UNIVERISTY OF CAPE COAST

FINANCIAL LITERACY AND RETIREMENT PLANNING AMONG EMPLOYEES AT GHANA GRIPD COMPANY

ELEANOR KAFARI

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BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature………….................................. Date……………………

Name: Eleanor Kafari

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision laid down by the University of Cape Coast.

Supervisor's Signature…………................................. Date……………………

Name: Mr. Joshua Addo

ABSTRACT

In the 21st century, retirement planning is an evitable aspect of employees' financial decisions. Employees who are financially literate have been found to have healthy lives during retirement while financially illiterate employees struggle to survive during that period. It is in this light that, the study examined the effect of financial literacy on retirement planning among employees at Ghana Grid Company (GRIDCO). The study employed the quantitative approach and causal research design due to the research objectives. The study randomly sampled 169 employees of which 110 (65.1% response rate) of their questionnaires retrieved were relevant for analysis. The Statistical Package for Social Sciences (SPSS) version 24 was used to process the data. Also, analytical tools such as frequencies, percentages, means, standard deviations and linear regression were used analysis the study's research objectives. The study found that, financial literacy has a moderate and positive significant effect on employee's retirement planning. The study therefore concluded that, financial literacy is critical for effective long-term financial decisions concerning retirement planning. Based on this, the study recommended that, management of GRIDCo should design special programmes for their employees in bid to improve their knowledge on money management. These special programmes should focus on financial management in the areas of savings, budgeting, resource utilisation, investment and insurance.

KEY WORDS

Financial literacy

Retirement planning

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DEDICATION

To my family

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LIST OF ACRONYMS

FL	Financial Literacy
RP	Retirement Planning
RPD	Retirement Planning Decisions

CHAPTER ONE

INTRODUCTION

In the 21st century, the contributions by employers and governments in managing investments on behalf of individuals (employees or citizens) has drastically reduced due to global changes in the structures that allowed them to provide these social supports. It is therefore imperative that an individual develops in-depth understanding of finance in order to ensure that he/she makes sound decisions to achieve financial goals. However, most people, especially employees, have struggled to develop effective retirement plans because their level of financial literacy is low. To appreciate the issues surrounding financial literacy and retirement planning, the expectancy theory was employed to underpin the study. This theory provides a theoretical foundation for explaining the motivational influences underlying human behaviour as functions of expectancy, instrumentality and valance. It is on this note that, the study examined financial literacy and retirement planning among employees in the private sector focusing on Ghana Grid Company.

Background to the Study

In the 21st Century, the financial system has been growing with pace and becoming more complex all over the world. In light of the ever changing and dynamic business environment, the factors which influence financial decisions of people have also changed extremely (Tippet & Kluvers, 2007). In recent times, the contributions by employers and governments in managing investments on behalf of individuals (employees or citizens) has drastically reduced due to global changes in the structures that allowed them to provide these social supports (Redmund, 2010; Huston, 2010; Mitchell, 2011). As such, the responsibilities of individuals in managing their own finances and safeguarding their financial freedoms has increased tremendously.

It is therefore imperative that an individual develops in-depth understanding of finance in order to ensure that he/she make sound decisions to achieve financial goals and needs (Mitchell, 2011). The financial environment will continue to remain complex today when compared to previous generations since financial products are always rising and changing worldwide (Mandel & Klein, 2007). For instance, decades ago, having basic knowledge of how to maintain an account in a financial institution was more than enough but in today's world, individuals need to have in-depth financial knowledge that will enable them distinguish between a variety of financial products and services available in the modern financial markets (Lusardi, Alessie & Rooji, 2008).

According to Garman and Gappinger (2008), financial literacy is seen as an individual's knowledge of facts, principles and tools in the technological nature that are vital to being smart about money. Financial literacy also plays significant roles when an individual intends to plan towards retirement. It therefore enables an individual to plan for retirement, make accurate choices on pension products and also contribute immensely when managing pension schemes (Njuguna & Otsola, 2011). Agnew, Szykman, Utkus and Young (2007) stressed that, financial literacy has influence on how an individual save and participates in pension schemes which in turn contributes to economic growth.

Studies have found that, individuals who have a high level of financial literacy are more likely to plan, succeed and invariably enjoy a successful retirement (Mandell & Klein, 2007; Huston, 2010; Njuguna & Otsola, 2011).

This is because, individuals are more likely to rely on formal methods such as retirement calculators, financial experts and retirement seminars and rely less on referent groups. Additionally, individuals who display higher financial literacy tend to save and invest in assets and/or stocks for future benefits (Mitchell, 2011). In this regard, individuals who are better off during retirement are known to have higher financial literacy and vice versa (Hastings, Mitchell & Chyn, 2011).

In developing countries like Ghana, Kenya, India and Nigeria, individuals, especially employees, are expected to have a considerable level of financial literacy in order to have a successful retirement plan during active working periods (Onyango, 2014). In view of this, the need for financial literacy among employees, has become increasingly vital. Evidently, governments and most employers in the country have placed more emphasis on continuously increasing the level of financial literacy among employees as this would help in attaining many goals such as promoting employees' understanding and knowledge of the financial systems, reducing financial crimes and also having a successful retirement plan. The contributions by these key stakeholders are in line with the view of Lusardi and Mitchell (2013).

Similarly, in Ghana, the concept of retirement planning can never be overemphasised. It is regarded as very important to individuals who intend to have better preparations towards retirement (Nunoo & Andoh, 2012). The retirement period is mostly meant for relaxation and enjoyment of one's toils during the active periods. Retirement planning requires an employee to be financially literate in order to help them make better savings, investment and insurance decisions. Financial literacy also helps Ghanaian workers to have maximum control over their debt issues (Nunoo & Andoh, 2012). As such, various governments and organisations have placed much emphasis on continuously increasing the level of financial literacy among employees as this would help in promoting their understanding and knowledge of financial systems amidst having a successful retirement plan.

However, the Ghana Statistical Service (2016) report revealed that about 64.3 percent of Ghanaian workers are financially illiterate. This could lead to poor savings and investment culture, poor money management, lack of sound financial planning, over indebtedness thus affecting their retirement plans (Kefela, 2010). Evidently, a World Bank (2017) report on the state of Ghanaian pensioners revealed that about 74.5 percent of them struggle to survive during retirement. Thus, majority of them predominantly survive on their mandatory SSNIT contributions which are woefully inadequate to meet their needs. Arguably, this menace could be attributed to the high financial illiteracy among Ghanaian workers including those at the Ghana Grid Company (GRIDCo). Therefore, the motivation of the study was to examine financial literacy and retirement planning among Ghanaian workers with focus on those at GRIDCo.

Statement of the Problem

The benefits associated with having a higher level of financial literacy cannot be overemphasised. Financial literacy is known to have a positive significant relationship with self-beneficial financial behaviour and an effective retirement planning (Greenspan, 2005). However, majority of individuals in both developed and developing countries have low level of financial literacy which in turn affect their retirement plans during their active working periods (Lusardi, Alessie & Rooji, 2008). This is because, these individuals lack knowledge on where to access trustworthy and impartial assistance about financial and pension issues. For instance, in a developed country like United States of America, households boast of a variety of financial products and low level of financial literacy which affect them during decision making on financial products (Lusardi, Mitchell & Curto, 2010).

Also, in Chile, Skog (2006) found that majority of the people had relatively low awareness level regarding their pension systems due to their poor level of financial literacy. Similarly, in developing countries, the level of financial literacy among the populace including workers has been found to be very low (James, 2009; Njuguna & Otsola, 2011). A study by Organisation for Economic Cooperation and Development-International Network on Financial Education (OECD-INFE) (2011) found that, about 40% of the adult population in developing countries had basic knowledge on how to use financial products. It further revealed that, only 29% of adults in seven (7) countries considered had a bank account while about 50% of them used no financial product whatsoever.

Also, in Kenya, Financial Sector Deepening (FSD) (2008b) reported that, about 59.5% of the population has been excluded from the use of formal financial services. Generally, accessing financial education programs has been a huge challenge which has largely contributed to the populace's low knowledge of pension systems and its effect on them (James, 2009; Mitchell, 2011). Most people, especially employees, have struggled to develop effective retirement plans because their level of financial literacy is very appalling. A study by Lusardi and Mitchell (2007) revealed that, about 73% of natives within the Sub-Saharan African (SSA) countries are financially illiterate as such, about 80% of them struggle to plan towards retirement. Huston (2010) also stressed that, individuals who are financially illiterate are less likely to save for retirement and more likely to have debt issues.

Similarly, most employees in both the formal and informal sectors in Ghana have inadequate or low level of financial literacy which has forced them to prepare inadequately for retirement, disinterested in saving and also retire too early (Kefela, 2010). This has also affected their productivity rates at respective workplaces. Additionally, employees with low level of financial literacy in the country face financial problems such as overspending, inadequate resources, unwise use of credit, bad spending decisions, over-indebtedness, poor management decisions and even high borrowing during retirement (Huston, 2010; Mitchell, 2011).

In view of this, the Government of Ghana, agencies and employers have designed various financial literacy programs intended to equip employees and the general public to enhance their current level of financial literacy (Nunoo & Andoh, 2012). In spite of this, the level of financial literacy is still low among employees in the country and this could have negative impacts on their retirement plans. Employees of Ghana Grid Company cannot be excused from this low level of financial literacy which has become a general issue to Ghanaian workers. As such, workers of GRIDCo are also expected to struggle when planning for retirement since their level of financial literacy is perceived as poor. Therefore, the study seeks to examine financial literacy and retirement planning among employees of Ghana Grid Company (GRIDCO) in Tema.

Moreover, literature have been scanty on this topic in various countries (Garman & Gappinger, 2008; Huston, 2010; Kefela, 2010; Mitchell, 2011), only a couple of them is attributable to Ghana (Ansong & Gyensare, 2012; Nunoo &

Andoh, 2012; Adam, Frimpong & Boadu, 2017). In Ghana, existing studies have focused more on the determinants of financial literacy while failing to research into its effect on retirement planning. Existing studies in Ghana have not focused on employees in the energy sector including Ghana Grid Company. This limitation in existing literature has created a gap which the study sought to fill.

