A Systematic Literature Review on Retirement Planning Behaviour of Employees

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ABSTRACT
This paper presents an overview of research on retirement planning behaviour, identifies the significant gap and recommends future research scope. This study finds out the factors influencing retirement planning behaviour of employees such as demographic factors and financial literacy. The review is based on 28 articles appearing in various journals published during the year 1st January 2005 to 31 December 2022 using the PRISMA framework. This paper attempts to provide a systematic and inclusive assembling of the knowledge on this subject. Further, it synthesizes the findings of various studies on retirement planning behaviour.

Keywords: Retirement Planning, Behaviour, Post Employment Planning and Saving for Retirement.

INTRODUCTION
Retirement planning behaviour describes the actions and procedures that an individual takes to prepare for their retirement. A comfortable retirement lifestyle can be achieved only via discipline, consistency and long-term planning. The desire to enjoy life after retirement and to provide for one’s family are two main reasons that drive people to create a retirement plan. Retirement is a precious time for employees because they get plenty of time to perform all the activities they want and always dream about it but have never done it before. The truth is countered when employees find that they are not ready for retirement since they had not placed money aside earlier. The best time to plan for retirement is when people start to work. The meaning of ‘retirement’ is different for different people (Onoyase, 2013). Retirement is a diverse phenomenon that includes several elements that influence planning for or choosing to retire (Beehr, 1986). Retirement can also be seen as a stage of life transition that leads to a sense of emptiness and loneliness as well as a decrease in life satisfaction (Atchley, 1997).

NEED OF THE STUDY
In everyday life, money is essential. Many individuals may struggle financially when they retire due to inadequate financial knowledge and an improper retirement plan. Studies on retirement planning behaviour have gained momentum in the field of research. The existing literature such as (Anderson et al., 2017; Boisclair, 2015; Bucher-Koenen & Lusardi, 2015; Crossan et al., 2015; Cupak et al., 2019; Fernandez-Lopez, 2019; Gale et al., 2018; Hira et al., 2009; Kalmi, 2017; Klapper et al., 2011; Kumar et al., 2018; Lusardi et al., 2011; Moure, 2016; Rostamkalaei et al., 2015) results are not systematically summarized and arranged thoroughly. Hence, to fill this gap, researchers compile such studies into a single framework, assess the status of research done so far and provide answers to the following research questions.

1. Publication trends across time and geography regarding various indicators, namely, year and country.
2. To identify the determinants of retirement planning behaviour.
3. To identify the research gap and future agenda.
METHODOLOGY

A systematic literature review is essential to combine a huge sum of data into a compressed, clear and reproducible format (Denyer & Tranfield, 2006). For searching the literature two databases including Web of Science and EBSCO were used. The set keyword for the search was “Retirement Planning” OR “Post Employment Planning” OR “Saving for Retirement” OR “Retirement Planning Behaviour”. Table I provides the overall summary of the database search protocol for this study.

Table 01: Database Search Protocol

<table>
<thead>
<tr>
<th>Sl.no</th>
<th>Databases</th>
<th>Search Criteria /Keywords/Title/SourceType/Publication/Category</th>
<th>Total number of papers</th>
<th>Cumulative total</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Web of Science</td>
<td>“Retirement Planning” OR “Retirement Planning Behaviour” OR “Post Employment Planning” OR “Saving for Retirement”</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>02</td>
<td>EBSCO</td>
<td>“Retirement Planning” OR “Retirement Planning Behaviour” OR “Post Employment Planning” OR “Saving for Retirement”</td>
<td>8</td>
<td>45</td>
</tr>
</tbody>
</table>

Inclusion and Exclusion criteria

The database searches 45 results and ensures the extraction of relevant articles, researchers have applied various delimiting conditions, like

- Search on title only
- Articles on retirement planning behaviour and factors affecting retirement planning behaviour are included.
- Articles in the fields of economics, business finance and management are included.
- Article published from 1st January 2005 to 31st December 2022.
Prisma flow diagram for systematic literature reviews


After removing duplicate records, 41 results were extracted from the database search. From 41 articles, 5 articles were removed due to unavailability of full text and 8 articles were removed because of diversion from the theme of review and not relevant to the study. Lastly, 28 studies were included in this study for review.

