

RETIREMENT SECURITY AMONG MALAYSIAN CIVIL SERVANTS: AN ASSESSMENT OF LITERACY, ATTITUDES, AND FINANCIAL PRACTICES

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Abstract

This cross-sectional study aims to examine the retirement security of Malaysian civil servants. This study analyzed retirement literacy, attitude toward retirement, professional financial advice, and retirement behaviour in attaining retirement security. Self-administered questionnaires were utilized to survey Malaysian civil servants regarding their retirement security. A multi-stage random sampling method was used to draw a representative sample of Malaysian civil servants, and 361 completed self-administered questionnaires were received from 25 government departments in 5 regions: North, South, East, West and Sabah. The statistical analysis identifies Malaysian civil servants' vulnerability to unsecured retirement based on socioeconomic attributes and practices. It also analyzed the means and standard deviation for all items measuring retirement literacy, attitude toward retirement, professional financial advice, retirement behaviour and retirement security to gain a more profound understanding of the characteristics of the respondents.

Keywords: Attitude toward Retirement, Civil Servants, Professional Financial Advice, Retirement Behaviour, Retirement Literacy, Retirement Security

Abstrak

Kajian rentas keratan ini bertujuan untuk mengkaji kesejahteraan persaraan penjawat awam Malaysia. Kajian ini menganalisis literasi persaraan, sikap terhadap persaraan, nasihat kewangan profesional, dan tingkah laku persaraan dalam mencapai kesejahteraan persaraan. Soal selidik telah digunakan untuk meninjau mengenai kesejahteraan persaraan penjawat awam Malaysia. Kaedah persampelan rawak pelbagai peringkat telah digunakan untuk mendapatkan sampel wakil penjawat awam Malaysia dan 361 soal selidik yang diisi dengan lengkap diterima daripada 25 jabatan kerajaan dari lima wilayah iaitu wilayah Utara, Selatan, Timur, Barat dan Sabah. Analisis statistik mengenal pasti kelemahan penjawat awam Malaysia terhadap

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persaraan berdasarkan ciri-ciri dan amalan sosio-ekonomi. Ia juga menganalisis sisihan piawai untuk semua perkara yang mengukur literasi persaraan, sikap terhadap persaraan, nasihat kewangan profesional, tingkah laku persaraan dan kesejahteraan persaraan untuk mendapatkan ciri pemahaman yang lebih mendalam mengenai responden.

Kata kunci: *Kesejahteraan Persaraan, Literasi Persaraan, Nasihat Kewangan Profesional, Penjawat Awam, Sikap Terhadap Persaraan, Tingkah Laku Persaraan*

Introduction

Due to declining mortality and fertility rates, governments in many nations face the challenge of providing adequate retirement incomes for an ageing population (Gallego-Losada, 2022). According to Nga (2018), Malaysia will face a population ageing issue by 2050. This is cause for concern, given that Malaysians typically do not engage in retirement savings behaviour (Puteh et al., 2012; Tai & Sapuan, 2018; Tan & Singaravelloo, 2020). If Malaysians fail to plan for their retirement on time, their children and taxpayers may bear the cost of their care.

The number of live births in Malaysia decreased by 6.7% (31,760 births) between 2020 and 2021, from 471,504 to 439,744. This was the most significant decline in a decade. Fertility, as measured by the total fertility rate, has decreased considerably over the past 50 years, from 4.9 children per woman of childbearing age in 1970 to 1.7 in 2021. In 2021, however, there were 224.6 million fatalities due to Covid-19 infection, a 34.5 percent (57.6 million) increase compared to 2020 (167 million) (Department of Statistics Malaysia, 2022).

In 2030, approximately one billion individuals will be 65 and older globally. The population will reach 1,600,000,000 by 2050 (Pumpinyo & Koojaroenprasit, 2021; United Nations, 2015). Due to the extended life expectancy of retirees (25 to 30 years or more) and the unpredictability of the economy, retirement issues have become more complex (Alkhwaja & Albaity, 2020). Under the assumption that the economy will continue to improve, it is necessary to execute a study regarding the future of civil servants' retirement.

