

AWARENESS OF PARTICIPATION IN THE SOCIAL SECURITY PROTECTION SCHEME AMONG INFORMAL SECTOR WORKERS IN MALAYSIA: A CONCEPTUAL ANALYSIS

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Abstract: *The rapid growth of informal employment in Malaysia has raised concerns regarding the adequacy of social security protection for vulnerable workers. Despite the introduction of the Self-Employment Social Security Scheme (SKSPS) by the Social Security Organization (SOCISO), participation among informal sector workers remains relatively low. This study examines the level of awareness and the factors influencing participation intentions in the SOCISO social security protection scheme among informal workers in Malaysia. Grounded in the Theory of Planned Behaviour (TPB), the study investigates the roles of awareness, attitude, subjective norms, and perceived behavioural control in shaping behavioural intention to participate. An exploratory sequential mixed-method design was employed, beginning with qualitative interviews to explore workers' knowledge, perceptions, and challenges, followed by a quantitative survey to test the proposed framework. The findings highlight that limited awareness, economic constraints, and structural barriers significantly influence participation intentions. The study contributes to the literature on social protection and informal employment by providing empirical insights into psychosocial and structural determinants of participation, and it offers policy-relevant recommendations to enhance social security coverage among informal sector workers in Malaysia.*

Keywords: *SOCISO, Awareness, Informal Workers, TPB, Malaysia*

Introduction

Social security protection for workers is a crucial element in safeguarding the well-being of the national workforce. In Malaysia, SOCSO provides various protection schemes for formal sector employees, gig workers, and self-employed individuals, including those in the informal sector.

The informal sector encompasses economic activities that are not registered or regulated under formal labour laws. Studies indicate that participation in the informal sector is often associated with lower skill levels and educational attainment. As a result, many individuals are willing to work in informal sectors such as construction, logistics, and related industries. Consequently, a significant number of informal workers remain without social security protection. Some informal sector workers experience workplace accidents or loss of income upon termination without any form of compensation. This has led to cases of permanent disability resulting from accidents in high-risk sectors such as logistics and construction.

In Malaysia, the number of workers in this sector has been increasing, particularly among small traders, e-hailing drivers, food delivery riders, and freelancers. Although the Social Security Organization (SOCSO) has introduced the Self-Employment Social Security Scheme (SKSPS) to protect informal sector workers, the level of participation remains low. This may be attributed to a low level of awareness among these workers (Alfers, Devenish, & Sesan, 2023), particularly the Self-Employment Social Security Scheme (SKSPS/SPS). Factors such as limited exposure to information, low levels of education, financial constraints, and negative perceptions towards contribution payments contribute to the low rate of participation in social protection schemes (Tan, 2016). Furthermore, limited communication channels, the absence of a centralized database, and challenges in identifying the informal workforce further hinder efforts to expand social protection coverage among this group (Canelas & Niño-Zarazúa, 2022).

Therefore, examining the awareness of participation in SOCSO schemes among informal sector workers in Malaysia is essential to assess the extent of workers' knowledge, understanding, and attitudes towards social protection. Data on individuals working in the informal sector are difficult to obtain, and records of their social security status are often limited within the Department of Labour. In light of this situation, the present study aims to develop a profile of Malaysians working in the informal sector and to assess the level of awareness of SOCSO schemes among informal sector workers in the country.

Problem Statement

Although SOCSO provides schemes for workers in the informal sector, several key issues persist. These include the absence of an official and comprehensive database of informal workers, the lack of schemes tailored to the specific nature and conditions of informal employment, and the absence of an integrated management system to address the welfare needs of this group.

In 2023, informal sector workers in Malaysia reached 3.45 million persons, representing 21.8 per cent of the total employed population in the country (DOSM, 2023). Informal employment coverage refers to household members aged between 15 and 64 years who worked at least one hour during the reference week as employers, employees, self-employed individuals, or unpaid

family workers. A key characteristic of the informal sector is small-scale operations with fewer than ten workers, and many of these workers are not registered under the prescribed social security protection schemes.