RESULT AND DISCUSSION

Publication trends: The systematic review identified 28 journal articles. The researcher further reviewed these articles and classified them into various categories. The selected articles were distributed based on the year and country of publication. Table II displays the distribution of studies over 17 years, from 1st January 2005 to 31st December 2022.

Table II: Tabular presentation of studies based on Year and Country

<table>
<thead>
<tr>
<th>Sl.no</th>
<th>Year</th>
<th>Country</th>
<th>No. of articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>2006, 2018 &amp; 2022</td>
<td>United Kingdom</td>
<td>03</td>
</tr>
<tr>
<td>03</td>
<td>2015 &amp; 2019</td>
<td>Canada</td>
<td>02</td>
</tr>
<tr>
<td>04</td>
<td>2017</td>
<td>Sweden</td>
<td>01</td>
</tr>
</tbody>
</table>
The graph shows the number of studies carried out by researchers from 2005-2022. In the past few years, studies have gained momentum, particularly after 2009-2010 which may be due to global economic crises. This relatively steep rise in the number of publications after 2009-2010 clearly shows the importance and the growing scope of research on retirement planning behaviour.

After reviewing the 28 articles, this study identifies the various constraining factors of retirement planning behaviour. On a wide-ranging inspection of the literature, the researcher found that retirement planning behaviour mainly differs by demographic variables and financial literacy. Based on the reviewed articles, this study found a significant impact of demographic variables and financial literacy while determining retirement planning behaviour.

**Demographic Variables and Retirement Planning Behaviour**
After doing an in-depth study of the literature, researchers found that the retirement planning behaviour of employees is significantly influenced by demographic factors. Age, gender, income and education are the most used demographic factors by researchers in defining retirement planning behaviour. Studies such as, (T. Bucher-Koenen & Lusardi, 2015; Fernández-lópez, 2019; Lusardi et al., 2011; Sekita, 2015., Æ et al., 2008; Joel & Ramu, 2018; Mansor et al., 2017; Moorthy & Kai, 2012; Murari et al., 2021; Saeed & Sarwar, 2016; and Vinmalar, 2018) have found that the retirement planning behaviour of employees is influenced by gender, income and educational qualification. The finding obtained from (Hira et al., 2009) distinguished that different age groups among staff are influencing retirement planning. Based on the above evidence, this study concludes that demographic variables are considered significant determinants of retirement planning behaviour.

Financial Literacy and Retirement Planning Behaviour

Financial literacy is an essential part of the retirement planning of an individual (Chachad & Singh, 2018, Cupák et al., 2019). Financial literacy plays a vital role in shaping life after retirement, investing money in financial education could have a more significant impact on society (Moure, 2016). Financial literacy not only plays an essential role in individuals' lives but also plays an important role in society. (Anderson et al., 2017; Boisclair, 2015; Bucher-Koenen & Lusardi, 2015; Cupák et al., 2019; Fernández-lópez, 2019; Gale et al., 2018; Hira et al., 2009; Kalmi, 2017; Klapper et al., 2011; Lusardi et al., 2011; Martin, 1998; Moure, 2016; Rostamkalaei et al., 2019; Sekita, 2015) studied the importance of financial literacy on retirement planning behaviour of employees and have found a significant positive impact.

FUTURE RESEARCH AGENDA

To have in-depth knowledge, researchers can include other factors, such as psychological factors, social factors, economic factors, financial literacy and demographic factors on retirement planning behaviour in future research. Further, comparative studies can be done with different sectors of employees.

CONCLUSION

Currently, the financial burden has been shifted from employer to employee. So, employees have to be more careful while planning for retirement. The above-reviewed studies found a lack of financial knowledge among employees, resulting in poor retirement planning. Organisations, policymakers and employers need to organise financial literacy workshops and awareness programs for their employees to make rational decisions while investing and planning for retirement.

References


