



Faculty of Cognitive Sciences and Human Development

**SOCIAL FACTORS AND RETIREMENT FINANCIAL PLANNING: A
QUANTITATIVE STUDY AMONG FEMALE NURSES IN PRIVATE
HOSPITAL**

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**SOCIAL FACTORS AND RETIREMENT FINANCIAL PLANNING: A
QUANTITATIVE STUDY AMONG FEMALE NURSES IN PRIVATE
HOSPITAL**

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This project is submitted
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The project entitled ‘Social factors and retirement financial planning: A quantitative study among female nurses in private hospital’ was prepared by Sitti Noriah binti Izilarab and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Science with Honours (Human Resource Development)

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Grade

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TABLE OF CONTENTS

LIST OF TABLES	v
LIST OF FIGURES	vi
ABSTRACT	vii
ABSTRAK	viii
CHAPTER ONE INTRODUCTION	1
CHAPTER TWO LITERATURE REVIEW	11
CHAPTER THREE RESEARCH METHODOLOGY	26
CHAPTER FOUR RESULTS	39
CHAPTER FIVE DISCUSSION	46
REFERENCES	54
APPENDIX A QUESTIONNAIRE	65
APPENDIX B PEARSON CORRELATION ANALYSIS	71
APPENDIX C LETTER TO ORGANIZATION	73

LIST OF TABLES

Table 1 Conceptual and operational definition of terms	8
Table 2 Questionnaire items.....	30
Table 3 Likert Scale used in Social Factors	31
Table 4 Likert Scale used in Retirement Financial Planning	31
Table 5 The Results of the Reliability for Pilot Test.....	32
Table 6 The Cronbach's Alpha Coefficient Value	33
Table 7 Demographic profile of respondents ($N=100$)	39
Table 8 Pearson correlation between early learning and retirement financial planning among female nurses.....	41
Table 9 Pearson correlation between family support and retirement financial planning among female nurses.....	42
Table 10 Pearson correlation between employer support and retirement financial planning among female nurses.....	43
Table 11 The summary of the hypotheses	44

LIST OF FIGURES

Figure 1 The proposed conceptual framework	6
Figure 2 The Intentional Change Theory	21
Figure 3 The Theory of Planned Behaviour	24
Figure 4 The process of data collection.....	35
Figure 5 The Spectrum of the Correlation Coefficient (-1 to +1)	37

ABSTRACT

The purpose of this study was to determine the relationship between social factors and retirement financial planning among female nurses in private hospital. Questionnaire were administered to 100 registered nurses in a private hospital at Pasir Gudang, Johor. Pearson Correlation was used to test the hypotheses of the study. It can be confirmed that one of the social factors which is family support has no significant relationship with retirement financial planning among female nurses. However, early learning and employer support were reported to have a positively significant relationship with retirement financial planning among female nurses. The results of this study can provide valuable information and body of knowledge for practitioners in the scope as well as potential researchers able to take this research as their references for future study.

Keywords: Social factors, retirement financial planning, female nurses, private hospital

ABSTRAK

Tujuan kajian ini adalah untuk mengkaji hubungan faktor sosial dan perancangan kewangan persaraan dalam kalangan jururawat wanita di dalam hospital swasta. Borang soal selidik telah diberikan kepada 100 orang jururawat wanita berdaftar di sebuah hospital swasta di Pasir Gudang, Johor. Ujian Korelasi Pearson telah digunakan untuk menguji hipotesis kajian. Kajian mengesahkan bahawa salah satu faktor sosial iaitu sokongan keluarga tidak mempunyai hubungan yang signifikan dengan perancangan kewangan persaraan dalam kalangan jururawat wanita. Walau bagaimanapun, pembelajaran awal dan sokongan majikan didapati mempunyai hubungan yang positif signifikan dengan perancangan kewangan persaraan dalam kalangan jururawat wanita. Penemuan kajian ini dapat memberikan maklumat yang penting serta ilmu pengetahuan kepada para pengamal skop ini dan boleh dijadikan sebagai rujukan kepada pengkaji pada masa akan datang.