Purpose of the Study

The purpose of the study was to examine the effect of financial literacy on retirement planning among employees at Ghana Grid Company, Tema.

Research Objectives

The following specific objectives were developed to:

1. assess the level of financial literacy among the employees of GRIDCo.
2. assess the level of retirement planning of the employees of GRIDCo.
3. examine the effect of financial literacy on retirement planning decisions among the employees of GRIDCo.

Research Questions

The following research questions were developed to guide the study:

1. What is the level of financial literacy among the employees of GRIDCo?
2. What is the level of retirement planning of the employees of GRIDCo?
3. What is the effect of financial literacy on retirement planning decisions among the employees of GRIDCo?

Significance of the Study

The study examines the effect of financial literacy on retirement planning among employees at Ghana Grid Company which is located at Tema, Ghana. The drive for the study was prompted by the numerous challenges most pensioners face whenever they go on retirement basically due to their low level of financial literacy which affect them when planning for retirement during their active working periods. Also, authorities have struggled to provide the necessary education and training since they find it difficult to ascertain the level of financial literacy among employees in the country, especially those at Ghana Grid Company.

The study will therefore assist employees in overcoming their frustrations by identifying their level of financial literacy and also having in-depth understanding of the factors that affect their retirement plans. As such, the results from the study will bring positive changes towards employees' attitudes at work since they will now be abreast with the factors that affect their retirement plans and also the significance of having high level financial literacy. Additionally, the results from the study will assist management of Ghana Grid Company and other institutions when planning on the training packages for their employees. This is because, the results from the study will help them to know their employees' level of financial literacy as such, provide the necessary training packages to either maintain or enhance those levels.

Further, the study's results will help policy makers in the country to have in-depth knowledge of the possible factors that affect the retirement plans of employees. This will enable them to establish the necessary measures to help curb these factors in order to ensure that employees are able to plan for retirement successfully without hindrances. Finally, the outcome of the study will augment existing literatures and provide deeper understanding in regards to financial literacy and retirement planning among employees in Ghana.

Delimitations

The study was conducted within the framework of examining the effect of financial literacy on retirement planning among employees. It relied on employees at the Ghana Grid Company which is located in Tema. Therefore, the outcome of the study cannot be generalised for the whole country.

Limitations

The results from the study is limited to the opinions of respondents who are employees at Ghana Grid Company, Tema. Similarly, the results might not reflect the reality of events since all the items measured in the study were self-reported rather than observed. Also, research is yet to be conducted on this topic focusing on employees in the chosen study area thus, it was difficult to adequately use directly related literatures to support or disapprove the study's findings. However, this limitation was minimised by the inclusion of researches conducted elsewhere.

Organisation of the Study

The study was grouped into five chapters. Chapter one presented the introduction of the study and discussed the background, statement of the problem, purpose of the study, specific objectives, research questions, significance of the study, delimitation and limitations as well as the organisation of the study. Chapter two dealt with the review of relevant literature in relation to financial literacy and retirement planning. Chapter three discussed the description of the study's research methods which consist of research design, study area, population and sampling procedure, data collection instrument, data collection procedures, data processing and analysis. Results and discussion were done in chapter four. Chapter five dealt with the summary of key findings of the study, conclusions and recommendations to management and policy makers. The chapter concludes with recommendations for further research.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The emphasis of the study was to examine financial literacy and retirement planning among employees at Ghana Grid Company, Tema metropolis of Ghana. This chapter therefore discusses reviews of literature related to the study and it focuses on theoretical review, explanation of concepts, empirical reviews and concluded with a conceptual framework of the study.

Theoretical review

The study was underpinned by the expectancy theory due to its direct linkage to the study's research objectives. This section therefore showed how the theory directly relates to the study's objectives.

Expectancy theory

Expectancy theory started as early as Lewin (1943) and it was tied to one's perception to behaviour. Vroom (1964) and Bolles (1972) conducted further studies on this theory and provided a theoretical foundation for explaining the motivational influences underlying human behaviour as functions of expectancy, instrumentality and valance. As a function, expectation explains the likelihood that a particular action or one's state of nature will produce a certain result and this means that performance is dependent on effort. Instrumentality also deals with the relationship between performance and reward and this means that, a result is dependent on performance, while valence or utility deals with the value of importance one attaches to perceived outcome.

According to Mandel and Klein (2007), these elements or functions motivate an individual to produce valuable results. As such, an individual will behave or perform in a certain way when induced to choose a particular behaviour over other behaviours based on the outcomes expected. Oliver (1974) simply stressed that, one's actual behaviour is highly dependent on the outcome desired or intended. Montana and Charnov (2008) refuted Oliver's view by revealing that, one's behaviour is not solely dependent on expected outcome since the theory is about the mental processes in relation to making better choices. The theory further stresses that, rewards should directly be linked to employees' performance and also ensure that relevant rewards are adequately made available.

The expectancy theory underpinned the study to explain the motivational influences underlying financial literacy and retirement planning. The theory posits that an employee who expects positive outcomes from retirement planning may be induced to undergo financial education. This is because, the employee may expect the likelihood of being financially literate to produce a certain result, that is, enjoy financial stability during retirement. Simply put, an employee of GRIDCo may be induced to improve financial literacy in anticipation of achieving their long-term retirement plans. Thus, employees may not be encouraged to be financially literate if they if perceive that it would not lead to expected outcome, that is, financial stability during retirement. As such, having proper retirement plans to meet retirement needs, for instance, is one of the most significant outcomes that an employee intends to attain from being financially literate.

Concept of Financial Literacy

This concept was derived from the Latin literature which, according to Cicero, meant "a learned person". This concept or term as gained universal recognition since time immemorial and as such, has been defined extensively by different scholars. Financial literacy is defined as one's ability to make informed judgements and to make relevant decisions in relation to the use of and management of finance or money (Worthington, 2013). He explained that, to be financially literate, one needs to know of the clarity of issues or the area of required instructions. Thus, the financial education system should be geared towards providing adequate information for people including employees to be able to plan financially towards their future, especially retirement periods.

Agnew, Szykman, Utkus and Young (2007) defined financial literacy as one's ability to access, organise, evaluate and use financial resources. On the other hand, Garman and Gappinger (2008) defined it as an individual's knowledge of concepts, principles, facts and technological tools that are required to be financially smart. Huston (2010) also proposed that, financial literacy must include the application of financial knowledge and not focus solely on an individual's ability to obtain and evaluate financial information. He stressed that, financial literacy requires the application of financial knowledge or skills. Remund (2010) also defined it as a measure of understanding the key concepts in finance.

Huston (2010) posited that financial literacy can be defined as an individual's capacity to use information and skills to manage financial assets effectively for a life time of financial soundness. The Organisation for Economic Cooperation and Development (OECD) (2011) gave a comprehensive definition of financial literacy as the process by which individuals augment their understanding of financial concepts and products through information, instruction and/or objective advice, skills and confidence development in order to become more aware of financial risks and opportunities to make informed choices and to take other relevant actions to enhance their financial well-being. It revealed key elements of financial literacy to include: money, saving, budgeting, debt literacy, financial products and self-assistance.

Lusardi and Mitchell (2014) defined financial literacy as one’s ability to process economic information and make appropriate decisions in relation to financial planning, accumulation of wealth, debt and pensions. Also, Lusardi and Mitchell (2014) stressed that financial literacy is seen as the capacity of an individual to control economic information and make relevant decisions in relation to wealth accumulation, pensions, financial planning and debt. As such, being financially literate is significant for people to settle and make informed decisions. Financial literacy therefore concentrates on important financial tools such as saving, budgeting, insurance and investment (Ali, 2013; Gallery, Newton & Palm, 2011).

From the definitions, it could be deduced that, financial literacy deals with one’s ability to make informed decisions and take suitable actions in regards to matters that affect their financial wealth and wellbeing. It also tries to measure how people understand financial issues and make financial decisions. In view of this, the need for financial literacy is continuously becoming significant with the deregulation of financial markets, improved access to credit, new technologies for dealing with money and the rapid growth in marketing financial products (Mandell, 2008; Murugiah, 2014; Njuguna & Otsola, 2011; Onyango, 2013).

According to Mandell (2008), for instance, more emphasise should be made on increasing the level of financial literacy as it would enable individuals and organisations to achieve several objectives in relation to enhancing public knowledge and understanding of the financial system in addition to improving consumer protection and minimising financial frauds. Moreover, Murugiah (2014) stressed that financial literacy starts at the home where children are informed and educated on how to manage money, thus, spending wisely and saving regularly. This will make their financial decisions easier as they grow and eventually improve their financial standing in future. Amber concluded that, financial literacy should be seen as an integral part of life and should be regarded as critical to retirement planning.

Mugerman, Sade and Shayo (2014) similarly stressed that financial literacy has positive effects on saving decision and thus should not be taken lightly irrespective of demographic characteristics of the individual. This is because people could be exposed to several dangers because they not being financially literate. For instance, Kotze and Smit (2008) revealed that financial illiteracy could have negative impacts or consequences on an individual and country as a whole. Fernandes, Lynch and Netenmeyer (2014) revealed that financially illiterates would be faced with several financial challenges such as poor financial record keeping, spending above budget, poor investment plans, improper financial decisions, poor savings culture and wastage of resources. These challenges were also found in other studies (Collins, 2012; Wise, 2013).

Level of Financial Literacy

Employees' ability to recognise the level of financial literacy is important since it helps making positive and proactive financial decisions prior to retirement. According to Capuano and Ramsay (2011), one's level of financial literacy can be determined by one's knowledge in money management in relation to four critical factors such as financial control, budgeting, living within means and borrowing and debt literacy. Money management as a determinant of the level of financial literacy has been adopted in studies by (Gustman, Steinmeier & Tabatabai, 2010; Kempson, 2009; Brown, 2013). However, a study by Fatoki (2014) in South Africa identified employees' level of financial literacy based on their knowledge in savings.

