

Effects of Islamic financial literacy on retirement planning behaviour in Universiti Utara Malaysia academic staffs

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Abstract

Retirement planning has become increasingly important due to the rise in life expectancy and the substantial increase in healthcare costs. According to the Department of Statistics Malaysia (2024), the employment rate among individuals aged 15–64 years increased from 67.9% in January 2024 to 68% in April 2024, while the elderly population (aged 65 years and above) doubled from 6.0% in 2016 to 12.0% in 2024. This study examines the factors affecting the relationship between Islamic financial literacy and retirement planning behavior. The study used a survey in which questionnaires were distributed to 200 respondents among the academic staff of UUM. Descriptive statistics, correlation, regression, and ANOVA were used for data analysis. The study found a significant positive relationship between selected demographic factors (income level and age group) and retirement planning behavior. Moreover, the study found a strong positive relationship between attitudes and retirement planning behavior. Furthermore, the study also found a strong positive relationship between Islamic financial knowledge and retirement planning behavior. This study contributes to the Islamic financial literacy literature by investigating the effect of factors such as Islamic financial knowledge, attitudes, and selected demographic factors such as income level and age group on the retirement planning behavior of academic staff. University administrators and policymakers should prepare and offer effective courses, such as seminars and workshops related to Islamic finance, to achieve a high level of awareness of retirement planning behavior among society and university employees.

INTRODUCTION

Retirement planning has become increasingly critical due to the rise in life expectancy and the substantial increase in healthcare costs. As reported by the Department of Statistics Malaysia (2024), the employment rate among individuals aged 15 to 64 years rose from 67.9% in January 2024 to 68% in April 2024. Furthermore, the proportion of the elderly population (aged 65 years and above) increased from 6.0% in 2016 to 12.0% in 2024, indicating a notable demographic shift towards an aging population. These statistics highlight the escalating necessity of retirement planning to ensure a high quality of life for the elderly (Department of Statistics Malaysia, 2024).

The age of retirement varies internationally. According to the OECD (2024), individuals in the United States typically retire at 66.7 years. In contrast, the retirement age is 65 years in Japan, Canada, Germany, and Sweden, while in Korea, it is 60 years. In Malaysia, the minimum retirement age has been established at 60 years for both civil servants and private-sector employees. However, as of June 2025, the Ministry of Human Resources is considering a proposal to increase the mandatory retirement age from 60 to 65 years, with the objective of enhancing financial security and accommodating an aging workforce. Pre-retirement planning remains crucial to ensuring a high standard of living in later years (Foo & Soo, 2025).

Financial literacy endows individuals with the essential knowledge, skills, and tools necessary for making informed financial decisions, effectively achieving personal wealth, and enhancing access to financial services (Ali et al., 2013). This literacy is particularly crucial for the middle class, who often represent the target market for various financial products, such as Islamic trusts, takaful, and insurance, which are typically marketed to more affluent groups (Ali et al., 2013). Islamic financial literacy plays a significant role in addressing issues related to aging and retirement. Research indicates that the integration of religious values with Islamic financial literacy significantly influences financial management behavior and overall financial well-being among Muslim consumers. Islamic financial literacy often exerts a greater influence than religiosity alone, shaping how Muslims manage their finances and plan for the future (Wijaya et al., 2024).

Financial literacy, encompassing an understanding of Islamic finance principles, is associated with improved financial behavior and enhanced retirement planning. Individuals possessing higher levels of financial literacy are more inclined to engage in retirement planning and to manage their retirement savings effectively. Comprehension of fundamental concepts, such as interest compounding, inflation, and Shariah-compliant investment options, positively impacts the propensity for retirement planning and contributes to ensuring sufficient resources during retirement years (Agnew et al., 2013; Boisclair et al., 2015; Lusardi & Mitchell, 2011).

Furthermore, financial advisors can amplify the impact of both financial literacy and financial attitude on retirement planning. Access to expert guidance enables individuals to make informed financial decisions, which is increasingly important as financial needs evolve with age (Mustafa et al., 2023).

Overall, enhancing Islamic financial literacy empowers individuals to make better financial decisions, plan more effectively for retirement, and improve their quality of life as they age. By integrating religious principles with financial knowledge, Islamic financial literacy provides a culturally and ethically aligned framework for securing financial well-being during later life.