Kata Kunci: Faktor sosial, perancangan kewangan persaraan, jururawat wanita, hospital swasta

CHAPTER ONE

INTRODUCTION

This chapter is discussed about the background of the study, problem statement, general objective and specific objective of the study, conceptual framework, research hypotheses, the contributions of the study, the limitations of the study, terms definition and summaries of the chapter.

1.1 Background of study

Global research has shown that many people are not investing enough in their working lives (Banks & Blundell, 2005). Similarly, these issues are also popular in Malaysia (Yusuf, 2012). When life expectancy increases (Statistics Department Malaysia, 2011), the amount of retirement time spent by employees also rises. Finance mentor, Dr. Niki Shuhada Shukor said that public awareness of financial preparedness is still at an all-time low, particularly during the retirement period, because of the lack of public knowledge of the financial value of retirement (Bernama, 2017). Therefore, financial planning for retirement are very crucial as people are free of financial worries as it is for planning in the future, to foresee expenses and to achieve personal living goals (McGraw-Hill Higher Education, 2003).

It may be more effective in obtaining, using and preserving your financial resources throughout your life, not for yourself but for your loved ones. But most people think of the responsibility of financial planning for retirement are burdened and discourage them from doing fun things - as for Malaysia is only starting to understand that retirement saving is indeed an important matter (Haron, Razali & Mohamad, 2019). A study carried out by Ibrahim, Isa & Ali in 2012 showed the findings of a lower level of consciousness of the value of retirement savings, which indicates that Malaysian employees took this matter for granted (Zabri, Ahmad & Lian, 2014).

This is happened due to many people see retirement as the finish line, the point after which financial planning and saving becomes a moot point (Tuchman, 2017). It is important to think about

retirement income as soon as you complete your service while making a financial plan. To take note that this process will involves in calculating the number of years and understanding how much income each month would take, thus it is necessary for each member to raise money to meet their needs for retirement, especially as health costs increases day by day (Shan, 2015).

According to researchers, the findings found that men are more likely to invest in financial planning, while women are more likely to participate in other aspects of life, living plans, and social psychology (Lee 2003). Female nurses become the fundamental variable in this research, as the study of women's financial retirement planning earned a few attentions from the research world (Kumar, Tomar & Verma, 2019). Many with greater preparedness for retirement have more optimistic attitudes toward retirement (Kim, Kwon & Anderson 2005).

The study will be using a direct causal relationship to assess the independent variables (social factors) will be giving direct influence on the dependent variable (retirement financial planning). Thus, this study is either to determine if there is any significant relationship between social factors and retirement financial planning, since only a few past researches has been carried out in Malaysia, particularly for female nurses.

1.2 Problem statement

Preparing for retirement is never easy, requiring many moving parts such as the need for a savings plan to be introduced, building a diversified investment portfolio and projecting one's future spending. Around 2030, less than 10 years from now, Malaysia will be an ageing population. Regardless of this demographic scenario change, many problems and concerns will arise. The current situation shows that the Malaysians are not prepared to face the threats that lies ahead (Sapuan & Tai, 2018). It may be in lump sum or regular cash flow, but the bottom line is that overall financial assets must have a comfortable lifestyle to sustain.

According to previous study, most employees that near to retirement age lack the necessary knowledge to make informed decisions as to leaving the workplace is economically feasible (Lawson & Hershey, 2005). Individuals are not well prepared to make decisions about financial management without an understanding of the key financial principles. Individuals who are financially literate have the capacity to make more investments, savings, borrowing, and more financial decisions. Consumers who do not understand the compounding interest concept are spending more on transaction fees, running higher debts and paying higher interest rates on loans. Lack of financial awareness contributes to weak financial decision taking for individuals (Hastings, Madrian & Skimmyhorn, 2012).