Moreover, Hastings and Mitchell (2011) revealed that one's knowledge in investment could determine level of financial literacy. They suggested that, individuals who are not aware of all the investment avenues available to them have low level of financial literacy and this affects them in terms of planning towards retirement. This finding was in line with a study by Agnew, Bateman and Thorp (2012) who stressed that individuals who have high levels of financial literacy invariably have adequate knowledge in investment issues. Other studies have also added that, knowledge in insurance, resource management and retirement planning could be used to determine the level of financial literacy among employees (Collins, 2012; Van Rooij, Lusardi & Alessie, 2011; Worthington, 2013).

Similarly, one's knowledge in finance could also determine level of financial literacy or knowledge in savings, investment and resource management (Bruhn & Zia, 2011; De Bassa & Scheresberg, 2013; Klapper & Panos, 2011;

Wachira & Kihiu, 2012). Klapper and Panos (2011) for instance revealed that employees who are knowledgeable about financial issues are able to make relevant financial decisions. De Bassa and Scheresberg (2013) also revealed that individuals with high knowledge in finance are highly inclined to anticipate retirement and thus are more inclined to accumulate riches and are more opened to investments avenues.

In regards to this, the study employed the various elements identified above in bid to assess employees' level of financial literacy in the study area. Specifically, elements such as knowledge in money management, knowledge in savings, knowledge in investment, knowledge in insurance and retirement planning and knowledge in finance (Capuano & Ramsay, 2011; Collins, 2012; De Bassa & Scheresberg, 2013; Fatoki, 2014; Klapper & Panos, 2011; Mwangi & Kihuu, 2012) were employed to access the employees' general level of financial literacy. This is because these elements have been empirically proven and widely accepted in studies related to financial literacy in various countries including Ghana (Owusu, 2015).

Measurement of Financial Literacy

Due to the wide recognition of this term, financial literacy has been measured in different ways by different scholars. Klapper and Panos (2011) for instance measured financial literacy using time value of money, risk diversification and operations of stock market. These indicators were also adapted by Lusardi and Mitchell (2011) and included inflation and return. They framed questions in relation to these indicators on a 5-point likert scale of 1 to 5 where respondents with little or no idea about any of the indicators indicated 1 while those with better knowledge indicated 5. These indicators have been adapted by other researchers in various countries. For instance, Almenberg and Save-Soderbergh (2011) in Sweden, Alessie, van Rooij and Lusardi (2011) in Italy, Sekita (2011) in Japan, Bucher-Koenen and Lusardi (2011) in Germany and Githui and Ngare (2014) in Kenya.

However, Carpena, Cole, Shapiro and Zia (2011) in their study on unpacking the causal chain of financial literacy proposed a broader measure of financial literacy which included basic financial attitudes, financial awareness and added the numeracy skills in relation to basic knowledge about stock market and compounding interest rates. They concluded that financial education only enhances financial attitude and awareness and not numeracy skills. Also, Clark, Musardi and Mitchell (2017) conducted a study on financial literacy and measured respondents' financial knowledge using questions which have been tested in other studies. In their study, they used indicators such as inflation, risk diversification, tax offset and interest rate to measure financial knowledge of respondents. These indicators tested people's knowledge about these financial variables.

According to Musardi and Mitchell (2016), the first three indicators were developed by Lusardi and Mitchell (2008, 2009, 2011a) which was also used in the Health and Retirement Study and other US national surveys such as National Longitudinal Survey of Youth, the American Life Panel and the US National Financial Capability Study. Also, respondents' knowledge about tax offsets was developed by Clark, Maki and Morrill (2014) in bid to query employees on how they understand tax exemption issues. Similarly, Crossan, Feslier and Hurnard (2011) measured financial literacy by obtaining respondents' knowledge in terms of inflation, money illusion, time value of money and compounding interest.

Other studies have measured financial literacy in terms of demographic characteristics such as age, sex, education, working experience, and levels of income of the respondents (Ansong & Gyensare, 2012; Beckmann, 2013; Mahdavi & Horton, 2014; Lusardi & Mitchell, 2008; Olga & Kharchenko, 2011; Van Rooij, Lusardi & Alessie, 2007). From the above measurement indicators, the study adapted the major indicators propounded by Carpena *et al.* (2011) in relation to soliciting for respondents' financial knowledge about financial attitude and awareness. Moreover, some of these indicators have been captured in various studies (Clark *et al*., 2016; Githui & Ngare, 2014; Klapper & Panos, 2011; Mitchell, 2011; OECD, 2015). These indicators were put on a 5-point rating scale in bid to achieve the study's research objectives.

Concept of Retirement Planning

Retirement planning has become a major concern to people due to the uncertainties associated with life during retirement. This is because, retirement is concerned with giving up one's regular work especially because of age (Lusardi & Mitchell, 2011). They added that it is a period of golden relaxation when activities of living are structured by the individual retiree to maximise pleasure rather than for economic returns or profit. It is indeed a period of relating more realistically with friends, relations, loved ones and above all with one's community. Retirement is prompted by several reasons including old age where physical capacities naturally fade out, declining mental aptitude, inability to cope with increasing volume of work and lower resistance to illness (Mullock

& Turcotte, 2012). It may come in the form of voluntary, compulsory or premature retirement.

In view if this, planning for retirement has become a major focus of scholars. Magera (1999) defined retirement planning as a systematics way of setting resources aside purposely to provide future income. It is also referred to as designing and implementing a set of predictions and financial operations that provides the financial needs of an individual and family during retirement (Keizi, 2006). Keizi (2006) added that, most people generally engage in other businesses as preparation towards retirement. This is because, it is important to partake in basic retirement planning activities throughout one's active periods and to ensure regular update of those plans. In retirement planning, one needs to consider income, debt, expenses, long term living arrangement and estate planning (Njuguna & Otsola, 2011; Worthington, 2005).

During retirement planning, an individual basically needs to develop retirement budget, create a retirement plan, determine retirement income, get out of them, instil on savings culture and invest funds wisely (Lusardi & Mitchell, 2011, 2014). Similarly, it has been revealed that one can prepare retirement plans by establishing a personal mission statement, knowing your personal vision in life, conducting SWOT analysis, stating retirement objectives, developing strategies and monitoring and evaluating those retirement strategies (Fornero & Monticone, 2011; Klapper & Panos, 2011). Proper retirement plans help an employee to be proactive rather than reactive since it is a systematic way of looking into the future. It also ensures consistent achievement of results and motivates one's perceptions and actions.

Employees' Level Retirement Planning

Studies have revealed that retirement planning is a continuous process and as such expose employees to several factors which could determine their levels of retirement plans (Agarwal, Amromin, Ben-David, Chomsisengpet & Evanoff, 2015; Kotze & Smith, 2008; Fernandez *et al.*, 2014). A study by Kotze and Smith (2008) revealed several factors that could determine one's level of retirement planning to include spending in excess of budget, poor financial record keeping, inadequate funds and improper financial decisions. Beal and Delpachitra (2010) conducted a study on the factors that influence planning for retirement. The study grouped these factors into personal factors (marriage, own-family health and pregnancy), lifecycle factors, external or work-related factors (working environment, job satisfaction) and financial factors.

Wise (2013) also revealed that one's level of retirement planning can be determined by factors such as ability to make investment decisions, savings behaviour and knowledge on money management. Wise's (2013) measurement of money management was retrieved from Capuano and Ramsay (2011) who identified some key competencies of money management to include budgeting, saving, borrowing and planning. As such, lack of knowledge in these element or competencies could affect your retirement plans. It is to note that, these factors determine employees' level of retirement planning and as such help them to prepare towards retirement. It is therefore appropriate to ensure that these factors are identified and worked towards in bid to ensure that they do not affect one's retirement plans and eventually life during retirement.

Empirical Review

This section presented reviews related to financial literacy and retirement planning. The reviews were done to obtain adequate information from existing studies in order to support or disapprove the findings of the third research objectives of the study.

Lusardi and Mitchell (2011a) conducted a quantitative study on financial literacy and retirement planning in the United States (US). The study purposely examined the effect of financial literacy on retirement planning and employed the survey design. Using questionnaires for data collection, data obtained were analysed using correlation and regression statistical tools. The study found that, financial literacy is highly correlated with retirement planning and thus, the former has a causal effect on the former. The study concluded that people who plan towards retirement are able to accumulate more savings towards retirement.

Moreover, other studies obtained similar results in different countries. In Italy, for instance, Fornero and Monticone (2011) found that financial literacy has a strong positive effect on retirement planning and same results were attained by Bucher-Koenen and Lusardi (2011) in Germany, Sekita (2011) in Japan and Van Rooij *et al.* (2011) in the Netherland. Similarly, a study conducted by Honekamp (2011) on the different effects of financial literacy on financial education in Germany found that financial literacy has a greater effect on retirement planning for above-average income households in Germany.

However, these findings were in contrast with a study by Crossan *et al*. (2011) who found that financial literacy do not have any effect on retirement planning. Their study was carried out in New Zealand and it looked at the effect of financial literacy on retirement planning. Also, Klapper and Panos (2011) in their study in Russia on the effect of financial literacy on retirement planning found that, financial literacy is negatively correlated with retirement or pension planning in Russia. They posited that, higher financial literacy is categorically identified with retirement planning and private pension funds investment. They therefore concluded that increase in financial literacy lead to decrease in retirement or pension planning in Russia.

On the other hand, in a quantitative study by Arrondel, Debbich and Savignac (2013) on financial literacy and financial planning in France specifically looked at the relationship between financial literacy and retirement planning. The study found a strong positive relationship between financial literacy and retirement planning. Doyo (2013) conducted a study on the effect of financial literacy on pension preparedness among members of the informal sector in Kenya. The study specifically sought to examine the relationship between financial literacy and pension preparedness in the study area using descriptive survey design. The study focused on 150 respondents using stratified random sampling technique and collected data from them using questionnaires. Analysing data using correlation, it was found that financial literacy had a significant positive relationship on pension preparedness.

Similarly, Githui and Ngare (2014) conducted a study on financial literacy and retirement planning in the informal sector in Kenya. The study examined the impact of financial literacy on retirement planning in the informal sector in Kenya. The study found that financial literacy had a positive impact on retirement planning in Kenya. The study concluded that the higher one's knowledge in financial issues, the higher the ability to plan towards retirement.