According to data collected by the Department of Statistics Malaysia (DOSM), males who reach the age of 15 in 2022 are projected to live an additional 56.9 years, while females will live an additional 61.3 years. Males turning 60 in 2022 are projected to live 17.5 and 20.1 years longer than females. Males turning 60 in 2022 are projected to reach the age of 77.5, while females will reach 80. The Department of Statistics Malaysia projects that males and females at 65 in 2022 will live 14.2 and 16.4 years longer, respectively (Department of Statistics Malaysia, 2022).

As a result, Malaysians will live longer in retirement, as life expectancy is projected to rise in the future years. With the longer retirement life, the present retirement practices of the majority of Malaysians, which rely primarily on their savings, pension, Employees Provident Funds (EPF), and children's support, are no longer applicable to the current situation (Mansor et al., 2015).

Effective retirement planning is crucial for individuals to have a satisfactory and comfortable retirement experience. Individuals who lack alternative resources in addition to their pension funds for their post-retirement period may encounter significant financial challenges when confronted with unforeseen expenditures, such as the need to cover costly healthcare expenses. As individuals advance in age, the likelihood of experiencing such events increases.

Both internal factors, such as retirement literacy and attitude toward retirement, and external factors, such as the acquisition of expert financial advice, influence the quality of retirement behaviour. The correlation between these elements and an individual's retirement behaviour will undeniably impact their preparations to attain a financially stable retirement period. On this basis, this study seeks to identify the factors that influence the retirement security of Malaysian civil servants.

Literature Review

Retirement literacy

Lu (2018) found that financial literacy could assist Chinese households in being better prepared for retirement. The households with a higher objective financial literacy score and who paid more attention to financial information are more likely to have a retirement plan and various post-retirement financial support options. In addition, to optimize the allocation and growth of financial resources towards establishing a retirement fund, it is essential to consider the possibility of obtaining supplementary funding from financial institutions.

The acquisition of retirement literacy, which encompasses comprehension of interest rates established by financial institutions and the array of investment choices available, is of paramount importance in achieving retirement goals and objectives. The acquisition of this retirement information is anticipated to promote the adoption of retirement planning behaviours.

Financial knowledge, calculation skills, financial education, and attitudes toward financial products are the elements of financial literacy that are most likely to impact personal retirement planning, according to Safari et al. (2021). The study also showed that personal retirement planning among public sector employees in Bukavu, Democratic Republic of the Congo (DRC), is influenced by computation skills and

financial understanding. Similarly, the study conducted by Rahman et al. (2020) among civil servants in Johor, Malaysia, found a correlation between financial literacy and retirement planning.

Attitude toward retirement

A person's attitude is a relatively secure and persistent configuration of beliefs, sentiments, and behavioural patterns regarding a particular topic. The attitude spares the individual the effort required to re-evaluate his conduct each time he encounters a change; as a result, the attitude facilitates decision-making, and the study's findings indicate that the individuals' attitudes on retirement issues are significant explanatory factors of the presence or absence of pension savings (Hogg & Vaughan, 2005; Rubinstein-Levi & Kedar-Levy 2019).

Retirement behaviour can be substantially affected by one's attitude toward retirement. How individuals view and feel about retirement can impact their decisions and actions regarding how they plan. Their perceptions of its financial aspects can influence how much a person provides for retirement.

Those who are optimistic about their financial future may save more aggressively, whereas those who are pessimistic may adopt more prudent financial practices. In addition, attitudes toward retirement can serve as guiding principles that influence individuals' decisions and behaviour as they transition into retirement. People who frequently contemplate the future and whose purchasing patterns include saving for expensive products have more savings (George, 2019).

Professional financial advice

It is recommended to begin retirement planning as soon as possible, as opposed to only a few years before the anticipated retirement age. Whether individuals are engaged in traditional full-time employment or contract economy activities, they must establish a retirement fund that will allow them to enjoy a high quality of life in their golden years. For comprehensive retirement planning, it is advisable to consult with licensed financial advisors (Bank Negara Malaysia, 2021).

Additionally, people are required to make more intricate and integrated financial decisions, whether to manage long-term risk, invest wisely or save for retirement. It is frequently suggested that financial advice may replace financial education, but for this to be true, the quality of the advice must be good (d'Astous et al., 2022).

Numerous studies have discovered that those who received financial advice were more likely to have estimated retirement needs. In addition, they exhibit positive financial behaviors such as planning, monitoring spending, and achieving objectives.

