

FACTORS AFFECTING THE INTENTION OF GENERATION Y IN MALAYSIA TO INVEST FOR RETIREMENT

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ABSTRACT. Retirement planning is an essential factor in ensuring a comfortable post retirement period. This is because by sole reliance of employer provident fund (EPF) itself could not sustain desired lifestyle and increasing of living cost. This retirement planning is a cyclical multistep process that review periodically and require planning as early as possible to take advantage of compound interest. Therefore, this paper studies the role of certain behavioural trait and psychological biases in influencing the intention of Generation Y to invest for retirement. Through this study helps Generation Y and parties involved recognize the importance of early retirement preparation through investment.

Design/ Methodology/Approach: A bipolar Likert scales survey questionnaire was distributed physically and online to 240 students and workers around 20-39 years old in Klang Valley area. The questionnaire itself included demographic profile of respondent and variable related questions. Then, data analysis including multiple regression test assessed to determine the extent of Subjective Norms, Attitude, Pension Knowledge and Trust Towards Online Financial Service in influencing Generation Y in investing for retirement fund.

Finding / Practical Implication: Results show positive correlation between all variables studied in influencing the Generation Y to invest for retirement. However, result also shows least impact of trust towards online financial service to intention of Generation Y invest for retirement. Hence, researchers and organizations should take in account of improvement of this factor to assure Generation Y in actively invest for retirement preparation.

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Key words and phrases. Subjective Norms, Attitude, Pension Knowledge, Trust Towards Online Financial Service, Intention to Invest for Retirement, Generation Y.

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1. INTRODUCTION

The role of financial planning has been increasingly important to Malaysian societies as it has slowly evolved into one with more sophisticated financial commitment and life goals. Malaysian are seeking ways to have a proper financial plan which includes investment planning, risk management planning, tax planning, retirement planning, and estate planning. According to Zandi et. al, (2017), majority of Malaysian employees, 75%, weren't either at all aware or know a little regarding retirement and estate planning who either not at all prepared or prepared very little for retirement planning. The purpose of retirement planning is essentially a crucial factor for comfortable post retirement period. This is because that, Malaysian are sole reliance of employer provident fund (EPF) that could not sustain the future retirement period due to factors like increasing living cost and life expectancy. Hence, early preparation of retirement through investment is encouraged to take advantage of the power of compound interest and risk tenacity of investment asset. However, the population of "Baby Boomers" getting lesser and "Generation X" are gradually stepping down from work for retirement. As result, "Generation Y" bound to dominate becoming one of the largest demographic groups and there are concerns related to retirement. There are tons of literature studies focused on study of behavioural traits or psychological biases such as financial literacy, education, subjective norms, on the overall population in affecting the intention of individual to invest for retirement preparation in Malaysia. However, there is limited study solely focus on Generation Y, and above studies mentioned should not apply on Generation Y because they demonstrate different characteristics as compared to other generations. Generation Y or "Internet Savvy" generation tends to pertain different behaviour or feature in considering investment for retirement preparation purposes. As mentioned, financial planning industry is an emerging industry in Malaysia, but still small as compared with unit trust or insurance agencies. But this is an emerging industry with increasing to 43 financial firms and total of 833 financial planners based on Securities Commission (2018) in Malaysia. Not many financial planning firms providing holistic solutions to cater client's financial goals. Instead of that, they tend to offer the solution for the purpose of selling their products. It applies to insurance or unit trust agents without catering the needs of individuals in investment. Hence, it affects the trust of