Gitari (2012) stressed that one's knowledge on financial issues is critical for effective long-term financial decision making on retirement planning.

In South Africa, Fatoki (2014) conducted a study on financial literacy and retirement planning and found that the former has a positive effect on the latter. Fatoki concluded that individuals who are financially literate are able to set some money aside towards retirement. Nejati, Ahmadi and Lali (2015) conducted a study in Iran to investigating the effect of financial literacy on retirement planning and household wealth focusing on master students in Business Administration in Islamic Azad University. The study was quantitative in nature and employed the descriptive research design. Questionnaires were administered to 59 people and data obtained were analysed using Pearson's correlation coefficient and regression analysis. The study found that financial literacy has a positive effect on retirement, risk diversification and savings planning in the University.

A study on financial literacy and retirement planning in Israel was also conducted by (Meir, Mugerman & Sade, 2016). The study purposely looked at the effect of financial literacy on retirement planning. The study employed the quantitative approach and survey design. The study focused on two major elements of financial literacy: financial decision-making behaviour and financial knowledge. Analysing data through regression analysis, it was found that financial decision-making behaviour is positively related to retirement planning while financial knowledge has no significant relationship with retirement planning when other variables are controlled. They concluded that financial literacy in relation to retirement saving increases one's ability to plan towards retirement.

Conceptual Framework

This section presented the study's conceptual framework in bid to provide a pictorial view of the study's key variables. The framework was constructed within the scope of the study's variables (financial literacy and retirement planning) and it was displayed in Figure 1. It further explained the relationship between the variables under consideration and it could be deduced from Figure 1 that, retirement planning represents the dependent variable while financial literacy represents the independent variable. The implication is that, any change (positively or negatively) in the independent variable (financial literacy) directly affect the dependent variable (retirement planning). Studies have revealed that financial literacy is a key predictor of retirement planning. The framework was displayed in Figure 1.

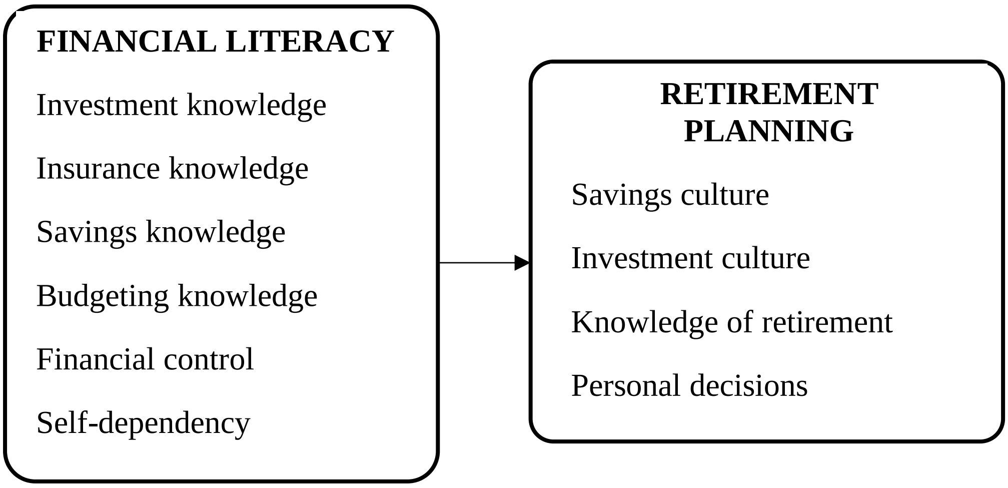

Figure 1: Conceptual framework of the Study
Source: Author's Own Construct, Kafari (2019)

Chapter Summary

This chapter presented the literature review of the study in relation to financial literacy and retirement planning. The chapter revealed the theory underpinning the study and also discussed the major variables under consideration. Empirical reviews in relation to the study were presented and the study concluded with a conceptual framework.

CHAPTER THREE

RESEARCH METHODS

Introduction

The study seeks to examine financial literacy and retirement planning among employees at Ghana Grid Company (GRIDCO), Tema. This chapter focuses on the procedures used for the study. It specifically discusses the research design, study organisation, population, sampling procedure, data collection instrument, ethical issues, data collection procedures and data processing and analysis.

Research Approach

The choice of any research design is generally dependent on the type of approach employed in a study (Creswell & Plano Clark, 2011; Johnson & Onwuegbuzie, 2004) because of its significance to any scientific study irrespective of the research area. A research approach is a plan and procedure for a research which spans from broad assumptions to detailed methods of data collection, analysis and interpretation (Creswell, 2014). Scholars have identified three (3) primary approaches to any scientific research and they comprise qualitative, quantitative and mixed approaches (Creswell & Creswell, 2017; Creswell & Plano, 2011; Saunders, Lewis, Thornhill & Bristow, 2015). Moreover, the choice of an approach is dependent on the purpose of the study and as such, it was appropriate to employ the quantitative approach.

According to Creswell (2014), a quantitative research approach/method is a type of approach in which quantitative techniques in the form of descriptive and inferential statistics are used to describe issues in the study. This approach allows the study to collect and analyse data in quantitative/numerical terms in order to achieve its purpose. It is suitable for examining the strength and magnitude of relationships likewise the effect or impact of a variable on another. Creswell and Creswell (2017) revealed that this approach allows generalisations of a study's outcome since findings are more objective than subjective. Therefore, this approach was employed because the study sought to examine the effect of one variable (financial literacy) on another (retirement planning decisions) and also generalise its outcome to the entire population.

Research Design

A research design provides a framework for the collection and analysis of data (Creswell & Plano Clark, 2011). A research design has three major types/forms comprising exploratory design, explanatory/causal design and descriptive design (Creswell, 2014; Creswell & Creswell, 2017; Saunders *et al*., 2015). According to them, the choice of a design depends on the study's purpose and its approach. As such, the study employed the explanatory/causal research design despite the availability of the other alternatives. This is because an explanatory design aims to establish cause and effect relationships between variables (Saunders *et al*., 2015) of which the study intends to achieve. Practically, the study sought to examine the effect of financial literacy on retirement planning and thus, the research questions require quantitative analysis.

The explanatory/causal research design has both strengths and weaknesses (Creswell, 2014; Creswell & Creswell, 2017). The major strengths of this design include: it helps increase the understanding on a given subject, there is flexibility of obtaining data, objective conclusions can be drawn and generalisation of findings can be made. However, this design comes with weaknesses such as possibility of obtaining biased information from respondents, findings could be affected by other uncontrolled variables and time consuming in ensuring a representative sample. In spite of these weaknesses and availability of the other designs, the explanatory design was more preferable due to the objectives of the study and the approach/method employed.

Study Organisation

The study was carried out within the confines of Ghana Grid Company (GRIDCo), Tema in Ghana. GRIDCo was established in accordance with the Energy Commission Act, 1997 (Act 541) and the Volta River Development (Amendment) Act, 2005 Act 692, which allowed the establishment and exclusive operation of the National Interconnected Transmission System (NITS) by an independent utility provider and the separation of the transmission functions of the Volta River Authority (VRA) from its other activities within the framework of the Power Sector Reforms. In December 15, 2006, GRIDCo was incorporated as a private limited liability company under the Companies Code, 1963, Act 179 and it was granted certificate to commence business on December, 18, 2006. The company became fully operational in 2008 following the transfer of core staff and power transmission assets from VRA to GRIDCo.

The core function of GRIDCo is do carry out economic dispatch and transmission of electricity from wholesale suppliers (generating companies) to bulk customers including Electricity Company of Ghana (ECG) and Northern Distribution Company (NEDCo). The company also provides fair and non-discriminatory transmission services to all power market participants. It is tasked to acquire and manage assets, systems and facilities to transmit electrical energy and also provide metering and billing services to bulk customers. The company was also incorporated to develop and promote competition in Ghana's wholesale power market by providing transparent and open access to the NITS for all participants in the power market. The company plays immense roles in the Ghanaian energy sector and as such much is expected from the employees.

Population

Leedy and Ormod (2010) defined population is the target group that the researcher is interested in gaining information and drawing conclusions. The population of the study consists of all permanent employees at Ghana Grid Company, Tema. The size of the population was 302 employees and this data was obtained from the personnel records provided by the company's Division of Human Resource. The population had employees with various demographic characteristics such as age groups (below 30, 30-40, 41-50, 51-60 and over 60 years), sex (Male and Female), marital status and levels of education. Moreover, the employment status/job position and the number of years worked were considered in bid to ensure that reliable responses were obtained for objective analysis. Detailed demographic information of the respondents was presented in chapter four.

Sampling Procedure

Due to the large size of the study's population coupled with limited time available, it was impractical to collect data on the entire target population. It was therefore prudent to select a sample to represent the population from which conclusions can be drawn about the entire population as propounded by (Creswell, 2014; Creswell & Creswell, 2017). In this regard, the study sampled 169 staff from the target population of 302 staff using Krejcie and Morgan (1970) sample determination table. Krejcie and Morgan (1970) assumes that, it is mostly difficult to obtain data from a larger population size thus the need for sampling.

The Krejcie and Morgan (1970) table further assumes that the probability of committing type I error is less than 5 %or $p < 0.05$. Also, the table was derived from a formula which assumes a population proportion of 0.50 with a degree of accuracy expressed as a proportion of 0.05. Additionally, the table assumes that the degree of freedom at the desired confidence level is 0.05 = 3.841. This table was presented in Appendix II. The table provides an objective sample size for a quantitative research that has a large size. Also, this decision was informed by Hair, Black, Babin, Anderson and Tatham's (2010) assertion that, for a sample to be representative it should be preferably more than one hundred (100).

The simple random sampling technique was employed to select respondents for the data collection exercise. This technique ensures a high degree of representativeness by providing all members within a given population with equal chances of being selected. It is a probabilistic technique used for selecting respondents in a quantitative study. This sampling procedure/technique was also chosen because it is easy to use, considered a fair way of selecting members, gives every member an equal chance of being selected and it is the most straightforward probability sampling procedure as compared to the other sampling procedures (Creswell, 2014; Hair *et al.*, 2010; Saunders *et al*., 2015).

