSF and social security contribution.		.540	
I have a record of all my income(s)			.658
I can personally retrieve my NSSF savings statement.			.579
I have adequate skills in financial management			.541
I have an idea on my total expenditure on every month			.522
Eigen Values	4.066	2.547	1.889
% of Variance	33.887	21.223	15.740
Cumulative %	33.887	55.110	70.851

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a.

Rotation converged in 4 iterations.

Note: 1-Financial Abilities, 2-Financial Knowledge, 3-Financial Skills

Source: Primary Data

Table 3 provides a summary of the factor loading for the constructs of financial literacy of financial knowledge, financial skills and financial abilities. The obtained results indicate that 33.887% of the variance relates to financial abilities, 21.223% relates to financial knowledge and financial skills explains a variance of 15.740% in relation to the aggregated 70.851% variance which would be explained by financial literacy (Nicholas & Alex, 2024). The results portray that the most significant construct for financial literacy is financial abilities as it equally presented the highest

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Eigen value of 4.066. In other words, the results the most significant construct of financial literacy which would result in the most significant improvement in social security compliance is financial abilities.

Factor Analysis for Incentives Terms

Table 4: Rotated Component Matrix for Incentives Terms

	Component	
	1	2
NSSF pays interest on social security	.873	
The interest payable in social security is attractive.	.827	
NSSF reminds my employer to pay my social security	.685	
Interest is paid timely on social security.	.612	
The procedure for accessing social security is easy.		.825
Employers that comply with NSSF contributions are recognized.		.701
The social security terms and conditions are flexible.		.634
I am confident other beneficiaries can have access to my NSSF.		.616
Total	2.795	2.257
% of Variance	34.937	28.213
Cumulative %	34.937	63.150
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a.		
Rotation converged in 3 iterations.		
Note: 1-Financial Benefits, 2-Non-financial Benefits		

Source: Primary Data

Table 4 indicates the factor loading for incentives terms constructs of financial and non-financial benefits. The results indicate that financial benefits are responsible for 34.937% while nonfinancial benefits 28.213% in the total variance of 63.150% related to incentives terms. The results further indicate that the higher Eigen value of 2.795 relates to financial incentives as opposed to 2.257 in relation to non-financial benefits (Moses et al., 2023). The implication of the results is that an increase in financial benefits would lead to higher improvement in the perception for incentives terms which would result in better social security compliance. In this case, the results suggest that the plan to enhance social security compliance through incentives terms requires putting much emphasis to financial benefits.

Factor Analysis for Retirement Planning

Table 5: Rotated Component Matrix for Retirement Planning

	Component		
	1	2	3
I have enough savings for my old age	.831		

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Retirement will enable me to pursue my unfulfilled dreams	.803		
I have lots of people I can depend on if I need them after I retire	.788		
I am worried about my life after retirement.	.775		
My reasons for saving now are short term.		.856	
I discussed retirement plans with spouse, friend, or significant other.		.802	
I have clear vision of how life will be in retirement		.797	
I set specific goals for how much i will need to save for retirement.		.779	
I always think about retirement.			.793
I have set a time beyond which I should retire.			.765
I am comfortable with the retirement age limit.			.613
I have a specific amount I need to accumulate before I retire.			.466
Total	3.520	2.901	1.565
% of Variance	29.334	24.172	13.044
Cumulative %	29.334	53.506	66.550

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a.

Rotation converged in 4 iterations.

Note: 1-Preparedness, 2-Goals Setting, 3-Retirement Timing

Source: Primary Data

Results in Table 5 relates to the rotated component matrix for retirement planning in terms of its multi-dimensional constructs of preparedness, goals setting and retirement planning. The obtained results indicate that preparedness for retirement is the most significant construct explained and it explains 29.334% of the overall 66.550% variance in retirement planning (Alex et al., 2023). This is followed by goals setting which explains 24.172% and lastly retirement planning explaining 13.044% in retirement planning. Based on these results, it is implied that the higher people get prepared for retirement, the more likely they would engage in retirement planning which would subsequently social security compliance.