LITERATURE REVIEW

Retirement Planning Behaviour

Retirement has been considered one of the most important future life changes (Szinovacz 1980) and permanent stage, which can be an enjoyable experience for some and still shocking others (Marshall et al. 2004). Retirement planning includes identifying sources of income, estimating expenses, implementing savings programs, and managing assets. We estimate future cash flows to determine whether retirement income goals will be achieved. The term 'retirement planning' is most frequently applied to consultations with professionals, typically financial planners, or participation in company-supported programs. However, retirement planning also encompasses informal modalities. Informal modes of retirement planning include having the intention to retire, thinking about retirement, and talking or reading about retirement (Ekerdt, Kosloski, & DeViney, 2001). Retirement is a situation in which an individual is allowed to leave the labor market. It is closely related to the life cycle of an individual, so the transition to the early retirement planning phase should particularly be in terms of finance. Since life expectancy is increasing (Department of Statistics Malaysia, 2016) the quantity of time workers spend retiring also increases. In recent years, researchers have defined retirement as greater than just passing the financial position, which can be accomplished by many factors (Lahey et. al., 2006).

The purposes and changes in desires have a direct impact on decision making as individuals move in different stages of life. This is vital in retirement planning, because of the impact of demographic factors (Moen et al., 2005). From the perspective of retirement age, respondents claim that retirement age should not be compulsory, but the choice for the workers neither wishes to continue working nor not, depending on their health (Mehta, 1999). People continue to work if they are healthy (Kim et al., 2005; Moen et al, 2005). Moreover, Kim et al. (2005) and Moen et al. (2005) found that satisfaction with retirement and supporting dependents are significant factors influencing those who originally wanted to retire.

Islamic Financial Literacy

Previously, most literature has emerged as contradictory studies that more generally focus on financial literacy. In fact, the instruments used in previous studies to measure financial literacy are constructed on the conventional sides and do not specifically focus on Islamic perspectives. Therefore, in this study, the researcher also considered all the characteristics of financial literacy mentioned by OECD (2011) and PISA (2012) to be appropriate for explaining the conceptual definition of Islamic financial literacy because the definitions do not violate Islamic or Shariah law. Hence, for the conceptual definition of Islamic financial literacy in this study, the researcher refers to the conceptual definition of a person's ability to use understanding (PISA, 2012), awareness, knowledge, skill, and attitude (OECD, 2011), and manage their financial resources efficiently and effectively according to the Islamic spirit.

Islamic Financial Knowledge

Houston's (2010) definition of Islamic financial knowledge refers to the stock of knowledge that one acquires through education and/or experience specifically related to essential Islamic finance concepts and products". Therefore, Islamic Financial knowledge has become a basic life skill for individuals to survive in modern society. Research has found that financial knowledge is related to financial management behaviours (Hira et al., 1992; Mugenda, Hira, & Fanslow, 1990; Princeton Survey Research Associates, 1997). The different psychological variables studied in relation to savings, perhaps no one has received as much attention as financial knowledge has. Research shows that the knowledge is positively related to retirement planning activities (Ekerdt, Hackney, Kosloski & Deviney, 2001) and the financial savings practices (Hershey & Mowen, 2000; Yuh & Devaney, 1996).

METHODOLOGY

Population of the Research

Population is the general or complete set of elements that totalizes the category of the subjects of interest to the researcher. Generally, the population is defined as the total category of subjects, which is the focus of attention in a particular research project (Sekaran, 2003). Therefore, the study population consisted of UUM academic staff in Sintok.

Sample Elements

The researcher is interested in collecting the data, specifically from academic staff who are currently working in University Utara Malaysia. The purpose of this research is to identify the effects of demographic factors, such as income level and age group, Islamic financial knowledge, and attitude. Therefore, the UUM College of Business (COB) staff were chosen as the research sample for several reasons. First, employing university staff for this study is suitable because they are possible by planning for retirement since they are middle-income groups. Second, COB is the largest college in UUM and represents the entire population. Finally, the researcher chose COB academic staff because of their background and knowledge of the effects of Islamic financial literacy on retirement planning behavior. Therefore, this study targets only COB academicians employees, considering their knowledge of Islamic

financial literacy and retirement planning behavior. Henceforth, the respondents were from dissimilar demographic compositions, such as multi-income levels, and were generally well educated. Additionally, in order to meet the aims of this study, the samples were selected based on the subsequent criteria to meet the purpose of this study:

- Samples should be currently working in University Utara Malaysia.
- Respondents should be Muslim.
- Samples are categorized as professors, associate professors, senior lecturers, and lecturer.