Data Collection Instrument

In this study, a primary data collection instrument, specifically a structured questionnaire was used to collect data from the respondents. A structured questionnaire consists of all methods of data collection in which each person is asked to respond to the same set of questions in a predetermined order (Saunder & Lewis, 2012). It is used in quantitative studies to solicit for primary data from respondents for analysis. In this light, this collection instrument was appropriate due to the quantitative nature of the study.

The structured questionnaire employed in the study was self-constructed and each time was based on existing literature. The questionnaire was generally divided into five (5) sections (Sections A-E) with Section A soliciting for respondents' demographic information in relation to sex, age, marital status, educational level, current job position and number of years worked. Sections B-E dealt with items directly related to the various objectives of the study. For instance, Section B solicited for data on the first research objective in relation to the level of financial literacy and it contained ten (10) items. Section C contained 10 question items on the second research objective in relation to the level of retirement planning preparedness.

Further, Section D contained twelve (12) items geared towards obtaining data on the measurement of financial literacy and finally, Section E contained ten (10) items on the measurement of retirement planning preparedness. Sections D and E solicited for data in bid to answer the third research objective which required the use of linear regression. Items on Section B-E were put on a continuous scale ranging from 1-5 with 1 representing 'least agreement' and 5 representing 'highest agreement'. The choice of the scale was prompted by the nature and research objectives of the study. All items on the questionnaire were close-ended and self-constructed.

Validity and Reliability

Creswell and Plano (2011) posited that, validity and reliability indicate how best the instrument used in any study best measures the parameters it is meant to measure. Validity, for instance, is the extent to which a research instrument (questionnaire) measures what it intends to measure (Creswell & Plano, 2011). In other words, validity is the extent to which a selected tool measures its intended research objectives (Berkowitz, Caner & Fang, 2012). In the context of this study, validity strategies such as face validity and content validity were undertaken to validate and refine the content of the questionnaire. Face validity is the degree to which a test subjectively appears to measure the variables or constructs it is expected to measure (Bernard, 2017). To address face validity, peers with adequate research knowledge reviewed the questionnaire in order to identify and make any corrections, if any.

Also, content validity refers to the extent to which a measure represents every single element/item of a construct in a study (Bernard, 2017). It is usually qualitative in nature and it was achieved by asking two (2) experienced data analysts to go through the questionnaire before it was administered to the respondents. In view of this, many items/constructs on the questionnaire were manipulated and reconstructed with minor language adjustments to enhance clarity and to be assured that the instrument is entirely applicable. This is an indication that all efforts were taken to ensure the validity of the structured questionnaire in order to obtain required data for analysis and generalisations.

Further, Sekaran and Bougie (2016) defined reliability as the extent to which the application of a scale produces consistent results if repeated measures are taken from the same members. It can be achieved when keeping results at a consistent level despite changing of time and place (Best & Kahn, 2016). Best and Khan added that, reliability ensures that the study fulfils its expected purpose and also ensures that the results obtained from the study are not influenced by possible extraneous variables. In the context of the study, internal consistency as a type of reliability test was conducted. Internal consistency comprises testing the homogeneity that assesses the extent to which personal items are inter-correlated and the extent to which they correlate with overall scale findings (Polit & Beck, 2008).

Internal consistency reliability is performed by using Cronbach's alpha (α) test and it is done to determine the reliability of items in the questionnaire. According to Best and Kahn (2016), the value of Cronbach's alpha ranges from 0 to 1. It is worthy to note that, the closer the value of α to 1, the better its reliability. They added that an alpha (α) threshold of 0.5 was acceptable for basic research as suggested by Nunnally in 1978. However, Cohen, Manion and Morrison (2002) adjusted the value to 0.7 as acceptable and this has been supported and currently recommended by scholars (Creswell, 2014; Creswell & Plano, 2011; Creswell & Creswell, 2017; Hair *et al*., 2010; Saunders *et al*., 2015). Based on 110 responses viable for analysis, the study obtained an α threshold of .855. This test was conducted on all the items (44) on the questionnaire. The study's α of .855 was greater than the acceptable threshold of .7 thus an indication that the questionnaire was reliable.

Ethical Considerations

Bless, Higson-Smith and Kagee (2006) as cited in Patten and Newhart (2017), stated the main rules of data collection as voluntary participation, right to privacy, anonymity and confidentiality. With reference to voluntary participation, all of the respondents were involved in the data collection exercise at their own free will. This was achieved by informing the respondents to voluntarily participate in the exercise and thus none of them was forced to participate. Also, right to privacy was achieved by allowing the respondents to fill the questionnaire on their own but left unclear statements unanswered for further explanations through their own convenient medium.

Additionally, the issue of anonymity was achieved by not allowing respondents to indicate their names on the questionnaire. Specifically, the respondents were given assurances that none of their personal details would be leaked to the public domain or used for purposes other than the study. Moreover, the issue of confidentially was achieved by assuring respondents that all information provided would be kept confidential and thus none of them would be used for purposes other than this study. They were also assured that, none of the information provided would be used against them nor found in the public domain. In view of these, all ethical rules/considerations were met in the study.

Data Collection Procedure

To ensure easy data collection exercise, an introduction letter was sent to the appropriate authorities of Ghana Grid Company, Tema, to basically sought for permissions and co-operation to carry out the data collection exercise. After obtaining permissions from the respondents, the questionnaires were distributed in person to them. Maximum and timely response rates were ensured by using a period of two (2) weeks (i.e. 10 working days) for the collection exercise. Some difficulties were encountered during the exercise and these included unfavourable time periods of the respondents due to busy work activities, fear of information leakages despite assurances and also unwillingness of some of them to fully participate because they considered these exercises as time wasting and unprofitable.

Data Processing and Analysis

After gathering sufficient data from the respondents, data obtained were rigorously scrutinised to ensure that any error arising from incomplete and wrongly filled questionnaires were eliminated or minimised drastically. The error-free data were then carefully coded and edited to avoid missing values (if any). After these, data were entered and processed using Statistical Package for Social Sciences (SPSS) version 24. The results obtained were subsequently displayed in tables.

Moreover, statistical tools such as descriptive and inferential tools were used to the data analysis. The descriptive statistical tools comprised frequencies, percentages, means and standard deviations and they were specifically used to analyse the first and second research objectives of the study. The inferential statistical tools employed in the study were correlation and linear regression. These tools were used to analyse the third research objective of the study since it looks at the effect of financial literacy on retirement planning.

Chapter Summary

This chapter discussed the research methods employed to achieve the purpose of this study. The chapter therefore presented the key elements comprising approach, design, study area, population, sampling procedure, data collection instrument, data collection procedures, data processing and analysis employed in the study. Precisely, the study adopted the quantitative approach and explanatory/causal design. The chapter revealed that both descriptive and inferential statistical tools such as percentages, frequencies, means, standard deviations, correlation and regression were used to analyse the data processed by IBM SPSS statistics version 24 in a bid to answer the research questions of the study.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presented the results and discussion section of the study. The chapter comprised socio-demographic information of respondents and discussion of the results of the research objectives. In terms of the research objectives, the chapter discussed the results in relation to the level of financial literacy, level of retirement planning and the effect of financial literacy on retirement planning decisions among employees of Ghana Grid Company.

Socio-demographic Characteristics of Respondents

This section discussed key socio-demographic characteristics of the respondents which included sex, age group, level of education, and marital status. After retrieving the questionnaires from 153 out of the 169 respondents, 110 of them met the criteria (error-free) after thorough review and as such reliable for analysis. The study, therefore, obtained a response rate of 65.1% (>50%) which was acceptable for analysis. In view of this, the study's analysis was based on responses from 110 participants within the area understudy. Table 1 presented the socio-demographic characteristics of the 110 respondents.

In relation to the sex of the respondents, majority (70) of them representing 63.6 percent were males while 36.4 percent of them were females. This result means that, there are more male workers at GRIDCo than female workers.

Table 1: Socio-demographic Characteristics of Respondents

	Frequency	Percent
Sex		
Male	70	63.6
Female	40	36.4
Age Group		
18-30	32	29.1
31-40	43	39.1
41-50	28	25.5
51-60	7	6.4
Level of Education		
Certificate	7	6.4
Diploma	17	15.5
Degree	65	59.1
Master's degree	21	19.1
Marital Status		
Single	35	36.6
Married	68	44.0
Separated/Divorced	4	11.9
Living with partner	2	1.8
Widowed	1	.9
Job position		
Finance officers	16	14.5
Engineers/technicians	51	46.4
Account officers	10	9.1
Administrative staff	22	20.0
Maintenance mechanic	3	2.7
Junior staff	8	7.3
Total	110	100.0

Source: Field survey (2019)

In relation to the age groups of the respondents, Table 1 revealed that, majority (43) of them representing 39.1 percent were between the ages of 31-40 years. This was followed by respondents between the ages of 18-30 years who represented 29.1 percent. Also, 25.5 percent of the respondents were within the age bracket of 41-50 years and finally, 6.4 percent of them were between the ages of 51-60 years. This implies that majority of the respondents were within their active working periods and as such, more intensive and innovative training programmes should be organised for them in bid to improve their capacities in terms of knowledge, skills and experience.

In terms of the respondents’ marital status, Table revealed that majority (68) of the respondents representing 61.8 percent were married. This was followed by 31.8 percent of them who were single, 3.6 percent of them have separated/divorced, 1.8 percent of them were living with their partners although they were not married and finally, .9 percent of them were widows/widowers. This implies that, a number of the respondents were married and this could have influence on their work roles. This is because, married respondents are predominantly exposed to numerous family work roles which could distract their work roles at the company. This implies that, special employee training and development packages should be provided to the workers depending on their marital status in bid to assist them overcome the challenges associated with their current marital status. Having the same packages for all the respondents could affect their work outputs as they could be irrelevant to some of them.