Table 6: Pearson Correlation Analysis between Study Variables

Variables/Constructs	1	2	3	4	5	6	7	8	9	10	11	12
Financial Literacy (1)	1											
Financial Knowledge (2)	.874**	1										
Financial Skills (3)	.911**	.726**	1									
Financial Abilities (4)	.901**	.652**	.731**	1								
Incentives Terms (5)	.593**	.409**	.489**	.668**	1							
Financial Benefits (6)	.624**	.415**	.539**	.695**	.918**	1						
Non-financial benefits (7)	.462**	.334**	.356**	.528**	.915**	.680**	1					
Retirement Planning (8)	.484**	.365**	.416**	.505**	.632**	.555**	.604**	1				
Retirement Timing (9)	.331**	.259**	.268**	.352**	.506**	.441**	.487**	.885**	1			
Goals Setting (10)	.233**	.188*	.205**	.230**	.382**	.308**	.393**	.852**	.756**	1		
Preparedness (11)	.624**	.450**	.548**	.658**	.669**	.617**	.609**	.739**	.449**	.361**	1	
Social Security (12)		.653**	.482**	.547**	.702**	.730**	.685**	.654**	.813**	1		
		.717**	.522**	.427**								1

Note: **. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

Source: Primary Data

Financial Literacy and Retirement Planning

Table 6 shows that financial literacy is significantly and positively related with retirement planning ($r=.484$, $p<.01$). The statistical significant and positive relationship between the variables imply that an improvement in financial literacy leads to an improvement in retirement planning. The study further observes significant and positive relationships between constructs of financial literacy including financial knowledge, financial skills and financial abilities and retirement planning. Financial literacy highlights ($r=.365$, $p=.01$), financial skills ($r=.416$, $p<.01$) and financial abilities ($r=.505$, $p<.01$) (Nelson et al., 2023). Henceforth, the results portray that all aspects of financial literacy are necessary in enhancing retirement planning.

The above results accept H_1 of this study which states that, “Financial literacy is significantly and positively associated with recruitment planning”.

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Incentives Terms and Retirement Planning

Table 6 reveal that there exists a significant and positive relationship between incentives terms and retirement planning ($r=.632$, $p<.01$). The implication of these results is that improving incentives terms would improve retirement planning. Further analysis of the relationship between each construct of incentives terms and retirement planning indicates that the two constructs for incentives terms of financial benefits and non-financial benefits are significantly and positively related. Both financial and non-financial benefits reveal a 99% significance correlation of ($r=.555$) and ($r=.604$) respectively. These results therefore imply that financial benefits and non-financial benefits forms of incentives terms are necessary in improving retirement planning.

The earlier hypothesis (H_2) of the study stated, “*Incentives terms are significantly and positively associated with retirement planning within SMEs*”. Therefore, the ascertained findings accept this hypothesis.

Retirement Planning and Social Security Compliance

Correlation results (Table 6) indicates that retirement planning is significantly and positively related to social security compliance ($r=.717$, $p<0.01$). Based on the results, it is implied that improvement in retirement planning would result into an improvement in social security compliance. In addition, the study sought the relationship between the constructs of retirement planning and social security compliance. Results show significant and positive relationship between retirement timing and social security compliance ($r=.522$, $p<.01$). Therefore, results imply that retirement timing is a valid construct in enhancing social security compliance. Similarly, goals setting and preparedness for retirement also reveal significant and positive relationship with social security compliance with ($r=.427$, $p<.01$) and ($r=.813$, $p<.01$) respectively. In other words, the results imply that enhancement of goals setting and preparedness for retirement would result in improved social security compliance.

These results accept the earlier hypothesis H_3 of the study which stated, “*There is a significant positive relationship between retirement planning and social security compliance*”

Financial Literacy and Social Security Compliance

Table 6 obtained that a significant and positive relationship exists between financial literacy and social security compliance ($r=.653$, $p<.01$). The results imply that an improvement in financial literacy would lead to an improvement in social security compliance. Furthermore, financial literacy subcomponents of financial knowledge, financial skills and financial abilities. Results obtained revealed a significant and positive relationship between financial knowledge and social security compliance ($r=.482$, $p<.01$); a significant and positive relationship between financial skills and social security compliance ($r=.547$, $p<.01$); and a significant and positive relationship between financial abilities and social security compliance ($r=.702$, $p<.01$). These results reveal that to enhance social security compliance, it would require the enhancement of financial knowledge, financial skills and financial abilities.

Hypothesis (H₄) stated, “*There is a significant and positive association between financial literacy and social security compliance*”. Henceforth, the above results accept this hypothesis.