the individuals and the same time narrowing the investment options available out there. Studies found that, Malaysians are not ready for retirement, which their savings alone not sufficient in sustaining the retirement life. Only 34% of Malaysians provided for Employer Provision Fund (EPF) and majority of them tend to save in low interest yields bank accounts. Data shown that, 50% of EPF members fully spent the funds within 5 years and 70% within 10 years (Ali, 2013). This shows the importance of proper financial planning for the purpose of retirement. Despite to the fact of immature of social security system, increase living costs and unpredictable economy trends in Malaysia, 65% of Generation Y perceived to rely on personal investments and savings for future retirement and not fully prepared for retirement planning. In addition, 75% of them have at least one long-term debt like hire purchase loan from car to education loan and mortgage affecting the intention in actively preparing for retirement (Hunt, 2019). In addition, there is also limited study in identifying the intention or inclination of Generation Y in actively addressing retirement plan in Malaysia. The willingness in actively invest for retirement is important to them, as they are lack in awareness and affected by several circumstances including the ineffective government pension system in Malaysia. Early and active participation in retirement planning will ease their burden in accumulating sufficient savings in sustaining future retirement life. Sheikh et al. (2020) stated that financial planning should be started early from the high school via various career development programs since, there is increasing concern of inadequacy in active addressing retirement in Malaysia. Furthermore, Zandi et al., (2019) proposed that counselling centre in schools is a crucial department and it can create awareness to the generation Y on financial planning and retirement planning. This will create a generation who can understand the implication of not saving enough. Furthermore, SASTRA Education Development has rolled out financial programs to teach Generation Y in Malaysian schools the importance of saving and investing early and this approach should be scaled. However, the findings found regarding to underlying factors that affect Generation Y in addressing retirement planning, as they are having different characteristics and circumstances compared to baby boomers, Generation X and Z. It is important to study only Generation Y for retirement planning, as they bound to dominate the population of workforce in the future due to decreasing numbers of baby boomers and Generation X. Whereas, article showed that individual underlying

cognitive and affective traits like personal values and social influences relevant in active financial planning for retirement (Bongini & Cucinelli, 2019). Nevertheless, lack of understanding also perceived in behavioural factors that impact for intention in investment for retirement on Generation Y. It is found that several behavioural factors ranging from traits like personalities, trust and societal influence are crucial in financial decision-making and judgment (Ajzen, 1991). Hence, further understanding needed to identify the behavioural factors of Generation Y in actively address for retirement planning. Therefore, the research on subjective norms, attitudes, pension knowledge and trust towards online financial service worth to be conducted to investigate the intention of Generation Y in actively address investment for retirement planning in Malaysia. This is because that variables of subjective norms, attitude and pension knowledge are essentially crucial in identifying the impact in affecting the intention to invest for retirement by Generation Y. While, variable of trust towards online financial service is worth to study towards Generation Y as it meets current objectivity of technology advance society with increased usage and popularity of online financial platform for investment transaction. Without trust, individual would not easily engage in online retirement investment as retirement investment tend to be a long-term investment and often with large amount.

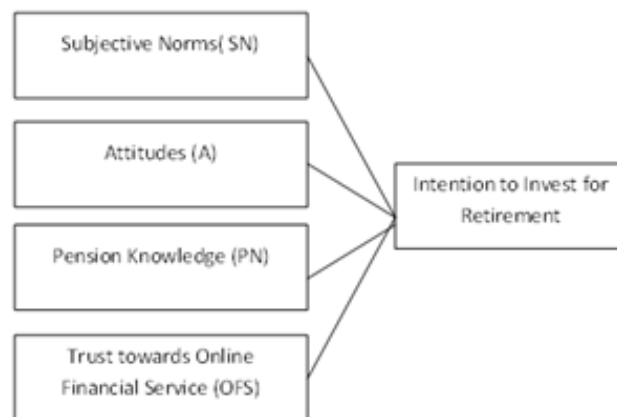


FIGURE 1. Research Objective

1.1. Research Objective. To achieve the research aim, this study mainly focuses on examining the extent of connection on respective behavioural traits in

impacting the intention of Generation Y to actively engage on retirement investment.

- RO1: To examine the relationship between Subjective Norms (SN) and intention to actively invest for retirement by Generation Y in Malaysia.
- RO2: To examine the relationship between Attitudes (A) and intention to actively invest for retirement by Generation Y in Malaysia.
- RO3: To examine the relationship between Pension Knowledge (PK) and intention to actively invest for retirement by Generation Y in Malaysia.
- RO4: To examine the relationship between Trust towards Online Financial Service (OFS) and intention to actively invest for retirement by Generation Y in Malaysia.

The independent variables of this research are subjective norms, attitude, pension knowledge, trust towards online financial service. The dependent variable will be intention to invest for retirement.