(Byrne, 2007; Cho et al., 2012; Clark et al., 2009; Kim et al., 2018). Financial advice is also associated with wealth accumulation, investment performance, retirement and investment accounts (DeVaney et al., 2007; Elmerick et al., 2002; Kim et al., 2018; Martin & Finke, 2014).

Retirement behaviour

Their saving practices and financial planning increase the likelihood of a civil servant entering the category of poor retirees. Due to low incomes, substantial dependent responsibilities, and unfavourable economic conditions, civil servants are unable to invest or save a reasonable portion of their monthly salaries. Numerous emotional, physical, social, and financial changes and the financial aspects of retirement accompany retirement. In light of the fact that achieving one goal may necessitate sacrificing others, effective planning necessitates determining how limited resources will be allocated (Jiménez et al., 2019).

According to Tan and Singaravelloo's (2020) research, Malaysian civil servants have a high level of financial literacy and excellent financial habits, except for average retirement planning. Therefore, a Malaysian civil servant should have knowledge of financial practices such as setting financial goals, preparing a budget, comprehending the banking system, spending prudently for saving purposes, managing credit liabilities, and planning for retirement.

In addition, according to a study conducted by Fabian et al. (2022) on Ugandan civil servants, several working individuals may practice some retirement savings. Still, they rarely save enough for retirement, and the majority of civil servants fail to plan for retirement because they rely on state pensions.

Retirement security

Achieving the desired standard of living will be facilitated by retirement planning knowledge and the execution of plans to save enough money to meet financial obligations during retirement. To retire with financial security, planning for retirement in advance is necessary. Frequently, emphasis is placed on accumulating enough for a secure retirement.

According to Bond and Doonan (2020), the purpose of saving is to pay for necessities such as accommodation, healthcare, and food in retirement to maintain a standard of living. When discussing retirement security, the cost component is frequently neglected. Costs have increased for many retirees, and the disparity between those who face excessive retirement expenses is growing. In addition to being a financial matter, retirement security is also a question of expense.

With a longer life expectancy, it is complicated for senior citizens to endure the loss of their regular income and inflation during their retirement years. Moreover, despite the urgency of retirees' health concerns, the majority of their modest pension income was spent on housing, food, and the education of dependents. These findings imply that retirees frequently cannot satisfy their healthcare needs and do not age gracefully (Coea & Zammato, 2011; Kowal et al., 2010; Maina & Kimani, 2020).

If the retirees had been informed of the amount of money they would need for retirement and that their pension would also be used to support their dependents, the situation could have been handled more effectively. They must find a means to supplement their active income with passive income, such as that generated by the investments they made while still employed. Managing one's obligations and expenses occurs not only before retirement but even more so during retirement.

Methodology

This is a cross-sectional study conducted through a survey used to obtain responses from civil servants in Malaysia as the unit of analysis. We surveyed permanent civil servants from Grade 11 to Grade 56 from various service departments in the selected regions in Malaysia that were randomly selected using the multi-stage random sampling technique.

A representative sample of Malaysian civil servants from five (5) distinct regions in Malaysia, namely the North, South, East, West, and Sabah regions, was drawn, whereby one state was chosen randomly from each region using a ballot. Consequently, the states of Kedah (North), Negeri Sembilan (South), Pahang (East), Selangor (West), and Sabah were selected as the study's locations. Each region's selected state was projected to provide 125 respondents. A list of the government departments had been drawn up when the locations were confirmed in the second phase. Five (5) government departments from each location were randomly chosen from a list of 25 departments. Approximately 625 questionnaires were distributed to each state's designated departments via Google Forms, and 361 responses were received.

A questionnaire was used as a survey instrument to measure the variables and retirement security. The questionnaire was divided into four (4) significant sections. Section A collects the respondent's demographic and socioeconomic details. Section B represents the factors determining the current financial status, drawing the information on the amount of savings done for retirement, the income adequacy, the credit rating and the existing assets and liabilities. Section C is on the current retirement schemes that civil servants have. Section D inquired about their retirement literacy based on several financial factors, including their retirement attitude, which

included a look at their retirement plans, willingness to seek professional advice, retirement preparation, and confidence in a secure and comfortable retirement.