In terms of the respondents’ level of education, the table revealed that majority (65) of them representing 59.1 percent were first degree holders in various fields of study. This was followed by 19.1 percent of the respondents being masters’ degree holders or higher, 15.5 percent were diploma holders and 6.4 percent of them had certificates. This implies that, majority of the respondents were academically inclined thus would require more on-the-job training programmes in bid to constantly develop their skills and knowledge levels in the company.

Finally, in terms of job position of the respondents, majority (51) of them representing 46.4 percent were engineers/technicians, 20 percent were administrative staff, 14.5 percent were finance officers, 9.1 percent were account officers, 7.3 percent comprised the junior staff and finally, 2.7 percent of them were maintenance mechanics. This means that, majority of the respondents were technicians/engineers basically due the nature of activities at the company. This implies that, the company has adequate number of technicians/engineers to carry out the company's activities and in turn achieve expected objectives.

Level of financial literacy among employees

This section presented the results on the first research objective in relation to assessing the level of financial literacy among employees at GRIDCo. The data gathered were analysed using descriptive tools such as means and standard deviations. The mean scores were ranked with the higher mean score of a given indicator implying that it was a major determinant of financial literacy levels. The results were presented in Table 2 and discussed thereof.

Table 2: Level of financial literacy among employees

	Mean	Std. Deviation
Adequate knowledge about saving	4.19	.934
Resource management	3.96	.985
Knowledge about budgeting	3.74	1.147
Living within budget	3.56	1.378
Knowledge about investment avenues	3.55	1.216
Knowledge about insurance packages	3.53	1.194
Personal finance decisions	3.38	1.249
Control over financial issues	3.22	1.266
Knowledge about debt management	3.20	1.115
Keeping good financial records	3.07	1.276

Source: Field survey (2019)

From Table 2, it was revealed that employees at GRIDCo had high level of financial knowledge in savings. This result had the highest mean score with standard deviation (M=4.19; SD=.934). This means that the employees have in-depth knowledge about savings and as such make proper saving decisions. This implies that, the employees are highly engaged in saving activities which helps them to prepare adequately towards retirement and also to cater for any unforeseen events. Savings have been regarded as an important and inevitable aspect of an employee basically due to the need to prepare towards unforeseen circumstances. This finding was in line with studies by Capuano and Ramsay (2011), De Bassa and Scheresberg (2013) and Fatoki (2014). Fatoki, for instance, found that having adequate savings knowledge is a key aspect of financial literacy as it ensures effective and efficient money management.

The table also revealed that employees have high level of financial literacy in terms of resource management. This result had a higher mean score with standard deviation (M=3.96; SD=.985). This means that employees have better understanding of the need to manage available resources in bid to ensure that they are well utilised. Resources including capital is vital for the survival and development of organisations. This implies that having employees with adequate knowledge in managing resources available to them help the company to cut down unnecessary operating costs. A large portion of firm's capital are invested in resources thus poor utilisation could affect the firm's overall activities and survival. This finding was in line with studies by Collins (2012), Wachira and Kihiu (2012) and Worthington (2013). Collins, for instance, concluded that organisations with employees who have better knowledge in resource management perform better and vice versa.

Table 2 also revealed that the employees had high level of knowledge in budgeting. This result had a high mean with standard deviation (M=3.74; SD=1.147). The result implies that the employees have high knowledge in budgeting which help them to match their income against expenditure for a given period of time. Budgeting has been found as a daunting task to prepare, but, having adequate knowledge about it helps the employees to plan their spending well. this result was supported by to Capuano and Ramsay (2011) who concluded that, budgeting is among the four critical factors that determines one's level of financial literacy. They added that one's ability to understand the rudiments of budgeting is able to make positive and proactive financial decisions.

Moreover, the table revealed other factors that moderately determine the employees' level of financial literacy to include living within one's means (M=3.56; SD=1.378), having adequate knowledge about investment avenues (stocks, bonds, mutual funds) (M=3.55; SD=1.216), adequate knowledge in insurance packages (M=3.53; SD=1.194) and making good personal financial decisions (M=3.38; SD=1.249). From the table, these results had moderate means implying that employees had adequate knowledge in them. For instance, the table revealed that employees at GRIDCo know how to live within their means and also have adequate knowledge about investment and insurance packages. These help them to have adequate control over their personal finances thus help them to prepare well towards retirement.

It is to note that, these findings were in line with existing studies including Capuano and Ramsay (2011), Hastings and Mitchell (2011), Agnew, Bateman and Thorp (2012) and Wachira and Kihiu (2012). Capuano and Ramsay (2011) concluded that individuals who live within their means have adequate of financial literacy or knowledge. This is because living within one's means require efficient money management. According to Hastings and Mitchell (2011), individuals who are not aware of all the investment avenues available to them have low level of financial literacy and this affects them in terms of planning towards retirement. Agnew, Bateman and Thorp (2012) found that individuals who have high levels of financial literacy invariably have adequate knowledge in investment issues.

However, the table revealed that, the employees had low level of financial knowledge in controlling their financial issues. This result produced a low mean with standard deviation (M=3.22; SD=1.266). This means that although employees have adequate knowledge in various aspects including savings, investment and insurance, they have less knowledge in overcoming financial issues. This implies that whenever employees are exposed to financial challenges, they struggle to overcome them. This finding could explain why employees prefer to plan their finances well to avoid having financial challenges. Overcoming financial issues mostly require the intervention of financial experts (financial managers, accountants, consultants, etc) depending on the magnitude and impact of those issues. This finding contradicted the conclusion by Klapper and Panos (2011).

According to Klapper and Panos (2011), employees who are knowledgeable about financial issues are able to make relevant financial decisions. However, this difference in findings could be explained by differences in geographical areas within which these studies were carried out. For instance, Klapper and Panos' study was conducted in Russia focusing on 1400 individuals and households which could include people who have in-depth knowledge in handing financial issues. On the other hand, this study was carried out in Ghana specifically Ghana Grid Company. This study area is dominated by technicians and mechanics due to their activities and thus are not mandated to have high level of knowledge in overcoming financial issues.

Also, the table revealed that, the employees had lower financial knowledge about debt management. This finding had a lower mean with standard deviation (M=3.20; SD=1.115). This implies that, employees of GRIDCo struggle to manage or overcome issues associated with debt. This is because, having lower level of knowledge in debt management makes it difficult for employees to reduce outstanding or unsecured debts which could affect their control over their finances. Most individuals have been found to consult financial experts to manage their debt finances on their behalf due to the difficulties associated with it. For instance, calculating interest on loans is a daunting task to several individuals including employees across the globe thus it is not out of place if employees of GRIDCo have lower level of knowledge in this aspect of finance.

Finally, the table revealed that, the employees had less knowledge about how to keep good financial records. This result had the lowest mean with standard deviation (M=3.07; SD=1.276). This means that, the employees' level of knowledge in relation to keeping good financial records is very low. This implies that, majority of the employees of GRIDCo either do not prepare proper financial records/ books of accounts such as statement of financial performance (Profit or Loss account) and statement of financial position (Balance sheet) or they struggle to do so in times of preparing them. This is not surprising because, preparing proper financial records require one to follow laid down procedures which require financial experts. Therefore, having low financial knowledge in preparing financial records does not imply overall poor financial literacy.

It is to note that, this finding was in line with studies by Agnew *et al.* (2012), Capuano and Ramsay (2011) and Van Rooij *et al*. (2011). For instance, Capuano and Ramsay (2011) concluded that, one's level of financial literacy can be determined by one's knowledge in money management in relation to four critical factors such as financial control, budgeting, living within means, and borrowing and debt literacy. Agnew *et al.* (2012) also found that one's level of financial knowledge is highly determined by having adequate knowledge in investment. Collins (2012) and Worthington (2013) also found that, knowledge in insurance, resource management and retirement planning could be used to determine the level of financial literacy among employees. It could be seen that none of the studies had knowledge in financial records as a key determinant of one's level of financial knowledge in their respective study areas.

It could therefore be deduced that employees of GRIDCo's level of financial knowledge was highly and primarily determined by their adequate knowledge in money management in terms of savings, resource and budgeting. On the other hand, employees' knowledge in preparing financial records was a least or minor determinant of their level of financial knowledge at the company. These findings have been supported by existing studies.

Employees' Level Retirement Planning

This section presented the second research objective of the study in relation to the assessing employees' Level Retirement Planning at GRIDCo. The data gathered were analysed using descriptive tools such as means and standard deviations. The mean scores were ranked with the higher mean score of a given indicator implying that it was a major determinant of one's retirement planning levels. The results were presented in Table 3 and discussed thereof.

Table 3: Level of retirement planning among employees

	Mean	Std. Deviation
Financial decisions	4.09	1.138
Savings behaviour	4.04	1.283
Investment decisions	4.01	1.289
Knowledge about debt management	3.86	1.185
Knowledge about budget preparation	3.85	1.283
Adequacy of funds	3.85	1.235
Spending habits	3.80	1.311
Financial record keeping	3.78	1.371
Working environment	3.69	1.345
Work life balance	3.65	1.259

Source: Field survey (2019)

Table 3 revealed that, employees' level of retirement planning was highly and majorly determined by their financial decisions. This result had the highest mean score with standard deviation (M=4.09; SD=1.138). This means that the financial decisions made by an employee largely determines his or her retirement plans. This implies that employees who make better financial decisions are able to plan better towards retirement than others. As an employee, one is expected to make financial decisions towards retirement in order to avoid the challenges one faces during that period. This finding was in line with a study by Kotze and Smith (2008) who found that, planning towards retirement requires an individual to make proper financial decisions. They concluded that, better financial decisions lead to better retirement plans and vice versa.

This result was followed by one's saving behaviour. This result had a higher mean score with standard deviation (M=4.04; SD=1.248). This means that, an employee's saving behaviour determines his or her level of retirement plans. This implies that, the more an employee expresses positive saving behaviour, the more he/she is able to have better retirement plans. Savings have been found to have direct link with retirement planning as an employee is able to have an adequate amount of money to rely on during retirement. Thus, poor saving behaviour leads to poor retirement planning and vice versa. This finding was in line with a study by Wise (2013) who found saving behaviour as a major determinant of retirement planning. He concluded that, having poor saving behaviour could lead to excessive spending and invariably affect one's retirement plans.