Therefore, according to Malhotra (2004), the sample size was based on the number of elements included in the study. A large sample size provides more reliable results than smaller samples. Therefore, selecting the appropriate sample size is important because a valid and reliable sample allows a researcher to analyze the findings from the sample under investigation.

Table 1. Sample Size for a Given Population Size

N (Population size)	S (Sample Size)	N (Population size)	S (Sample Size)
440	205	600	234
460	210	650	242
480	214	700	248
500	217	750	254
550	226	800	260

Source: Sekaran (2003).

According to Sekaran (2003), a theoretical framework is a conceptual model of how to rationally define the relationships between the identified factors. The theoretical framework is the basis for the entire research project. He further stated that the theoretical framework discusses the correlations between variables that are considered essential to the situation being examined. A variable can take on differing or changeable standards (Sekaran, 2003). The research framework is the basis of this research, and it completely explains what research all is about. The research framework generally explains the concept of the research. It also explains the relationship between variables and how they are related and associated with each other (Sekaran & Bougie, 2013). This part enables the researcher to expand knowledge by studying the validity of the theory through different analysis tests of both dependent and independent variables according to the research framework. Based on the literature review, figure is the theoretical framework of the study.

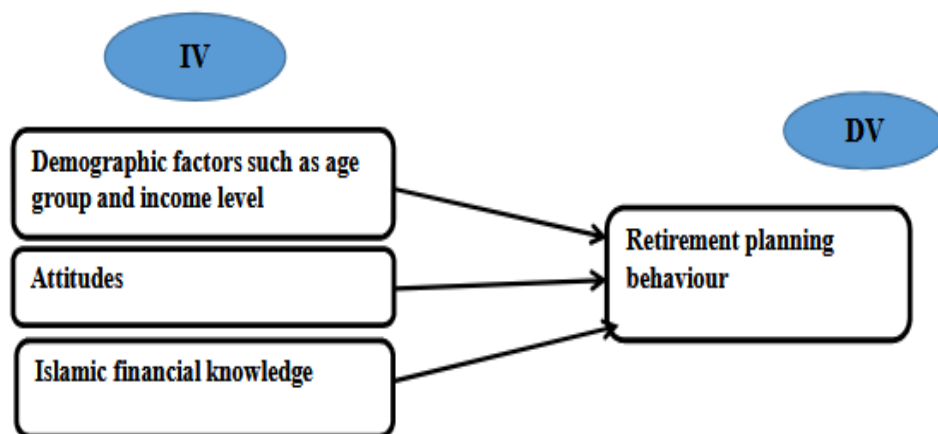


Figure 1. Theoretical Framework

Adapted from, Lai et al. (2009), Rossiter-Base (2004) and Huston (2010).

Hypothesis Development

This hypothesis can be explained as a logically conjectured difference between two or more variables expressed in testable statement form (Sekaran, 2003). In this study, the hypotheses are categorized into the following types: the null hypothesis (H₀), which articulates no (significant) relationship between two variables or no (significant) difference between two variables, while the second hypothesis (H_a) shows the opposite of the null (Sekaran & Bougie, 2013). This study developed the following hypothesis:

H1. To determine if there is a significant and positive relationship between age group, income level, and retirement planning behavior.

H₀₁. There is no significant positive relationship between age group, income level, and retirement-planning behavior.

H_{a1}. There is a significant positive relationship between age group, income level, and retirement-planning behavior.

H2. To examine whether there is a significant and positive relationship between attitudes and retirement planning behavior.

H₀₂. There is no significant positive relationship between attitudes and retirement planning behavior.

H_{a2}. There is a positive significant relationship between attitudes and retirement planning behavior.

H3. To investigate whether there is a significant positive relationship between Islamic financial knowledge and retirement planning behavior.

H₀₃. There is no significant positive relationship between Islamic financial knowledge and retirement-planning behavior.

H_{a3}. There is a significant positive relationship between Islamic financial knowledge and retirement planning behavior.

RESULTS

Demographic Profile of Respondents

The respondents who participated in the study were mainly COB academic staff at the University of Utara Malaysia, Sintok, Kedah.