A pilot study involving a sample of Malaysian civil servants was undertaken to ensure the accuracy and uniformity of the items forming the variables. Thirty-one government employees from three government departments were chosen for the pilot test analysis. The Cronbach's alpha coefficient value was determined before administering the questionnaire to the survey participants, and Exploratory Factor analysis (EFA) was performed on the variables. Subsequently, further adjustments and enhancements were implemented by removing and rephrasing questionnaire items to align with the overall Cronbach's alpha coefficient.

The statistical analysis identifies Malaysian civil servants' vulnerability to unsecured retirement based on socioeconomic attributes and practices. It also analyzed the means and standard deviation for all the items measuring retirement literacy, attitude toward retirement, professional advice, retirement behaviour and retirement security to gain a more profound understanding of the characteristics of the respondents.

Results and Discussion

Table 1: Sociodemographic Characteristics of Respondents (N=361)

Respondents Characteristics	Pooled Sample (N=361)	
	Frequency	Percent (%)
Gender		
Male	176	48.8
Female	185	51.2
Age		
21-30 years old	76	21.1
31-40 years old	137	38.0
41-50 years old	98	27.1
51-60 years old	50	13.9
Marital Status		
Single	59	16.3
Married with children	253	70.1
Married without children	40	11.1
Divorced or widowed	9	2.5
Ethnicity		
Malay	335	92.8
Chinese	5	1.4
Indian	6	1.7
Others	15	4.2

Table 1 (continues)

Respondents Characteristics	Pooled Sample (N=361)	
	Frequency	Percent (%)
Education Level		
Secondary School	102	28.3
Diploma	101	28.0
Bachelor Degree	119	33.0
Master Degree	28	7.8
Others	11	3.0
Household Size		
Less than 5 persons	219	60.7
5-7 persons	130	36
8 or more persons	12	3.3
Years in Service		
1-10 years	135	37.4
11-20 years	135	37.4
21-30 years	65	18.0
31-40 years	26	7.2
Monthly Income		
Below RM 1,500.00	12	3.3
RM 1,501.00 – RM 3,000.00	140	38.8
RM 3,001.00 – RM 5,000.00	133	36.8
RM 5,001.00 – RM 10,000.00	69	19.1
More than RM 10,000.00	7	1.9
Monthly Household Income		
RM 1,000.00 – RM 3,000.00	84	23.3
RM 3,001.00 – RM 6,000.00	141	39.1
RM 6,001.00 – RM 10,000.00	89	24.7
RM 10,001.00 – RM 20,000.00	45	12.5
More than RM 20,000.00	2	0.6
Monthly Household Expenses		
RM 700.00 – RM 1,500.00	45	12.5
RM 1,501.00 – RM 3,000.00	121	33.5
RM 3,001.00 – RM 6,000.00	131	36.3
RM 6,001.00 – RM 12,000.00	60	16.6

As shown in Table 1, sample frequency distribution has been utilized to comprehend the demographics of the respondents. Regarding gender, slightly more than half (51.2%) of participants were females, while the other half (48.8%) were males. There are only 1.4% Chinese, 1.7% Indian, and 4.2% people of other ethnicities, compared to 92.8% Malay.

987,322 Malay Bumiputeras, 94,000 Sabah Bumiputeras, 73,190 Chinese Bumiputeras, 60,031 Sarawak Bumiputeras, 47,994 Indian Bumiputeras, 2,414 Orang

Asli Bumiputeras, and 8,656 others comprise approximately 90% of the 1,2 million civil personnel. There are 984,022 Malays, 93,926 Sabah Bumiputeras, 72,802 Chinese, 59,978 Sarawak Bumiputeras, 47,751 Indians, 2,411 Orang Aslis, and 8,614 other civil personnel between Grades 1 and 56 (FMT Reporters, 2022).

38% of respondents are between the ages of 31 and 40, and 27.1% are between the ages of 41 and 50. 70.1% are married with children, and 60.7% have a household with fewer than five members. The working experience of 37.4% of the respondents ranges from 1 to 10 years and 11 to 20 years, respectively. Regarding their monthly income, 38.8% earn between RM1501.00 and RM3,000.00, while 36.8% earn between RM3,001.00 and RM6,000.00. 36.3% of households spend between RM3001.00 and RM6,000.00 per month, while 33.5% spend between RM1501.00 and RM3,000.00.