Also, the table revealed investment decisions as another key determinant of one's level of retirement planning. This result had a high mean score with standard deviation (M=4.01; SD=1.289). The result means that, one's investment decisions affect his/her retirement plans. Thus, having positive investment decisions help an employee to have better retirement plans and vice versa. Investment decisions relate to the decisions made by employees with respect to the amount of funds to invest and the investment avenues available to them. Therefore, having better investment decisions imply that the employee is able to invest the right amount in the right investment avenues in order to support them during retirement. This finding was supported by Wise (2013) who found that, one's level of retirement planning can be determined by factors such as ability to make investment decisions.

Moreover, the table revealed other moderate determinants of retirement planning to include knowledge about debt management (M=3.86; SD=1.185), knowledge about budget preparation (M=3.85; SD=1.283), availability of funds (M=3.85; SD=1.235) and spending habits (M=3.80; SD=1.311). These results imply that, employees consider these factors when making retirement plans in order to help them plan better. For instance, one's retirement plans could be affected when an individual spends beyond his/her budget. Also, unavailability of funds for savings or investment purposes could also affect one's retirement plans. These findings were supported by existing studies comprising Capuano and Ramsay (2011), Fernandez *et al.* (2014) and Agarwal *et al*. (2015). According to Kotze and Smith (2008), spending in excess of budget could affect an employee's retirement plans.

The table further revealed some minor determinants of employee retirement planning. This means that, the presence of these determinants did not affect an employee's retirement plans to a large extent. For instance, the table revealed that, keeping proper financial records was a minor determinant of employee retirement planning. This result had a low mean score with standard deviation (M=3.78; SD=1.371). This means that, an employee's inability to prepare proper accounting records does not majorly affect their retirement plans. The implication is that, poor financial record keeping can affect an employee's level of retirement plans but to a small extent. A study by Kotze and Smith (2008) revealed that, although poor financial record keeping affects retirement plans, spending in excess of budget and improper financial decisions had major influence on an individual's retirement plans.

This result was followed by the working environment with a lower mean score with standard deviation (M=3.69; SD=1.345). This means that, the working environment had a lower or minor influence on an employee's retirement plans. This implies that, regardless of an employee's working environment, he/she can still plan adequately towards retirement. Thus, working in unconducive working environment, for instance, does not necessarily affect the retirement plans of an employee provided he/she had proper financial decisions. Simply put, the table revealed that, the working environment at GRIDCo does not necessarily affect the level of retirement plans of its employees. This finding supported a study by Beal and Delpachitra (2010) who found external or work-related factors (working environment) as a determinant of retirement plans. However, this study did not reveal the extent to which this factor affected the level of an individual's retirement plans.

Finally, the table revealed work life balance as a least determinant of an employee's level of retirement plans. The result had the lowest or least mean score with standard deviation (M=3.65; SD=1.259). This means that, work life balance did not affect an employee's retirement plans. This implies that, an employee's inability to balance work with personal roles did not affect his/her level of retirement plans. This could be because, an employee may have the capacity to overcome work or personal life related issues due to his/her ability to make proper financial decisions. Also, some employees may view work life imbalance as an inevitable aspect of their lives and as such implement measures to overcome them in order not to affect their retirement plans. This finding was in line with a study by Beal and Delpachitra (2010) who found personal factor and work-related factors as determinants of retirement plans but did not reveal the extent to which they affected the latter.

It could be deduced that, employees of GRIDCo's level of retirement planning was highly and majorly determined by their financial decisions. Thus, poor financial decisions could have devastating effect on the level of an employee's retirement plans. On the other hand, work life balance was the least or minor determinant of employees' level of retirement planning at the company. It is to note that, these findings were supported by existing studies.

Effect of financial literacy on retirement planning decisions

This section presented the third research objective of the study in relation to the effect financial literacy on retirement planning decisions among employees at Ghana Grid Company (GRIDCo). The independent variable was presented by financial literacy (FL) whereas retirement planning decisions (RPD) represented the dependent variable. Data analysis was carried out using linear regression due to the research objective. The regression analysis was discussed using three tables comprising model summary, ANOVA and coefficient. Table 4 presented the model summary of the linear regression results.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.646[a]	.417	.411	6.37697

a. Predictors: (Constant), FL, RPD

Source: Field survey (2019)

Table 4 presented the R, R squared, adjusted R squared, and the standard error. R was the Pearson product moment correlation coefficient which indicated the strength and direction of the linear relationship between the dependent variable (financial literacy) and the independent variable (retirement planning decisions). Hence from Table 4, FL and RPD were positively correlated and the strength of the relationship was moderate at .646[a]. This finding was based on the R result. This implies that, an increase in the financial literacy of an employee increases his/her retirement plans by 64.6%. Thus, financial literacy is very vital for employees who are concerned about their retirement plans. Being financially illiterate could affect an employee's retirement plans by 64.6%.

According to Gitari (2012), one's knowledge on financial issues is critical for effective long-term financial decision making to retirement planning. A study by Arrondel, Debbich and Savignac (2013) found a positive relationship between financial literacy and retirement planning. Similarly, a study by Doyo (2013) found that financial literacy had a significant positive relationship on pension preparedness. Also, a study by Fatoki (2014) concluded that, individuals who are financially literate are able to set some money aside towards retirement.

The R squared represented the coefficient of determination as the proportion of variation in the dependent variable explained by the regression model. Thus, about (41.7%) of the variation in retirement planning decisions of the employees was explained by financial literacy. This result implies that, financial literacy influences an employee retirement planning decision by 41.7%. Therefore, the remaining 58.3% is determined by other factors which could be identified by other studies.

Also, the Adjusted R^2 of (18.5%) explained the variation in the dependent variable that is being explained by an adjustment in the independent variable in the regression model or equation. This implies that, any adjustment made in financial literacy causes about (41.1%) change in retirement planning decisions. This means that, constant changes in employees' financial literacy levels could improve their retirement planning decisions.

Moreover, Table 5 presented the ANOVA results which provided the test significance for R and R^2 using the F-statistic. The F-statistic was the regression mean square (MSR) divided by the residual mean square (MSE). The table explained whether a variation in the dependent variable can be explained by the regression model. Therefore, if the significance value of the F-statistic is small (<0.01) then the independent variable (RPD) does a good job explaining the variation in the dependent variable (FL).

Table 5: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	986.918	1	986.918	44.353	.000[b]
	Residual	4227.749	190	22.251		
	Total	5214.667	191			

a. Dependent Variable: RPD
b. Predictors: (Constant), FL

Source: Field survey (2019)

In this analysis, the sig (ρ) value of the F-stat of 76.490 was 0.000<0.01. This implies that, the R and R^2 between financial literacy (FL) and retirement planning decisions (RPD) was statistically significant, and therefore FL can significantly influence RPD of employees at Ghana Grid Company. Thus, a variation in the dependent variable (RPD) can be explained by the linear regression model. This implies that, FL has a positive significant effect on RPD thus any increase in an employee's financial literacy levels causes an improvement in their retirement plans. Simply put, employees of GRIDCo would struggle to have better retirement plans if they are financially illiterate.

Finally, the table in the SPSS output labelled coefficients (Table 6) provided information that was useful for understanding the regression equation. The study estimated the functional regression equation using the column marked unstandardized coefficient which implies that the study intends to predict and forecast. Therefore, the constant term from the result was 9.933 and the coefficient of FL was .633. Based on these results, the study reported the following regression equation predicting retirement planning decisions (RPD) based on financial literacy.

RPD = 9.933 + .633FL

Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	9.933	2.560		3.880	.000
	Financial literacy	.633	.072	.646	8.746	.000

a. Dependent Variable: FL, RPD

Source: Field survey (2019)

From the decision rule, when sig. values are less than .01, then the coefficient of FL is significant and vice versa. The table revealed a sig. value of 0.00 thus the coefficient of FL was significant. Therefore, from Table 6, taking the values for the slope and the intercept in the resulting regression equation, the following statements were made: holding all other factors constant at 9.933, a unit increase in FL will result in an increase in RPD (B=.633). This means that, the more an employee becomes financially literate, the more he/she is able to make better retirement planning decisions. This implies that, financial literacy has a positive and moderate (.633) significant effect on retirement planning decisions of employees at Ghana Grid Company.

The study's finding was in line with existing studies by Fornero and Monticone (2011), Nejati *et al*. (2015) and Meir *et al*. (2016). Fornero and Monticone (2011) found that, financial literacy has a strong positive effect on retirement planning and same results were attained by Bucher-Koenen and Lusardi (2011) in Germany, Sekita (2011) in Japan, Van Rooij *et al.* (2011) also in the Netherland. In Iran, a study by Nejati *et al*. (2015) found that financial literacy has a positive effect on retirement planning among master students at Islamic Azad University. Meir *et al*. (2016) found that, financial literacy has a positive significant effect on retirement planning among employees in Israel.

Chapter Summary

This section presented the results and discussion of the study in relation to the research objectives. The study revealed that employees' level of financial literacy is highly determined by their knowledge about money management in terms of savings. Also, the study revealed that, employees' level of retirement planning is highly determined by their ability to make proper financial decisions finally, this chapter revealed that, financial literacy has a positive moderate significant effect on retirement planning decisions of employees at the Ghana Grid Company. Based on these results, the next chapter presented the summary, conclusions and recommendations of the study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents the summary of the main findings, conclusions drawn from the findings and recommendations for policy consideration and suggestions for further research.

Summary of the Work

The purpose of the study was to examine the effect of financial literacy on retirement planning among employees at Ghana Grid Company, Tema. Based on this, the following specific objectives were developed to:

1. assess the level of financial literacy among employees.
2. assess the level of retirement planning of the employees
3. examine the effect of financial literacy on retirement planning decisions among employees.

The study employed the quantitative research approach and the causal research design due to the purpose of the study. The structured questionnaire, a primary data collection instrument, was used to gather data from a randomly sampled 169 employees of Ghana Grid Company (GRIDCo). However, 110 out of the total questionnaires (169) administered were reliable for the study and as such, obtained a response rate of (65.1%). The data obtained were processed using Statistical Package for Social Sciences (SPSS) version 24 and analysed using statistical tools such as frequencies, percentages, means, standard deviations and linear regression. The results were presented in tables and discussed in Chapter four. The next section presents the summary of the study's key findings.