2. BACKGROUND STUDY

2.1. Independent Variable: Subjective Norms (SN). Subjective Norms (SN) or societal influence can be defined as the perceived society pressure on the individual by others, affecting the decision in engaging certain behavior or not (Sundar, 2015). To be more precise, SN is the perception of individual or the opinion from others believing what individual should do. For instance, SN will be the action of whether to perform specific behavior in certain circumstances is influenced by others. Generally, SN can be society pressure applies from family, friends, or colleague at work to influence the individual's decision and judgment. Therefore, this SN can be served as a predictor of an individual's intention to undertake certain financial behavior. For example, the use of credit card for excessive purchase of unnecessary needs such as jewelry and travel are the result of social pressure from surrounding. Another example, showed that influence from friends and relatives positively impact the intention of individual in wealth holdings or choices of portfolio particular either high or low return assets (Davis, 1999). Whereas, the negative perception on mutual fund from family also found negatively influence the willingness of individual in purchasing shares (Schmidt, 2010). Those examples above exhibit the influence of SN to intention of certain financial behavior. This can apply to the case of retirement

planning in determine the intention of individual to invest for retirement. This is supported by study from (Kumar et al., 2019), highlighted that women more incline to engage in retirement planning behavior when their close ones doing so. Research also revealed that co-worker in Netherlands intends to postpone retirement due to influence from family and friends that retiring late (Zappalà et al., 2008). Above results showed that, society influence in general of either whom the individual seek advice from, action and interest of surrounding friends and relatives will eventually affect the intention of individual in retirement planning. In the context of retirement investment by Generation Y, past research supported that there is positive influence of SN to intention of Generation Y university students to invest in retirement fund (Bongini & Cucinelli, 2019). The peer and family pressure will influence the decision of Generation Y in actively invest for retirement. Another study also proved a positive correlation between parental socialization to saving and invest for retirement by millennial from Taylor's University in Malaysia (Alwi et al., 2015). Other research also proved that subjective perception towards retirement from others positively influences the determination in retirement by Malaysian including young generation (Thung et al, 2012). Lastly, study from (Chia et al., 2011) supported that parent and peer influence will ultimately affect the saving behavior for retirement among university students. However, there is research gap found, whereby limited study conducted solely upon generation Y for the relationship between this independent and dependent variable. Therefore, in the case of this study focusing on SN and intention to invest for retirement solely on Generation Y in Malaysia.

2.2. Independent Variable: Attitudes (A). The extent of either positive or negative attitude towards retirement planning is important in determine the intention or readiness of individual in preparing for retirement. This is because that different people may have different attitude towards retirement planning due to factors such as age, gender, work involvement, fear of loss of identity and aloof (Zappalà et al., 2008). Several studies found that, individuals with positive attitude or perception towards retirement are more inclined to retirement financial planning. Based on survey from Department for Work and Pension in United States regarding to attitudes towards retirement, one-third individuals think that they should engage in retirement saving as early as possible (MacLeod et al., 2012). In addition, study showed that employees that more

than 40 years old with positive attitude are more likely to discuss for financial planning about retirement (Zappalà et al., 2008). They found to be more ready towards retirement planning by engaging discussion about retirement such as pension benefits, knowledge and planning. In the case of retirement investment by Generation Y, study by (Bongini & Cucinelli, 2019) supported that positive attitude significantly impact the intention of Generation Y university students invest in pension fund for retirement. This is because that individuals with positive attitude towards retirement more willing to invest in financial products regarding to retirement planning. In addition, study also supported that attitude positively influence the intention of young adults in buying retirement related financial products: annuities product (Nosi et al., 2017). Another research showed that, employees in estate sector in Sri Lanka with positive attitude towards retirement are more likely to engage in investment for retirement planning (Heenkenda, 2016). A study on estate planning in Malaysia showed that more than 80% of employees either hadn't at all planned or had planned very little for their estate planning.

There was a research gap that this study could utilize, where limited studies are conducted solely upon generation Y for the relationship between this independent and dependent variable. This is because those different age groups may develop different attitude either positive or negative depends degree of involvement. For instance, as women grows older may develop negative attitude regarding retirement as there will be fear to loss of identity (Kumar et al., 2019). Hence, this study focuses on attitude and intention to invest for retirement solely on Generation Y in Malaysia.