Table 2: Financial Status

Financial Status	Pooled Sample (N=361)	
	Frequency	Percent
Have you ever tried to figure out how much you need to save for retirement?		
Yes	219	60.7
No	142	39.3
What is the percentage of your monthly savings compared to your income (Excluding EPF)?		
0%	44	12.2
1% - < 10%	226	62.6
10% - < 20%	58	16.1
>= 20%	33	9.1
What is your current financial status?		
Asset values less than outstanding debt	150	41.6
Asset values equal to outstanding debt	102	28.3
Asset values more than outstanding debt	109	30.1
How would you rate your current financial position?		
Poor	101	28.0
Fair	209	57.9
Good	51	14.1
Which one best describes about your current income adequacy?		
Not sufficient	28	7.8
Enough for basic needs only	176	48.8
Enough for most things	118	32.7
Enough to buy all the items you wished for and could save money	39	10.7

Table 2 (continues)

Financial Status	Pooled Sample (N=361)	
	Frequency	Percent
Presently, do you have any of the following loans/debt?		
Business	7	1.9
Investment	44	87.8
Credit Card	100	27.7
Education	90	24.9
Hire purchase on furniture/electrical goods	50	13.9
Personal loan	241	66.8
Vehicle Hire Purchase	216	59.8
How do you think banks or credit card companies would rate your credit?		
Very Poor	23	6.4
Poor	110	30.5
Good	203	56.2
Very Good	24	6.6
Excellent	1	0.3
Please state the property (assets) you have at present		
House	232	64.3
Vehicle	320	88.6
Land	73	20.2
Farm/Orchard	16	4.4
House rental	51	14.1
Jewellery	141	39.1
Currency (e.g., Dinar)	27	7.5
Others	28	7.8

Table 2 elaborates on the financial situation of the respondents. 60.7% of respondents attempted to calculate how much they need to save for retirement, with the majority setting aside between 1% and 10% of their monthly income. 57% of respondents believe that their current financial situation is merely adequate. 41.6% of them have a lower asset value than their outstanding debt. According to empirical studies, households with few assets are financially vulnerable (Liu et al., 2019; Lusardi et al., 2011). Therefore, if an individual's assets are worth less than their liabilities, the likelihood of paying off all outstanding debts is at risk, and the likelihood of declaring bankruptcy is high. A more significant asset value is required to meet future payment obligations or debts.

The majority of them (48.8%) are unable to satisfy their basic needs with their current income because they have taken out loans for investment (87.8%), personal loans (66.8%), and vehicle hire purchase loans (59.2%). This is consistent with the Bank Negara Report 2018, which stated that civil servants in Malaysia have been identified as a significant group with debt issues, that their outstanding debt has been

increasing since 2012, and that their borrowing is significantly higher than the national average (Bank Negara Malaysia, 2018; Sabri et al., 2019).

The majority of their investment assets consist of a vehicle (88.6%) and a home (64.2%). 56.2 percent of respondents claim to have an excellent reputation with banks and credit card companies. People may purchase financial products such as opening a bank savings account, building an investment portfolio, obtaining a mortgage, purchasing life or health insurance policies, and obtaining a loan for consumption purposes in order to improve their future well-being and to pay for current expenses or prepare for future expenses (Schepen & Burger, 2022).

Table 3: Retirement Schemes

Retirement Schemes	Pooled Sample (N=361)	
	Frequency	Percent
Which retirement plan do you currently have?		
Employment Provident Fund (EPF)	89	24.7
Government Pension Scheme	272	75.3
Do you save for your retirement other than your pension?		
Yes	225	62.3
No	136	37.7
Do you have savings in one of these options for retirement purposes?		
Rental Property	38	10.5
Shares	32	8.9
Unit Trust	43	11.9
Savings Account	141	39.1
Bond/Sukuk	3	0.8
Fixed Deposit	63	17.5
Insurance/Takaful	109	30.2
Amanah Saham Bumiputera (ASB)	183	50.7
Do you save your money other than for retirement purposes?		
Yes	294	81.4
No	67	18.6
If YES, what is/are the savings for?		
Emergency Fund	257	71.2
Children Education Fund	169	46.8
Medical Fund	143	39.6
Takaful Protection	82	22.7
Haji/Umrah	182	50.4
Charity	125	34.6
Others	22	6.1

Table 3 (continues)