Incentives Terms and Social Security Compliance

Results indicated in Table 6 show a significant and positive relationship between incentives terms and social security compliance ($r = .730, p < .01$). The implication of these results is that an improvement in incentives terms would result into an improvement in social security compliance. In relation to relationship between each construct of incentives terms and social security compliance, results indicate a significant and positive relationship between financial benefits and social security compliance ($r = .685, p < .01$) as well as a significant and positive relationship between non-financial benefits and social security compliance ($r = .654, p < .01$). The results signalize that improvement in both financial and non-financial benefits would lead to an improvement in social security compliance.

Hypothesis H₅ stated, “*Incentives terms is significantly and positively associated with social security compliance*”. These results accept the hypothesis.

Regression Analysis

Financial Literacy, Incentives Terms, Retirement Planning and Social Security

Compliance Table 7: Multiple Regression of Variables

Model		Unstandardized	Std. Error	Standardized	t	Sig.
		Coefficients B		Coefficients Beta		
1	(Constant)	-.630	.172		-3.661	.000
	Financial Literacy	.271	.051	.276	5.281	.000
	Incentives Terms	.358	.064	.330	5.586	.000
	Retirement Planning	.451	.065	.375	6.904	.000
	R	.830 ^a				
	R Square	.690				
	Adjusted R Square	.684				
	F	133.996				

Sig. .000^b

a. Dependent Variable: Social Security Compliance

b. Predictors: (Constant), Retirement Planning, Financial Literacy
Terms

Source: Primary Data

Results (Table 7) indicate an F-statistic of 133.996 with the overall significance Sig.=.000 of the overall independent variables and the moderating variable in predicting the dependent variable. The significant value ($0.000 < .05$) implies the independent variables and the moderating variable are statistically and significantly capable of predicting the dependent variable. The results further imply that the regression results are reliable and therefore fit to be based on to make conclusions and recommendations. Results also reveal Adjusted R Square=.684 between the variables of financial literacy, incentives terms and retirement planning towards social security compliance. These results imply that 68.4% of the variance in social security compliance is explained by financial literacy, incentives terms and retirement planning. In this essence, the model implies that other variables which were excluded in this study explain 31.6% of the variances in social security compliance.

Results (Table 7) of the standardized coefficients reveal $\beta=.276$, $t=5.281$, $p<.05$ in relation to financial literacy, $\beta=.330$, $t=5.586$, $p<.05$ in regards to incentives terms and $\beta=.375$, $t=6.904$, $p<.05$ for retirement planning. Each of the variables reveal Sig.<.05 which implies that jointly financial literacy, incentives terms and retirement planning significantly predict social security compliance. These results qualify the hypothesis of the study H₆ which states that, “*Jointly financial literacy, incentives terms and retirement planning significantly predict social security compliance*”. The implication of the results is that a change in financial literacy, incentives terms and retirement planning would lead to a positive change in social security compliance. The $\beta=.276$ for financial literacy implies that unit change in this variable would lead to .276 (27.6%) change in social security compliance. Incentives terms’ $\beta=.330$ portrays that a unit change in incentives terms would lead to a 33% change in social security compliance while a unit change in retirement planning would result in $\beta=.375$ (37.5%) change in social security compliance. The results therefore imply that the variable which would cause the highest significant change in social security compliance is retirement planning (Ramadhan, Alex, Kazaara, et al., 2023).

Conclusion

As countries are seeking to reduce the vulnerability of the old, they should find solutions to social security. It is observed that social security compliance explained by various factors. In a multifaceted list of variables, the findings herein indicate that financial literacy, incentives terms and retirement planning are highly integral. Therefore, when people’s knowledge, skills and abilities in relation to financial matters is enhanced, they would get more attracted to

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social security platforms available at their disposal. It is also revealed that it is inevitable to improve incentives terms associated with social security to increase social security compliance. More so, the study affirms when people engage in goals setting, preparing for retirement and having a clear retirement timing, they would be prompted to participate in social security, not only by remitting the mandatory proportion, but also enroll for voluntary savings schemes. Most importantly, the study acknowledges that much as financial literacy, retirement planning and incentives terms are all critical in stimulating social security compliance, as it has been widely documented in most scholarly articles and journals, the most critical focus should be directed towards devising mechanisms which could stimulate goals setting, retirement planning and people's tendencies of setting timing for retirement. Most past empirical studies have not gone to the depth of diagnosing the potential of the three variables as addressed in this particular study.

Recommendations

Offer free investment advice to employees such that they are able to make informed future investment decisions.

Enhance financial education to employees and employers to acquire basic skills, knowledge and competences for proper retirement planning.

Offering diversity of investment options to employees to motivate them save more in order to achieve such investments before and after retirement.

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