Summary of Key Findings

This study provided an overview and relevant discussion on financial literacy and retirement planning among employees within academic literature. It has brought to bear relevant information that could inform policies to assist employees of GRIDCo plan adequately towards retirement. The following is a summary of the study's key findings.

In relation to the first research objective on the level of financial literacy among employees of GRIDCo, the study found that, employees' level of financial knowledge was highly and primarily determined by their knowledge in money management. This implies that, employees with in-depth knowledge regarding money management in terms of savings, resource and budget preparation have high levels of financial knowledge. This in turn helps them to plan adequately toward retirement. Thus, the higher an employee's level of knowledge in managing his or her money, the higher his or her level of financial literacy. This finding explains why organizations have been tasked to educate or assist their employees develop money or financial management skills.

In relation to the second research objective on the level of retirement planning, it was found that, employees of GRIDCo's level of retirement planning was highly and majorly determined by their financial decisions. This implies that employees who make better financial decisions are able to plan better towards retirement than others. Financial decisions include decisions regarding liabilities and equities of an individual as well as issues concerning investment, savings and insurance. employees with better financial decisions are able to overcome key financial issues which help them to prepare well towards retirement.

Finally, the third research objective focused on the effect of financial literacy on retirement planning decisions of employees at GRIDCo. The study found that, financial literacy has a moderate and positive significant effect on retirement planning decisions. This implies that, employees who are financially literate make better decisions concerning their retirement plans and this help them to live healthy lives during that period. Also, being financially literate implies that, an employee is able to make better decisions concerning money management, proper resource utilisation, investment and debt management. Therefore, being financially illiterate could have moderate repercussions on employees' retirement planning.

Conclusions

The objectives of this study were to assess the level of financial literacy, assess the level of retirement planning and examine the effect of financial literacy on retirement planning decisions of employees at GRIDCo. Based on the study's summary of key findings, the following conclusions were hereby made:

In terms of the first objective, the study's results indicated that employees' level of financial knowledge was highly and primarily determined by their knowledge in money management. This result has been supported by previous empirical studies by indicating that employees who have in-depth knowledge in money management in the areas of savings, resource utilisation and budgeting are considered as financially literate. They are, therefore, able to make better decisions concerning financial issues. This finding was unsurprising as one's ability to manage his/her available funds (money) is able to survive during hard times. The study therefore concluded that, employees of GRIDCo determine their level of financial literacy based on their knowledge about money management.

In terms of the second research objective, the study's result indicated that, employees of GRIDCo's level of retirement planning was highly and majorly determined by their ability to make better financial decisions. This result has been supported by previous empirical studies that indicate that, poor financial decisions have high repercussions on individuals' retirement plans. This is because, poor financial decisions push individuals to use money and limited resources unwisely. They basically prefer to misuse available resources and money to saving, investing or having any insurance packages which in turn affect their retirement planning decisions. This objective was achieved and the study concludes that employees with better financial decisions make better retirement plans than those with poor financial decisions.

Finally, the study's result on the third objective indicated that, financial literacy has a moderate and positive significant effect on retirement planning decisions. This result supports previous empirical studies that indicate that, individuals who are financially literate manage financial issues well and thus survive in the face of financial crisis. This is primarily because, they make proper use of available funds and resources by investing in better investment avenues. They also save any available funds as a hedge towards unforeseen events. These in turn help them to make better and concrete retirement planning decisions. Based on this result, the study concluded that, financial literacy is critical for effective long-term financial decisions concerning retirement planning.

Recommendations

On the strength of the research findings and conclusions made, the following recommendations are hereby made.

The problem at stake was that, employees with poor money management have low level of financial literacy. Thus, they struggle to make better financial decisions which in turn affect their survival in both short and long terms. Based on this, the study recommends that, management of GRIDCo should design special programmes for their employees in bid to improve their knowledge on money management. These special programmes should focus on financial management in the areas of savings, budgeting, resource utilisation, investment and insurance. The programmes can be rolled out through seminars, workshops and conferences on financial (money) management. Such programmes should also be enriched in such a way that it would enhance financial literacy levels among the employees of GRIDCo.

Another major problem at stake was that, employees with poor financial decisions have low levels of retirement planning. These employees are found to misuse available funds because they mostly careless of its future consequences on their finances. Based on this, the study recommended that, management of GRIDCo should collaborate with notable financial institutions to educate their employees on financial issues. This can be achieved through regular counselling, compulsory attendance of meetings, seminars and workshops concerning financial issues. This collaboration should also focus on establishing pension savings account where a percentage of employees' salaries are automatically deducted and channelled to that account. Employees can only be able to access their funds during retirement or over an established long period of time, say, after 20 years.

Finally, the study revealed that, employees who are financially illiterate make poor preparations toward retirement. This is due to their poor knowledge on the consequences of financial mismanagement. Based on this problem, the study recommended that, as a matter of urgency, management of GRIDCo should establish a department/unit with the sole responsibility of educating, creating awareness and encouraging the growth of individual retirement plans. The roles of this department/unit should be clearly stipulated to avoid role conflicts or role ambiguities which could undermine its relevance. This department/unit should also be well equipped to help them provide innovative retirement plans through the development of a curriculum on financial and pension education.

Suggestions for Further Research

Although the study provides useful insight into financial literacy and retirement planning in the private sector focusing on Ghana Grid Company, the results cannot be generalised to the entire private sector in Ghana. This is because, the study relied on the opinions and suggestions of workers in one private company. The study therefore recommends a broader study that focuses on all workers in the Ghanaian energy sector.

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APPENDICE

Questionnaire

Dear Sir/Madam, I am a master student from the Department of Accounting. I am carrying out my Dissertation on the topic, **"Financial literacy and retirement planning among employees at Ghana Grid Company"**. Your views are very much important to the study. Every information you provide would remain highly confidential. Thanks for accepting to participate in the study.

SECTION A: SOCIO-DEMOGRAPHIC INFORMATION

1. Sex Male [ ] Female [ ]
2. Age: Below 30 years [ ] 30-40 [ ] 41-50 years [ ]
   51- 60 years [ ] Over 60 years [ ]
3. Marital Status: Single [ ] Married [ ] Separated/Divorced [ ]
   Living with Partner [ ] Widowed [ ]
4. Level of education: Certificate [ ] Diploma [ ] Degree [ ]
   Master's Degree [ ] Other (Please specify) …………………
5. Job Position………………………………
6. Number of years worked……………………

SECTION B: LEVEL OF FINANCIAL LITERACY

7. On a scale of 1 – 5, please rate your level of agreement to each of these statements. **With 1 – Least Agreement and 5 – Highest Agreement**

	Factors	**1**	**2**	**3**	**4**	**5**
I	I have adequate knowledge about investments (stocks, bonds, mutual funds)					
Ii	I have adequate knowledge about insurance packages					
iii	I am able to live within my means					
Iv	I have adequate knowledge about budgeting					
V	I have adequate knowledge about saving					

Vi	I know how to make good personal finance decisions					
vii	I am able to keep good financial records					
viii	I have adequate knowledge about debt management					
Ix	I have good control over financial issues					
X	I know how to manage resources available to me					

SECTION C: LEVEL OF RETIREMENT PLANNING

8. On a scale of 1 – 5, please rate your level of agreement to each of these statements in relation to the level of retirement planning. **With 1 – Least Agreement and 5 – Highest Agreement**

	Factors	**1**	**2**	**3**	**4**	**5**
I	Poor financial record keeping determines my level of retirement planning					
Ii	Poor financial decision is a determinant of my retirement planning					
iii	My retirement planning is determined by my overspending habits					
iv	Inadequate knowledge on budget preparation determines my level of retirement planning					
V	Poor saving behaviour determines the level of my retirement planning					
vi	My inability to balance my work with personal roles determines the level of my retirement plans					
vii	The working environment I find myself is not a determinant of the level of my retirement planning					
viii	Lack of knowledge about debt management determines the level of my retirement plans					
Ix	The level of my retirement plan is determined by inadequacy of funds					

X	Poor investment decision determines the level of my retirement plans					

SECTION D: MEASUREMENT OF FINANCIAL LITERACY LEVEL

9. On a scale of 1 – 5, please rate your level of agreement with each of these statements in relation to measuring financial literacy level. **With 1 – Least Agreement and 5 – Highest Agreement**

	Factors	**1**	**2**	**3**	**4**	**5**
FINANCIAL ATTITUDE						
I	I struggle to set financial goals for myself					
Ii	I spend more money on less important things					
iii	The way I spend my money will not affect my future					
Iv	I find it difficult to build a family spending plan					
V	I prefer spending my money than to save it					
vi	I struggle to keep a close personal watch on my financial affairs					
FINANCIAL AWARENESS						
vii	I am unaware of my present financial situation					
viii	I am unaware of the investment packages available to me					
Ix	Failure to plan financially well does not have any cost implications					
x	I do not keep track of my daily expenditure					
xi	I have no idea of the need to diversify risks					
xii	I am less mindful of present interest rates before investing/saving					

SECTION E: MEASUREMENT OF RETIREMENT PLANNING (PREPAREDNESS)

10. On a scale of 1 – 5, please rate your level of agreement with each of these statements in relation to measuring retirement planning (preparedness). **With 1 – Least Agreement and 5 – Highest Agreement**

	Factors	**1**	**2**	**3**	**4**	**5**
i	I have never developed a retirement budget					
ii	I do not have a retirement plan					
iii	I have no idea of my retirement income					
iv	I struggle to instil a savings culture					
V	I invest my funds the way I want it					
vi	I pay less attention to my income when preparing towards retirement					
vii	When preparing towards retirement, I do not focus on long-term living arrangement					
viii	I do not have a personal mission statement					
Ix	I struggle to prepare a retirement plan					
x	I do not monitor and evaluate my retirement strategies					

THANK YOU FOR YOUR PARTICIPATION