Several factors help save and plan a comfortable retirement, including family structure and dynamics. Females provide parents, mostly their husbands, with the bulk of long-term care that makes them hardly to decide their financial planning during retirement age, as the diameter of the family is another element acts as a key factor in retirement financial planning (Jalil, Razak & Azam, 2013)

They are often to be the financial caregivers for their grown children or their parents that makes them hardly to make savings for their retirement. Family members ' health, especially spouses, has influenced employment and retirement decisions, particularly for women (Davey, 2008). Malaysian respondents have some pessimistic attitudes towards the possibility of retirement, as their lifestyles are hard to adapt, according to Lai and Tan (2009).

According to Lusardi (2004), she stated that the government has fostered many financial education programs, and the employers are gradually offering their employees retirement seminars (Lusardi, 2004). Employers are in a great position to help workers retire comfortably. In current study, the employers and pensioners are providing lifelong financial planning to include workers in retirement savings (Cooper, 2018). Employers should be providing a financial health advantage by using best practices to reduce financial stress for workers.

The road to women's comfortable retirement just got even tougher. Based on past study, the older women do not have the financial resources like men and are weaker in retirement (Glass & Kilpatrick, 1998). Eventually, from the current research, Hong Kong, Singapore, Malaysia and Taiwan women are more likely to support individual responsibility for retirement income than men (Clements, Eich & Gupta, 2014). Aside from the gender wage gap, women are always more likely to leave the workforce than men to take care of the elderly or children. This could mean huge gaps in time between paychecks as spending rises (Hannon, 2019).

Based on the various retirement decision-making researches carried out, the majority concentrated on non-financial aspects among retirement planning (Lusardi & Mitchell, 2007a). This is due to many people see retirement as the finish line, the point after which financial planning and saving becomes a moot point (Tuchman, 2014). Researchers have found that Asians have poorer pension contributions relative to U.S. residents as they are more likely to seek financial assistance from their children upon retirement (Horioka & Watanabe, 1997). In fact, some perceived they had not enough money to prepare for retirement.

1.3 Research objectives

1.3.1 General objective

This study will investigate the relationship between social factors and retirement financial planning among female nurses in private hospital.

1.3.2 Specific objectives

The purpose of this study is to:

- i. To determine the relationship between early learning and retirement financial planning among female nurses
- ii. To determine the relationship between family support and retirement financial planning among female nurses
- iii. To determine the relationship between employer support and retirement financial planning among female nurses

1.4 Research hypotheses

Based on research objectives, the following hypotheses were formulated:

- i. H_{a1}: There is a significant relationship between early learning and retirement financial planning among female nurses.
- ii. H_{a2}: There is a significant relationship between family support and retirement financial planning among female nurses.
- iii. H_{a3}: There is a significant relationship between employer support and retirement financial planning among female nurses.

1.5 Conceptual framework

The research conceptual framework was based upon social factors and retirement financial planning among female nurses in private hospital. The dependent variable is retirement financial planning. The selected independent variable is social factors. This framework was used to develop the hypotheses for this study.

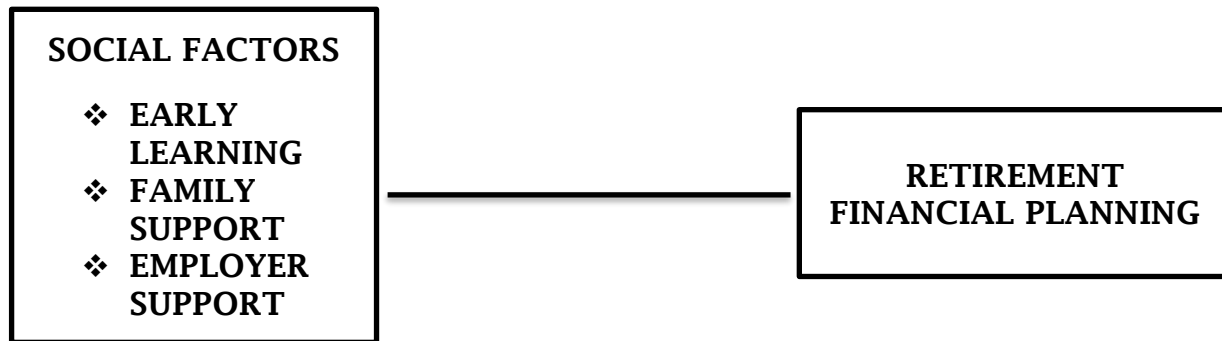


Figure 1. The proposed conceptual framework.