Table 2. Demographic Profile

Demographic Profile			Frequencies (no=161 out of 200)	Percentage s (%)
1	Gender	Male	110	68.3
		Female	51	31.7
2	Age	25-30 years	3	1.9
		31-35 years	35	21.7
		36-40 years	52	32.3
		41-50 years	51	31.7
		Above 50 years	20	12.4
3	Marital Status	Single	39	24.2
		Married	122	80.6
4	Educational Level	Master	45	28.0
		PhD	116	72.0

5	Work experience	Less than 5 years	11	6.8
		6-10 years	42	26.1
		11-15 years	46	28.0
		16-20 years	35	21.7
		Above 21 years	27	16.8
6	Income level	RM4,000-5,999	1	0.6
		RM 6,000-8,000	98	60.9
		RM 8,000 above	62	38.8
7	Academic Category	Professor	7	4.3
		Assoc. Professor	10	6.2
		Senior Lecturer	93	57.8
		Lecturer	51	31.7

According to the above table, the results demonstrate that the number of female respondents was less than the number of male respondents. Out of 161 respondents, 110 (68.3 %) of them are males and 51 (31.7 %) were females. age group between 36 and 40 years is dominant in academic staff in College of Business (COB), in this research, 52 (32.3 %) of the total respondents followed by the age group from 41 to 50 years 51 (31.7 %) while 31-35 years groups were 35 (21.7 %), and others groups were above 50 years, 20 (12.4 %). The majority of the respondents in this study were married, which is 122 (75.8 %), whereas 39 (24.2 %) of the respondents were single. Hence, at the education level, most of the respondents were PhD holders, 116 (72.0 %), followed by master's level, which is 45 (28.0 %), and degree holders are 0 (0.0 %).

Among the respondents involved in this study, most respondents 46 (28.6 %) have working experience between 11-15 years while 42 (26.1 %) have been working between 6 to 10 years whereas 35 (21.7 %) of the academic staffs have working experience of 16 to 20 years of work experience, whereas 27 (16.8 %) of academic staffs have working experience of more than 20 years and lastly staffs that have less five years of experience are 11 (6.8%). The study confirmed that 98 (60.9%) of the respondents earned a monthly income between RM 6,000 and RM 8,000, followed by the monthly income of above RM 8,000, which had a total of 62 (38.5%), while monthly income of RM 4,000 to RM 5,999 had only one percent (0.6%). In the academic category, the majority of the staff s are senior lecturers, 93 (57.8%) and lecturers, 51 (31.7%), and associate professors and professors were only 10 (6.2%) and 7 (4.3 %), respectively.

To determine the level of effects UUM academic staff have on Islamic financial literacy on retirement planning behavior, the researcher found that the mean value of the variables was obtained by measures on a five-point Likert scale, in which the greater the number of the said point on the Likert scale, the greater the goodness of each variable. When values closer to five points are considered better, those closer to zero are considered bad. A score equal to or greater than 4 indicates a high agreement with a particular criterion, while a score equal to or less than 2 is considered low, and a mean score of 3 is considered natural agreement (Bhatti et al., 2012; Hair et. al, 2010). The descriptive analysis of all three variables is as follows.

Table 3. Descriptive Analysis of Research Variables

Variables	Minimum	Maximum	Mean	Std. Deviation
Retirement planning behaviour	2.50	4.50	3.7399	.44436
Islamic financial knowledge	1.71	4.71	3.5350	.65568
K Attitude	2.00	5.00	3.6788	.57477

The minimum, maximum, mean, and standard deviation of the variables are illustrated in Table 4.2. In the present study, the mean value was moderate. The mean score between retirement planning behavior, Islamic financial knowledge, and attitude ranges from 3.73 3.53. Therefore, these values represent some moderate agreement on the effects of Islamic financial literacy on retirement planning behavior.

However, it is shown that the standard deviation ranges from 0.65 to 0.44. These values reflect a variability difference in answering questionnaires among the respondents. In other words, the answers that the respondent made were different from one to another.

Level of Retirement Planning Behaviour and Determinant Factors

To examines the effect of Islamic financial literacy on retirement planning behavior, we used frequency analysis.