Retirement Schemes	Pooled Sample (N=361)	
	Frequency	Percent
Apart from your current retirement plan (EPF/Government Pension) contributions, how much of your monthly income in percentage (%) do you set aside for additional savings for your retirement purposes?		
None	79	21.9
1% - 10%	228	63.2
11% - 20%	43	11.9
21% - 30%	11	3.0
More than 30%	0	0.0

In addition, Table 3 detailed the categories of respondents' retirement plans and the percentage and purpose of their non-retirement savings. 75.3% of them have signed up for the Government Pension Scheme. The public pension scheme and the Employee Provident Fund (EPF) are Malaysia's two most prominent retirement schemes. The former scheme is exclusive to government employees and is founded on a defined benefit plan. In contrast, the latter scheme primarily serves the private sector workforce and those in the public sector who opt into the plan after they have been recruited (Afthanorhan et al., 2020).

62.3 percent of respondents have retirement savings between 1 and 10 percent of their monthly income. Slightly more than half of respondents (50.7%) invest in the Amanah Saham Bumiputera (ASB), followed by 39.1% in savings accounts and 30.3% in insurance/takaful. 81.4% of respondents save for purposes other than retirement, with emergency funds, haji/umrah, and children's education funds as the top three priorities.

Table 4: The Mean Score and Standard Deviation for Items Measuring Retirement Literacy

No	Item Statement	Mean	Std. Deviation
RL1	I know about the interest rate charged by the bank with the amount of the loan provided.	3.89	.957
RL2	I am aware of other investment alternatives (stocks, properties, etc.)	3.60	1.037
RL4	I am aware that I need to have sufficient future periodic passive income during retirement.	4.00	.925
RL5	I understand that I have to manage my present and future expenses and liabilities.	4.29	.803

Table 4 (continues)

No	Item Statement	Mean	Std. Deviation
RL6	I know that the retirement fund is not only to provide enough income for me but also for my dependents.	4.30	.780
RL7	I know how much retirement fund I need for my retirement.	3.54	1.002
RL8	I know that I have to establish my retirement goals and objectives.	4.12	.841
RL3_R	I know how the inflation rate is calculated.	2.63	1.095

The items in Table 4 pertain to comprehending the respondents' level of retirement literacy. The response with the highest mean (Mean = 4.30) indicates that respondents know the retirement fund is for them and their dependents. The third highest mean (Mean=4.12) relates to respondents' awareness that they must establish their retirement objectives and goals. A mean of 4.0 (Mean=4.0) represents the fourth-highest level of respondents' awareness regarding the need to secure a sufficient potential passive income during retirement.

Retirement literacy refers to an individual's level of knowledge and comprehension regarding retirement planning, money management in retirement, and the retirement process as a whole. It involves having the knowledge and skills required to calculate retirement costs and select appropriate investment strategies. Higher retirement literacy increases the likelihood that individuals will manage their finances prudently, maximize their retirement resources, and make informed decisions regarding when and how to retire. A lack of retirement literacy can lead to poor financial decisions, inadequate savings, and running out of money during retirement.

Table 5: The Mean Score and Standard Deviation for Items Measuring Attitude Towards Retirement

No	Item Statement	Mean	Std. Deviation
ATR1	I tried hard to get information about retirement	3.77	.934
ATR2	I will set specific goals for how much will need to be saved for retirement.	3.78	.947
ATR3	I think a great deal about quality of life in retirement.	3.96	.916
ATR4	I have clear vision of how life will be in retirement.	3.82	.944
ATR5	I set clear goals for gaining information about retirement.	3.85	.869
ATR6	I will discuss retirement plans with spouse, friend, or significant other.	3.87	.934

Table 5 (continues)

No	Item Statement	Mean	Std. Deviation
ATR7	The payoffs for retirement are in the distant future and the promise of pleasure tomorrow can mean pain today.	3.86	.897
ATR8	I intend to make plans for what I am going to do as soon as I retire.	3.94	.914

Based on the extent to which respondents actively contemplated their retirement years, Table 5 indicates their attitudes toward retirement. This is reflected in the highest mean response score (Mean=3.96) for the statement that respondents think a great deal about the quality of life in retirement, followed by the second highest mean response score (Mean=3.94) for the statement that respondents want to begin doing what they want as soon as they retire.