Regarding highest educational attainment, the majority of informal workers possess SPM qualifications or lower, representing 74.7 per cent (1.37 million persons) in 2023. This group recorded a slight decline of 0.7 per cent compared to 1.39 million persons in 2021. Those with no formal certificate or only semi-skilled qualifications constituted the second-largest group at 10 per cent (DOSM, 2023). As of 15 November 2024, the total number of self-employed or informal sector workers registered and contributing under the SOCSO SKSPS stood at 788,350 individuals. This figure falls short of SOCSO's target of one million participants and remains far below the total of 3.45 million informal sector workers recorded by the Ministry of Economy (PERKESO, 2024). This indicates a low level of awareness regarding social security protection schemes, which may be attributed to limited education and lack of knowledge about the SKSPS.

Furthermore, the majority of these workers (84.7 per cent) earn wages below the government-mandated minimum salary of RM1,700 per month. Despite SOCSO's efforts to provide social security protection through the SKSPS, participation among informal sector workers remains low, likely due to limited awareness. To date, there has been no comprehensive empirical study examining the effectiveness of social security protection schemes for informal sector workers in Malaysia. This gap highlights the need to investigate awareness of participation in these schemes, as understanding workers' knowledge, perceptions, and engagement with the SKSPS is essential for improving coverage and ensuring the effectiveness of social protection for this vulnerable group.

Research Objectives

The objectives of the study are:

1. To explore the knowledge, understanding, and attitudes of informal sector workers regarding participation in the SOCSO Social Security Protection Scheme (SKSPS).
2. To identify the level of awareness in terms of behavioural intention among informal sector workers towards participation in the SOCSO SKSPS.
3. To analyse the barriers faced by informal sector workers in terms of behavioural intention towards participation in the SOCSO SKSPS.
4. To propose improvement strategies to enhance participation in the SOCSO SKSPS among informal sector workers.

Literature Review

Awareness of Safety, Accident Prevention, and SOCSO Schemes

Social security protection is closely linked to occupational safety and health (OSH), particularly in high-risk jobs such as p-hailing, e-hailing, construction, and outdoor work. Studies indicate that OSH practices in informal construction work remain weak, safety training is insufficient, and overall safety awareness is low (Ismail et al., 2020). SOCSO has also reported an increase in road accidents among gig and self-employed workers, prompting the implementation of safety campaigns such as Vision Zero Malaysia, specifically targeting p-hailing workers (PERKESO, 2024). Gig workers are found to operate in high-risk work

environments; however, the majority are not covered by formal social protection schemes (International Labor Organization, 2021). Canelas and Niño-Zarazúa (2022) observed that informal sector workers tend to rely on personal savings or other informal protection mechanisms, while public social protection schemes are underutilized or poorly understood compared to instruments like private insurance. The absence of targeted outreach, limited communication channels, and a prevailing perception of social protection as unnecessary perpetuate the coverage gap among informal sector workers (Van Vu, 2025; Ngo & Nguyen, 2025).

Awareness is a critical factor in determining whether a worker is willing to participate in social protection schemes. Awareness of social protection encompasses knowledge of the scheme's existence, understanding of the benefits offered, eligibility criteria, contribution rates, and claim procedures (World Bank, 2024). Research shows that many informal workers believe SOCSO is only for formal sector employees, which prevents them from recognizing the importance of social protection (Hussain & Ibrahim, 2021). Ahmad Nizar et al. (2023) found that awareness among food delivery workers regarding SOCSO SKSPS was high (>90%), yet confusion remains regarding the types of benefits and eligibility for claims.

Low awareness among informal sector workers constitutes a significant barrier to participation in SOCSO schemes. Such awareness is closely associated with attitudes, social norms, and perceived behavioral control, which are the central constructs of the Theory of Planned Behavior (TPB). Accordingly, this study empirically investigates how these constructs shape behavioral intentions to participate in SOCSO schemes.

Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (TPB) was introduced by Icek Ajzen (1991) as a social psychology theory used to predict and explain human behaviour based on intention. TPB has been widely used to explain behaviour in contexts such as financial decisions, technology adoption, safety practices, and participation in social insurance (Conner, M. (2020). Therefore, it is highly suitable for examining informal sector workers' participation in SOCSO schemes. The theory posits that behaviour does not occur spontaneously but is influenced by three main factors: attitude, subjective norms, and perceived behavioural control.

Attitude (towards social protection)

Attitude refers to an individual's positive or negative evaluation of a particular behaviour. In this context, informal workers' attitudes towards social protection are shaped by their perceptions of the benefits offered, income protection, financial security, and the ease of the registration process. Literature indicates that a positive attitude increases the likelihood of participating in social protection schemes, whereas a negative attitude (e.g., perceiving the scheme as irrelevant, unimportant, or burdensome) reduces the intention to contribute (Van Vu, 2025; Tan, 2016).

Subjective Norms (social norms)

Subjective norms refer to the social influence on an individual's decision. Unlike formal sector workers, informal sector workers do not have fixed employers or colleagues to influence their behaviour. However, they are still affected by family, close friends, local communities, traders' associations, or gig platforms such as Grab and Foodpanda. Studies have found that social

support increases the likelihood of acting towards social protection, although its impact is more moderate in the loosely structured informal sector (Ngo & Nguyen, 2025).

Perceived Behavioural Control (behavioural control)

Perceived behavioural control refers to an individual's confidence in their ability to manage and perform a particular behaviour. Informal sector workers often face unstable income, limited digital access, and pressing daily financial needs, which reduce their confidence to commit to regular contributions. Research indicates that perceived behavioural control is influenced by the ability to pay contributions, the ease of registration, accessibility of digital platforms, and self-confidence in managing financial commitments. Studies show that perceived behavioural control is the strongest predictor of intention to participate in voluntary social schemes (Ngo & Nguyen, 2025; Adisty et al., 2023). Factors such as irregular income, financial constraints, and job uncertainty weaken workers' confidence to commit to contributions.

Conceptual Framework

The conceptual framework of this study is developed using elements from the Theory of Planned Behaviour (TPB). It posits that informal workers' intentions to participate in SOCSO schemes are shaped by their attitudes towards benefits, the influence of social norms, and perceived control over managing contributions.

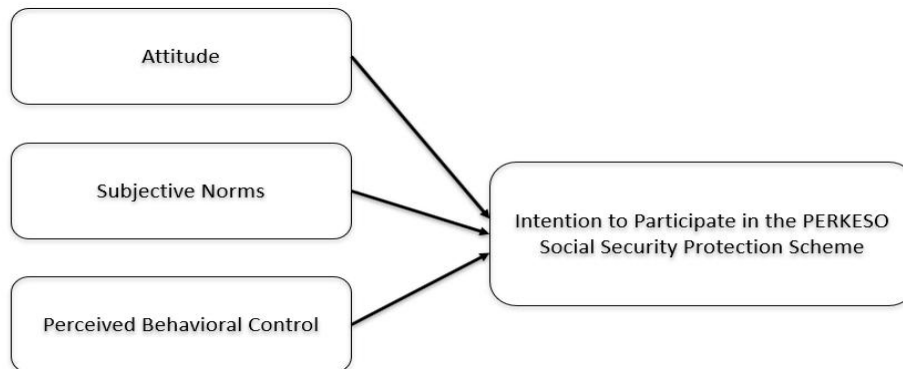


Figure 1: Initial Conceptual Framework

Figure 1 illustrates the factors influencing informal sector workers' intentions to participate in the SOCSO SKSPS. Based on the TPB, the framework emphasizes awareness, attitude, subjective norms, and perceived behavioural control. Awareness reflects knowledge of the scheme's existence, benefits, eligibility, and procedures. Attitude represents the perceived importance of participation, subjective norms capture social influences, and perceived behavioural control reflects confidence in managing registration and contributions. Together, these factors shape behavioural intention, which predicts actual participation in SOCSO schemes.