Table 4. Descriptive Analysis Retirement Planning Behaviour on Attitudes

No. Items	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
ATT1	8 (1.0%)	40(25.5%)	24(27.0%)	52(34.5%)	19(12.0%)
ATT2	8 (0.5%)	19 (12.8%)	32(20%)	74 (48.4%)	28 (18.3%)
ATT3	5 (3.1%)	25(15.4%)	44(27.3%)	59(36.6%)	28(17.6%)
ATT4	5((3.1%)	10(6.2%)	45(28.0%)	76(47.2%)	25(15.5%)
ATT5	6(3.7%)	10(6.2%)	39(24.2%)	75(46.6%)	31(19.3%)
ATT6	1(0.6%)	5(3.1%)	17(10.6)	44(27.3%)	94(58.4%)
ATT7	2(1.2%)	20(12.4%)	36(22.4%)	72(44.7%)	31(19.3%)

Based on the above table, 52 (34.5%) respondents agreed that item “Retirement enables me to pursue my unfulfilled dreams”. In addition, 74 (48.4%) of the respondents also agreed that item “I look forward to retirement,” and 32 (20 %) of the respondents were neutral.

The above table illustrates that 59 (36.6%) of the survey participants agreed that item “I am worried about my life after retirement. Nevertheless, 75 (46.6%) of the respondents showed that item “I left my future in the hands of Allah”. And also, 94 (58.4%) of the respondents strongly agreed that item “I have planned for retirement, but I left the rest in the hands of Allah”.

Table 5. Descriptive Analysis Retirement Planning Behaviour on Islamic Financial Knowledge

No. Items	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
IFK1	4 (2.5%)	17(10.5%)	54(33.5%)	64(39.8%)	22(13.7%)
IFK2	8 (5.0%)	40 (24.8%)	42(26.1%)	52 (32.3%)	19 (11.8%)
IFK3	8 (5.0%)	19 (11.8%)	32(19.8%)	74(46.0%)	28(17.5%)
IFK4	5((3.1%)	20 (15.5%)	44(27.3%)	59(36.6%)	28(17.4%)
IFK5	5(3.1%)	10(6.2%)	45(28.0%)	76(47.2%)	25(15.5%)
IFK6	6(3.7%)	10(6.2%)	39(24.2%)	75(46.6%)	31(19.3%)
IFK7	4(2.5%)	21(13.0%)	45(28.0%)	63(39.1%)	28(17.4%)

The above table shows that 64 (39.8%) respondents agreed that item “I am very knowledgeable about retirement planning. Additionally, 74 (46.0%) respondents also agreed that item “I am very confident in my ability to plan for my retirement. Besides that, 59 (36.6%) of the respondents also agreed that item “When I need financial services, I know exactly where to obtain information on what to do. However, 76 (47.2%) of the respondents also agreed that item “I invest for my retirement on Shariah compliant securities”. Nevertheless, 75 (46.6 %) of the respondents agreed that item “I invest on Islamic equities to generate sufficient long-term return for my post-retirement consumption”.

Finally, 63 (39.1%) of the respondents agreed that item “I am knowledgeable about how private investment plans work. And 45 (28.0%) respondents were neutral.

The Difference between Demographic Factors and Retirement Planning Behaviour

Analysis of variances (ANOVA) is statistically used to assess the differences between the means of two or more variables (Hair, Bush, & David, 2003). In this study, the researcher used a one-way ANOVA test in order to examine the differences between three or more than two groups, such as income level and age group, towards the effects of Islamic financial literacy on retirement planning behaviour.

The Difference Between Income Level and Retirement Planning Behaviour

One-Way ANOVA analysis was conducted to test null hypothesis one (H_0) in terms of income level, which is as follows:

H_0 : There is no significant positive relationship between income level and retirement planning behaviour.

H_a : There is significant positive relationship between income level and retirement planning behaviour.

Table 6. The Difference between Income level and Retirement planning behaviour (One-Way ANOVA)

Income	Mean	Std. Deviation	F	Sig.
RM4000-5999	3.6250	.0000	0.63	0.017
RM6000-8000	3.7474	.46251		
RM8000 and Above	3.7298	.42113		

Significance level 0.05

The table above, conducted using One-Way ANOVA analysis, shows that the value of F is 0.63 and the significance value is 0.017. This shows that there is a significant positive relationship between income level and retirement planning since the significance value is below 0.05. Therefore, in this analysis, the null hypothesis (H_0) should be rejected.