Civil servants may manifest varying degrees of financial readiness as they near retirement. Certain individuals may have supplemented their pension funds with additional retirement assets or financial instruments, while others may rely solely on government-provided pensions. Changes in economic conditions, alterations in social dynamics, and alterations in government regulations can all impact the perception of retirement.

Table 6: The Mean Score and Standard Deviation for Items Measuring Professional Financial Advice

No	Item Statement	Mean	Std. Deviation
PFA1	I am willing to pay for the financial advice if the fee structure is clear.	2.79	1.182
PFA2	I am willing to pay for the financial advice if the fee is not too expensive.	3.04	1.273
PFA3	I am willing to pay for the financial advice if the financial advisers are trustworthy.	3.11	1.211
PFA4	I am willing to seek for professional financial advice if they do not sell products.	3.46	1.181
PFA5	I am willing to discuss retirement planning with a professional financial planner.	3.36	1.168
PFA6	With the help of a financial planner, I can figure out how much money I will need to save for my retirement.	3.52	1.080
PFA7	I am willing to seek and utilize financial advice from the financial advisers if it is a good value for my money.	3.48	1.116
PFA8_R	I can afford to pay for the financial advice fee.	2.71	1.157

Table 6 demonstrates that, with some exceptions, respondents are inclined to engage a financial planner. They anticipate being able to plan for their retirement as a result effectively. A high mean score (Mean=3.52) of respondents who concur that, with the help of a financial planner, they can determine the amount of money they will need to save for retirement. In addition, they are willing to seek and utilize the financial advice of financial advisers if it represents an acceptable value (Mean=3.48). However, they prefer to work with a financial planner who does not sell products (Mean=3.46), indicating they are more interested in advisory services than product sales.

Individuals seek financial advisors who provide various financial services, including budgeting, debt management, investment advice, retirement planning, and estate planning, as well as personalized, situation- and objective-specific advice. Highly valued are advisors who can explain complex financial concepts in terms that are simple to comprehend. People want to believe their financial advisor genuinely cares about their financial well-being.

Table 7: The Mean Score and Standard Deviation for Items Measuring Retirement Behaviour

No	Item Statement	Mean	Std. Deviation
RB1	I know how to plan for my retirement.	3.71	.900
RB2	I already start preparing for my retirement.	3.44	1.015
RB3	I have enough savings to meet my financial obligations during retirement.	3.42	1.043
RB4	I have accumulated assets generating income for my retirement.	3.27	1.049
RB5	I have retirement plan with specific goals.	3.46	1.022
RB6	At present, I rate my preparation for retirement is good.	3.40	1.047
RB7	I know the amount I need to fund a comfortable retirement.	3.42	1.059
RB8	I follow a weekly or monthly budget to be prepared for retirement.	3.35	1.046

Table 7 reveals how much respondents know about retirement planning and how well they have prepared financially for retirement. The respondents with the highest response mean score (Mean=3.71) indicated that they know how to plan for their retirement with specific goals, as indicated by the second highest response mean score (Mean=4.36), and have begun mobilizing their retirement plans, as indicated by the third highest response mean score (Mean=3.44).

As life expectancies continue to rise, it becomes essential for individuals to plan for a more extended retirement period strategically. This requires a thorough analysis of the long-term viability of savings. In the context of retirement, individuals must

establish a clear definition of their desired lifestyle and financial needs. This involves estimating the costs associated with accommodation, healthcare, leisure activities, and other necessities. Creating a budget that aligns with one's retirement goals is essential. A well-organized budget facilitates the effective administration of personal expenditures and savings.

Table 8: The Mean Score and Standard Deviation for Items Measuring Retirement Security

No	Item Statement	Mean	Std. Deviation
RS1_R	I worry about not being financially secure during retirement.	2.36	1.151
RS2_R	I am not sure whether I will have enough money to provide for a comfortable old age.	2.49	1.091
RS3_R	I am not satisfied with my overall financial situations even now.	2.58	1.162
RS4	I am sure that my personal finances are healthy.	3.31	1.002
RS5	I have sufficient insurance/takaful coverage in the event of death, disability or sickness.	3.26	1.140
RS6	I believe that my pension money is sufficient to use during my retirement.	3.44	1.026
RS7	I have enough money to pay medical expenditures in retirement.	3.28	.998
RS8	I am confident that I will have a decent living standard in retirement.	3.53	.934

Table 8 examines respondents' expectations and confidence regarding their retirement financial security. The respondents with the highest mean response score (Mean=3.53) believed they would have a reasonable standard of living in retirement because they believed their pension money would be sufficient (Mean=3.44). In addition, they considered their personal finances to be healthy (Mean=3.31), with sufficient funds to cover medical expenses (Mean=3.28) and adequate insurance/takaful coverage (Mean=3.26).