Proposed Research Approach

This paper proposes an exploratory mixed-methods approach to examine informal sector workers' awareness, perceptions, and participation in the Social Security Organisation (SOCSO) Self-Employment Social Security Scheme (SKSPS). A mixed-methods orientation is particularly appropriate for investigating complex social protection issues, as it enables the integration of contextual understanding with broader behavioural patterns and structural

influences. The combination of qualitative exploration and quantitative validation allows for a more comprehensive understanding of informal workers' attitudes, intentions, and participation behaviour toward social protection schemes (Creswell & Clark, 2017).

The proposed research design consists of two complementary phases. The first phase involves qualitative inquiry through semi-structured interviews with informal sector workers to explore their knowledge, experiences, perceived barriers, and attitudes toward SOCSO protection schemes. The qualitative stage is intended to generate contextually grounded insights into the lived realities of informal workers, particularly those lacking formal employment protection, stable income, and institutional social security coverage. Thematic analysis may be employed to identify recurring patterns and dimensions emerging from participants' narratives (Braun & Clarke, 2019). These findings can subsequently inform the conceptualisation of key constructs and indicators relevant to social protection participation.

The second phase extends the qualitative insights into a quantitative orientation through the development of a structured measurement framework. Future empirical testing may involve respondents from diverse informal sector categories, including services, agriculture, manufacturing, and construction, to examine variations in awareness, attitudes, and participation tendencies across occupational contexts. Quantitative analysis such as Partial Least Squares Structural Equation Modelling (PLS-SEM) could be utilised to assess the relationships between awareness, attitudes, behavioural intention, and participation in the SOCSO SKSPS scheme.

Collectively, the proposed approach supports the development of a multidimensional framework for strengthening social protection participation among informal workers. The framework is conceptually organised into four interrelated dimensions: Information Dimension, Psychosocial Dimension, Economic Dimension, and Structural Dimension. These dimensions are aligned with the Theory of Planned Behaviour (TPB), which explains behavioural intention through attitudes, subjective norms, and perceived behavioural control (Ajzen, 1991).

The Information Dimension reflects workers' awareness and understanding of social protection schemes, which may influence both perceived benefits and confidence in participation. The Psychosocial Dimension captures trust, beliefs, and social influence factors that shape behavioural intention through community norms and collective perceptions. The Economic Dimension addresses affordability, contribution flexibility, and financial capability, while the Structural Dimension considers accessibility issues such as registration procedures, digital access, and claims mechanisms. Together, these dimensions provide a conceptual basis for understanding participation behaviour among informal workers and offer practical direction for improving the effectiveness and inclusiveness of SOCSO initiatives.

Rationale of a Study

The significance of this study can be viewed from several important perspectives. First, it contributes to academic understanding by providing empirical insights into the knowledge, perceptions, and level of awareness of informal sector workers regarding SOCSO schemes. The findings enrich the existing literature in the fields of social security, human resource

management, and labor policy in Malaysia, particularly in relation to the often-understudied informal workforce.

In addition, the study offers practical value for government policy planning. The findings may serve as a useful reference for policymakers, especially agencies such as SOCSO, the Ministry of Human Resources, and other related institutions, in designing more effective and inclusive strategies to increase the participation of informal workers in social protection schemes.

Conclusion

In conclusion, this study highlights the critical importance of understanding awareness and participation in the SOCSO Social Security Protection Scheme (SKSPS) among informal sector workers in Malaysia. Grounded in the Theory of Planned Behaviour, the study underscores that awareness, attitudes, subjective norms, and perceived behavioural control play significant roles in shaping workers' intentions to participate in social protection schemes. Given the substantial size of the informal workforce and the persistent gaps in coverage, enhancing awareness and addressing informational, psychosocial, economic, and structural barriers are essential for improving enrolment. The findings provide valuable insights for policymakers and SOCSO in designing more targeted and inclusive strategies to strengthen social security protection for vulnerable workers within the informal economy.

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