While the alternate hypothesis (H_a) is accepted. From the mean value, the researcher discovered that high-income-level respondents are more aware of retirement planning behaviour than low-income-level respondents. This result is consistent with the earlier assumption made by the researcher that there is a significant positive relationship between the income level and retirement planning behaviour. Income is important in the sense that one must have enough money or wealth resources to make retirement preparation work (Richardson & Kilty, 1989).

The statistical analysis shows that people who have higher income are more motivated to seek professional help regarding investment-related decisions, but people who come from a lower-income group, which has less income, are less likely to look for professional help on retirement investment decisions. For this reason, income can be considered very much associated with the retirement income source (Richardson & Kilty, 1989).

The Difference between Age Group and Retirement Planning Behaviour

One-Way ANOVA analysis was conducted to test null hypothesis one (H_0) in terms of age group, which is as follows:

H_0 : There is no significant positive relationship between age group and retirement planning behaviour.

H_a : There is a significant positive relationship between age group and retirement planning behaviour.

Table 7. The Difference between Age Group and Retirement Planning Behaviour

Age group	Mean	Std. Deviation	F	Sig.
25-30 years	3.5833	.26021	0.377	0.001
31-35 years	3.6750	.51199		
36-40 years	3.7548	.49567		
41-50 years	3.7770	.36342		
Above 50 years	3.7438	.40449		

Significance level 0.05

The table above, conducted using One-Way ANOVA analysis, shows that the value of F is 0.377 and the significance value is 0.001. This shows that there is a significant positive relationship between age group and retirement planning behaviour since the significance value is less than 0.05. Therefore, in this analysis, the null hypothesis (H_0) should be rejected.

While the alternative hypothesis (H_a) is accepted. Meaning that there are significance relationship between age group and retirement planning behaviour. The older respondents are highly aware of retirement planning behaviour compared to young respondents. Several studies examining the effect of age group on retirement have shown that age is related to retirement plans and decisions. Age has emerged as an important and consistent factor in human behaviour towards retirement planning (Richardson & Kilty, 1989; Joo & Pauwals, 2002; Devaney, 1995). Age can help to guide pre-retirees and individuals in the groundwork process of planning (DeVaney, 1995).

The Correlation between Islamic Financial Literacy and Retirement Planning Behaviour

In this study, correlation analysis has been used to test the nature of the relationship between the independent variables, which are attitude and Islamic financial knowledge, and the dependent variable, which is retirement planning behaviour. In this study, Pearson correlation has also been used to analyze the data collected from the respective respondents. In Pearson correlation analysis, it is stated that the higher the correlation coefficient, the stronger the relationship between independent variables and dependent variables (Dancey & Reidy, 2004).

Moreover, Pearson Correlation was applied to obtain the research objective, which is to examine the relationships between attitude and Islamic financial knowledge and retirement planning behaviour. The calculation of the Pearson Correlation Coefficients was performed to achieve an understanding of the relationships associated with all the variables in this study.

The correlation table below shows a significant, strong positive relationship between the dependent variable (retirement planning behaviour) and the independent variables (Islamic financial knowledge, attitudes). From the correlation analysis table, it is observed that retirement planning behaviour is positively correlated with Islamic financial knowledge ($r=.868$, $p < 0.01$). There is also a perfect positive relationship between retirement planning behaviour and attitudes ($r = 0.859$, $p < 0.01$).

Table 8. Pearson Correlation Analysis among Variables

Variables	Retirement Planning behaviour	Islamic Financial knowledge
Islamic Financial knowledge	.868**	
Attitudes	.859**	.912**

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

Therefore, there were two proposed hypotheses, which are:

H₀: There is no significant positive relationship between attitudes and retirement planning behaviour.

H_a: There is a significant positive relationship between attitudes and retirement planning behaviour.

The result indicates that the correlation between attitudes and retirement planning behaviour is .859, which is significant at the 0.01 level, and significant value between both variables is 0.000. This shows that there is a strong positive relationship between attitudes and retirement planning behaviour. As a result, the null hypothesis (H₀) is rejected.

H₀: There is no significant positive relationship between Islamic financial knowledge and retirement planning behaviour.

H_a: There is a significant positive relationship between Islamic financial knowledge and retirement planning behaviour.