Retirement security is the assurance that the accumulated resources will enable the same standard of living to be maintained after retirement. The accumulation of savings and investments throughout a person's active employment period is crucial for assuring retirement financial security. Given the considerable increase in medical costs that individuals may experience as they age, adequate healthcare coverage is essential for maintaining retirement security. Individuals are able to determine their income needs and make well-informed decisions regarding expenditure and savings when they create a realistic retirement budget and financial strategy. During one's professional career, achieving retirement security requires meticulous planning,

consistent allocation of funds, and the exercise of informed judgment in financial matters.

Conclusions and Implications

To predict with certainty how much money we will need or how long we will live makes retirement planning a very delicate process. Some people survive considerably longer than the average lifespan. However, some individuals do not need a retirement fund because they pass away too soon. Security, as in retirement security, is one of the most fundamental needs of an individual, and retirement security often refers to an individual's level of comfort with the extent to which a preretirement standard of living can be maintained in the new era of longevity and health (James et al., 2016; Maslow, 1954; Munnell & Soto, 2008).

In order to accomplish the goal of a secure retirement, the findings of this study increased our awareness of the significance of retirement literacy, the proper attitudes toward retirement, and the impact of receiving professional advice and executing retirement behaviours. The primary financial concerns of the average Malaysian are meeting current living expenses, such as home and auto servicing, paying off student loans, and saving for retirement. Longer life expectancy, rising costs of living, smaller urban families, and rising inflationary pressures have heightened the public's desire to understand how to manage the situation. Amani and Fussy (2022) proposed that all potential retirees should attend retirement planning lectures and workshops. Therefore, to raise civil servants' awareness of financial management issues, such as managing their income and expenses to invest in their retirement funds, policymakers must implement effective financial education programmes and host seminars or workshops led by financial advisors or financial practitioners.

According to a study by Zeka (2021), retirement knowledge considerably impacts individuals' intentions to plan for retirement and their subsequent retirement planning behaviours. Pensioners have physical restrictions and cannot earn as much money as they formerly did, so they must plan carefully before retiring (Hamidi & Adrianto, 2022). This shows that more retirement-related education is needed to help people prepare for and save for their golden years. However, acquiring financial knowledge is insufficient if not followed by efforts to save and invest in order to rebuild retirement assets. Therefore, it is recommended that Malaysian civil servants begin applying their acquired financial knowledge as efficiently as possible.

With their present income, most of this study's respondents (48.8%) can only meet their basic needs. 87.8 per cent of them have investment loans, 66.8 per cent have personal loans, and 59.2 per cent have vehicle hire purchase loans. Although many

of us have debts, we must not allow them to disrupt our lives. Therefore, managing debt following our ability to pay is essential for retirement savings.

According to Pumpinyo and Koojaroenprasit (2021) and Vieira et al. (2022), achieving the intended level of life for Thai civil servants will be facilitated by understanding how to prepare for retirement and carrying out plans to save enough to satisfy financial commitments during retirement. Additionally, research conducted by Nabahan et al. (2022) on Zambian civil servants revealed that most civil servants need to save more for retirement. The civil servants in Malaysia often receive a pension as part of their retirement benefits. However, when inflation and changing economic conditions are considered, relying only on a pension for retirement income may not guarantee a comfortable or secure retirement. Although civil service pensions are meant to provide a steady income after retirement, more may be required to maintain the same level of life as during active service.

While this study produced some significant findings, several weaknesses need to be addressed in further research. The use of cross-sectional studies, which are observational studies that examine data from a population at a particular time, has several drawbacks, including the difficulty of concluding causality. However, they help establish preliminary data for more in-depth research planning. Conversely, research on this topic may be more varied to better understand human cognition and behaviour by incorporating qualitative approaches to address the "how" and "why" in addition to quantitative approaches that measure the occurrences.

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