1.6 Significance of the study

In this study, there are four main significances of the relationship between social factors and retirement financial planning among female nurses in private hospital. The significance of this study is for the organization itself, the workers, the researchers and for the society as well. First and foremost, this study is very imperative to the organization to pinpoint and to comprehend fully the relationship between social factors and retirement financial planning among female nurses in private hospital. Throughout this study, the organization should realize on how the social factors could influence their employees' retirement financial planning especially for female employees. This study eventually will be aiding as an instrument for the organization to understand more on retirement financial planning and give provision to

the employees to manage their own career efficiently. Next, this study is much vital for the employees to indicate their level of the performance the organization.

Other than that, the employees also will clarify their own role of their career will always inspire and reassure them to stay in their current job position in the organization even there is no promotion to secure their own financial planning during their retirement age. Then, this study is essential to the researcher to gain more understanding and information regarding on social factors of early learning, family support and employer support that will impact the organization's retirement financial planning. Researcher also will able to define more on the correspondences between these two variables. Thus, it will help them to carry on more research in the future.

Lastly, this study is significant to the society because everyone especially to those that just build a new organization should aware on the social factors and its impressions on the retirement financial planning of the employees especially for female. The society needs to comprehend that social factors and retirement financial planning not only happen in the internal part of the organization only but also external part of the organization.

1.7 Definitions of terms

Table 1 Conceptual and operational definition of terms

Terms	Conceptual Definition	Operational Definition
Retirement	According to Denton and Spencer (2009), they stated that in the Oxford English Dictionary, retirement is usually an event which is found, “to withdraw from office or an official position; to give up one’s business or occupation in order to enjoy more leisure or freedom (especially after having made a competence or earned a pension).”	Retirement happens when the women nurses started to withdraw themselves from paid working life.
Financial planning	According to Kumar, Tomar and Verma (2019), financial planning involves an in-depth review of the current and future financial position.	Financial planning happens when female nurses are in the preparation to make savings for future investment during their retirement age.

Early learning	According to Morgan (2019), early learning is defined as a process in which children are initially introduced to providers of education beyond those within their own families.	Early learning is the education that the female nurses receive early education regarding on how to plan retirement financial planning for their own future's sake.
Family support	Gilligan (1995) suggested that family support is about recognizing the needs of families and responding to them, especially in times of difficulty.	Family support is how the participation of their family such as parents, children or their spouse, will give an impact to their decision on retirement financial planning.
Employer support	Employer or work support is described as a means of helping individuals in need of additional assistance to excel in the work (O'Bryan, Simons, Beyer & Grove, 2000).	Employer support in this study is the employer's effort to find strategies or create interventions to enable employees to realize the importance of retirement financial planning.

1.8 Limitations of the study

The research has been limited onto selected private hospitals due to time and cost restriction to gather data from many private hospitals in Malaysia. The study covers only one geographical area which is in Pasir Gudang, Johor. In addition, the populations are does not covers for all female nurses. Respondents may respond expeditiously and inexcusably as they may be busy on work matters, especially when they are all have responsible to be the country front-liners for combating COVID-19 pandemics. Thus, the findings may lack of accuracy and barely not efficient.