As for the factors of Islamic financial knowledge and retirement planning behaviour, the correlation between both variables is .868 which is significant at the 0.01 level. Further, the significant value for the correlation of Islamic financial knowledge is 0.000. This indicates that there is a strong positive relationship between Islamic financial knowledge and retirement planning behaviour. Thus, the alternative hypothesis (H_a) is accepted, and the null hypothesis (H₀) is rejected.

Regression Analysis of Retirement Planning Behaviour

Regression analysis is the practical model that researchers have created in an earlier stage of the research process (Sekaran, 2013). Multiple regression is a flexible and powerful analysis for determining the relationship between the dependent variables and one or more independent variables. Further, the researcher noted that the regression coefficient describes the relative importance of each of the independent variables in the prediction of the dependent variables. Table 4.8 displays the result of the multiple regression analysis for the study.

Table 9. Multiple Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.399	.109		12.850	.000
Islamic Financial knowledge	.343	.062	.507	5.573	.000
Attitudes	.306	.070	.396	4.359	.000

Dependent Variable = Retirement Planning behaviour

F-Value = 280.601

Significant = 0.000

R² = 0.780

Based on Table 4.8, the R-square (R²) obtained indicates the percentage of variance in the dependent variable that could be explained by the independent variables. In this multiple regression analysis, the R-square of the regression model is 0.780 (78%). Therefore, it implies that 78% of the variance of retirement planning behaviour can be explained by the regression model of the independent variables, which are Islamic financial knowledge and attitudes. In other words, 22% cannot be explained by these dimensions due to other factors that can be utilized to examine Islamic financial literacy on retirement planning behaviour. Nevertheless, the results of the multiple regression analysis which is used to test the factors influencing retirement planning behaviour, namely Islamic financial knowledge and attitudes. It is evident that Islamic financial knowledge has significantly expected on retirement planning behaviour (B = 0.343, significant at 0.000). It can be explained that this means the increase in Islamic

financial knowledge by 0.343 units will increase awareness of respondents to retirement planning behaviour by one unit. In contrast, the result also shows that attitudes have a significant influence on retirement planning behaviour ($B = .306$, significant at 0.000). It means an increase in attitudes by 0.306 units will increase awareness of respondents to retirement planning behaviour by one unit. Therefore, from the analysis, the greatest factors that have an effect on retirement planning behaviour are Islamic financial knowledge and attitudes, while factors followed by selected demographic factors show significant indications. Therefore, these results should become the area of concern and need for further discussion in the next chapter.

DISCUSSION

The main focus of this study is the effects of the level of retirement planning behaviour and the relationship between independent variables and the dependent variable which are attitudes, Islamic financial knowledge and selected demographic factors such as age group, income level and the dependent variable which is retirement planning behaviour. In addition to that, the survey was conducted with a sample size of 200 respondents, and the purpose of data collection was to distribute a total of 200 sets of questionnaires to the respondents. However, the researcher found that only 161 questionnaires were usable. The total of the usable questionnaires represents an 80.5% response rate, and statistical tools such as descriptive statistics, correlation, and regression analysis were used. The next section explains how the research objectives were achieved.

First Objective

The first objective is to find out if there is a significant and positive relationship between selected demographic factors such as income level, age group, and retirement planning behaviour. Analysis was conducted, and the result reveals that there is a significant positive relationship between selected demographic factors such as income level, age group, and retirement planning behaviour. The findings for the hypothesis suggested that there is a significant relationship between income levels and retirement planning behaviour. The study was conducted on this factor and showed a significant positive for the income level and retirement planning behaviour. This result is similar to that of Ng et al. (2011), who provide evidence that there is a significant relationship between income level and retirement planning. This is because people with high income have the propensity to plan for the future. Higher income level can lead individuals to retirement satisfaction as well as retirement planning confidence (Kim et al, 2005). As an age group, the ANOVA analysis showed that the value of F is 0.377 and the significance value is 0.001. This showed that there is a significant positive relationship between age group and retirement planning since the significance value is less than 0.05. Therefore, in this analysis, the null hypothesis (H_0) should be rejected. The older respondents are highly aware of retirement planning behaviour compared to young respondents. Several studies examining the effect of age group on retirement have shown that age is related to retirement plans and decisions. Age has emerged as an important and consistent factor in human behaviour towards retirement planning (Richardson & Kilty, 1989; Joo & Pauwals, 2002; Devaney, 1995). Age can help to guide pre-retirees and individuals in the groundwork process of planning (DeVaney, 1995).