1.9 Conclusion

This chapter discussed the background of the study, the statement of problems, the research objectives, the conceptual framework, the research hypotheses, the study's significance as well as the limitation of the study and the definition of key terms in series. The ultimate purpose of this research was to investigate the relationship between social factors and women's retirement financial planning among private hospital female nurses. The research outcome will show if it is positive, it will be identical or different with previous studies.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The relationship between social factors and retirement financial planning among female employees should give a full thoughtfulness in order to contribute employees' outcome in the organizations. The social factors such as early learning, family support and employer support itself must have the courage and motivate the employee as to reduce the negative consequences on the retirement financial planning. In this chapter, researcher had reviewed the previous studies that support the purpose of this study. Apart from that, the researcher also looks further into the concepts, models and theories in the study.

2.1 The concept of social factors

Socially influences are things that affect the lifestyle of someone. These could include income, ethnicity, patterns of purchasing, schooling, size and composition of the family, and density of population (Betts, 2016). As reported by Dogra (2015), social factors are undeniably significant in the prevention, development and maintenance of mental health issues, including those of childhood, to varying degrees. The social aspect focuses on in-society movements. The social factors are families, acquaintances, employers, neighbors and the media. Such influences that will give effects on our attitudes, beliefs and interests.

2.2 The dimension of social factors

For instance, in this study, there are three dimensions of social factor that will be the antecedents of this research, which is the early learning and the family support. Lastly, the employer support.

2.2.1 Early learning

In this research, early learning means the employers or employee gain their early exposure and education on how they want to manage their financial decisions for their retirement age or what we called as financial literacy. Although financial literacy is vital to a successful adult phase, there some authorities that needed high school students to take a financial literacy course. Such courses have been shown to directly affect the ability of a student to make wise financial decisions (Hoyt, 2019).

Some agree that early childhood financial education is not only important, but also feasible and attractive. The ability to deal with money is one of the most vital skills that anyone can learn. As per said by Masnan and Curugan (2016), this skill is primarily learned in childhood. Therefore, as soon as possible they will start learning about the concepts of money management. Furthermore, students with have some personal finance courses under their belts are much more likely to save money, spend wisely, and invest smarter effectively.

Youth financial education is the starting point for giving people a clear understanding of personal finance, and schools are the best starting point for reaching large numbers of young people with financial education (Masnan & Curugan, 2016). This is due to financial education teaching in schools will enhance the process of training children to become responsible household wealth buyers and managers.

It is necessary to note, as noted by Kefela (2011), that the financial literacy program is not meant to make financial experts, but rather to empower individuals with appropriate expertise and experience to mold financial decisions and allow them to handle their circumstances more effectively. According to Masnan and Curugan (2016), they emphasized that the financial education should begin in early childhood when the personality of an adult is influenced and when it is necessary to teach them how to take the right attitude towards money, spending, saving, and other financial issues.

2.2.2 Family support

One of an individual's most important reference groups is the family. The family of a customer has a major impact on attitude and behavior, and as consumer groups, families themselves are of critical importance in society. Most of the people decisions are made on behalf of the family by family members, so understand the dynamics of family consumer decision-making. Different family members may have the dominant decision maker or influencer, depending on the product or service or others being considered (“Social Factor”, n.d.).

The husband is dominant in some cases, the wife or children in others, and still some instances, families make collective decisions. According to “Social Factor” (n.d.), the wife has traditionally made the primary decisions regarding grocery choice and food and household item, although this has changed more as more women participate in the workforce.

Typical for transactions involving a greater sum of money, such as a fridge or a car, is a joint decision. In addition, teenagers can have a lot of influence on their own purchases of clothes meanwhile for the children. Nevertheless, the complexities of each family's decision that will be varies according into each situation. Thus, to make decision on retirement financial planning, family support will give more impact towards the employee.

2.2.3 Employer support

Employees who are trying to save for retirement face a lot of obstacles. Finance can be the most difficult part of their lives (Klumb, 2017). Employees are always overwhelmed by the daily living costs and are unable to contribute to their retirement. They will always feel hesitant to save and take less pay home, despite receiving an immediate tax benefit and eventually thinking about higher retirement income later. But according to Avallone (2017), employers now are becoming increasingly concerned with their workers ' financial well-being and widening their way of demonstrating their loyalty.