Second Objective

The second objective is to examine if there is a significant and positive relationship between attitude and retirement planning behaviour. Correlation and multiple regression analysis were used to analyze this objective. The result implies that there is a significant and positive relationship between attitudes and retirement planning behaviour. Furthermore, this finding is similar to the results of the research conducted by Ali, M. A., Razak, D. A., & Azam, S. F. (2013). The result also showed that an individual's attitude emerges as an important factor that affects the person's retirement planning. The study shows that attitude has a positive relationship with the individual's perceptions of financial planning after retirement.

Third Objective

The third objective is to examine if there is a significant and positive relationship between Islamic financial knowledge and retirement planning behaviour. Correlation and multiple regression analysis were conducted to achieve this research objective of the study. The result implies that Islamic financial knowledge is the most highly correlated with retirement planning behaviour, as it is the highest among the other independent variables of interest. However, the result of multiple regression reveals that there is a significant and positive relationship between Islamic financial knowledge and retirement planning behaviour. The result of the relationship between Islamic financial knowledge and retirement planning behaviour is supported by the study of the different psychological variables studied in relation to savings; perhaps no one has gotten as much attention as financial knowledge. Research shows that the knowledge is positively related to retirement planning activities (Ekerdt et al., 2001).

Contribution of the Study

In general, this study contributes to the Islamic financial literacy literature by investigating the effect of factors which are Islamic financial knowledge, attitudes, and selected demographic factors such as income level and age group on retirement planning behaviour of academic staff at UUM. Furthermore, knowledge is one of the most important contributions of this research as this study attempts to fill the research gap and add to the literature of Islamic financial literacy. Based on the knowledge of the research, there is an empirical study on Islamic financial literacy. Thus, this study will increase the stock of knowledge in the area of Islamic financial literacy and retirement planning behaviour.

CONCLUSIONS

This study set out to examine the effects of Islamic financial literacy, particularly Islamic financial knowledge, attitudes, and selected demographic factors (income level and age group)—on retirement planning behavior among academic staff at Universiti Utara Malaysia. The findings confirmed that all three elements are positively and significantly related to retirement planning behavior. Specifically, income and age were shown to influence preparedness for retirement, while both attitudes and Islamic financial knowledge strongly predicted retirement planning practices.

In practice, these findings mean that enhancing Islamic financial literacy can directly improve how individuals plan and prepare for retirement. For example, employees with greater Islamic financial knowledge are more likely to invest in Shariah-compliant products and actively plan for their post-retirement needs. Similarly, positive attitudes towards financial planning foster proactive behaviors, such as long-term saving and seeking professional advice. The results also highlight that older and higher-income staff are more conscious of retirement planning, suggesting that awareness campaigns and interventions should particularly target younger and lower-income groups to cultivate early preparation habits.

By relating the results back to the study's objectives, it is clear that the research achieved its aim of demonstrating the significant influence of Islamic financial literacy and demographic factors on retirement planning behavior. The study's contribution lies not only in filling a gap in the Islamic financial literacy literature but also in offering practical guidance for policymakers, university administrators, and financial educators. Designing seminars, workshops, and training tailored to different age and income groups, and embedding Islamic financial literacy modules in academic and professional development programs, can strengthen retirement planning among employees. Ultimately, fostering financial literacy from an Islamic perspective ensures that individuals can secure their financial well-being while adhering to Shariah principles.

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CONFLICT OF INTEREST

The author affirms that there is no conflict of interest in this article.

AUTHOR CONTRIBUTION

Khalid Abdi Nur is responsible for conceptualising the research framework, conducting the literature review, and drafting the full manuscript. Abdullah Al-Shami provided critical editorial input, improved the structure and clarity of arguments, and refined the theoretical framework to enhance scholarly coherence. The co-author also contributed on collection and analysis of data.

AI GENERATIVE DECLARATION

The author declares that generative AI tools were not used in the creation of this article, except for text paraphrasing and cross-checking references. The author assumes full responsibility for the accuracy, integrity, and final content of this work.

RESEARCH ETHICS STATEMENT

The author(s) declare that this study did not involve any human biological samples or data, or animal subjects. Consequently, formal ethics committee approval and informed consent were not required for this research.

DATA AVAILABILITY STATEMENT

The data supporting the findings of this study are available from the corresponding author upon reasonable request, subject to institutional and ethical requirements.

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