2.3. Independent Variable: Pension Knowledge (PK). Pension Knowledge (PK) referred to consideration of investment in specific pension products for retirement and certain knowledge about characteristics or benefits of pension system (Van Raaij et al., 2011). Unlike to financial literacy which is knowledge regarding financial planning of every aspects. PK focuses on knowledge to the characteristics, rights and benefits of public or private pension scheme as well as any related retirement planning financial products. Sufficient PK letting individuals know their retirement income for every circumstance: pension, disability, partners, and making a tradeoff between saving for retirement income and spending in order to increase the retirement income. The level of PK is

important for retirement planning in terms of actions and readiness, as study supported that individuals in Chile with higher PK tend to have greater financial savings (Landerretche & Martinez, 2013). This is due to unique nature of retirement planning in terms of decision and action making PK imperative. Finding also showed that, Americans with low PK often negatively impacts retirement planning by making unreasonable financial planning or decision resulting in insufficient retirement income later life (Pearce II, 2019). In the case for intention to retirement investment by Generation Y, past study supported that high PK positively impact the intention of young generation university students in investing for retirement fund (Bongini & Cucinelli, 2019). This is because that, sufficient PK enabling individuals actively engage in investment for retirement, as they are fully aware of characteristics and benefits of retirement planning financial products or pension system. Past study also showed that, individuals that avoid search for pension information tend to save little pension and negatively affect the financial status in the long run (Zappalà et al., 2008). Last study emphasized that higher PK significantly impact the response of individuals in selecting well-reasoned retirement plans, incentives or products that they are fully aware of (Ricci & Caratelli, 2017). Lastly, there is still research gap that can be used in study, where only limited studies are carried out targeting solely generation Y for the relationship between this independent and dependent variable. This is because that different generation groups might perceive different level of PK, which could contribute to willingness in actively, invest for retirement. Thus, this study targets on PK and intention to invest for retirement solely on Generation Y in Malaysia.

2.4. Independent Variable: Trust towards Online Financial Services (OFS).

Online Financial Service (OFS) is the provision of multiple financial services and activities electronically through Internet (Claessens et al., 2002). With the advancement of technology in mobile, Internet, cloud data and big data, provision of OFS is penetrated to every aspects of financial service. For instance, in stock market, it is common for client to trade through online platform: Bank customers can perform financial and banking activities through electronic platform. In the case for retirement, utilization of OFS can ease the operation with

interactive planner for retirement and management of retirement financial products or portfolio (Brüggen et., 2019). While trust is defined by values and belief towards other party with ability, integrity as well as benevolence (Berry & Parasuraman, 2004). Trust itself is a very important variable in determines the long-term relationship between business entities and clients. This is because that without trust, customers would not engage in relationship or connection to business entities, as trust is important element affecting intention in repurchasing. Studies shown that trust increases the successful rates in transaction service as it reduces the risk of uncertainties in achieving rationality. Trust also demonstrated through several institutional factors such as assurance and safety nets. Past research supported that trust positively influence the unceasing intention to use the OFS offered. Study from there also mentioned that high level of trust is the significant determinant in online purchasing and re-purchasing action (Fang et al., 2014; Lim et al., 2006; Zhou et al., 2018). Lastly, Perceived Trust towards safety of OFS also positively affect user's intention to trade in online platform. As mentioned, Generation Y is digital and Internet savvy; they are more receptive and conscious about services provided through technology advancement. Generation Y tend to have less brand royalty and not prefer product that inefficient or poor in service. Hence, the perceived trust value to OFS of generation Y is worth to study to determine the intention in actively engage for financial activity electronically. There is research gap found, that is useful for this study. As there is little or no study conducted about trust towards OFS on investment for retirement. Majority studies are about trust on another OFS that mentioned as above. While OFS can be used as online platform engaging retirement planning or seeking for retirement information through interactive pension planner. This online platform also may provide financial service of retirement products such as annuities product and portfolio fund management. Therefore trust towards OFS by Generation Y in actively invest for retirement is worth to study as different generation perceived differently towards OFS to retirement planning.

2.5. Dependent Variable: Intention to Invest for Retirement. Intention can be described to encapsulate the motivational factors that affect the behaviour and to show how much effort the individuals willing to apply to perform that behaviour (Madey, 2018). This can be shown as an indicator for behaviour.

Hence, there will be a positive correlation between intentions to effective behaviour. Multiple studies are conducted before adopting investment intention as dependent variable to measure the willingness to invest for certain financial products (East, 1993; Nosi et al., 2017; Sivaramakrishnan et al., 2017). For instance, one study constructed mentioned that holding of equity positively influence the intention to invest for equity instruments (Sivaramakrishnan et al., 2017). There are numerous studies constructed about aspects affecting the intention of individual in saving for retirement. For example, study from (Alwi et al., 2015) mentioned positive influence of demographic variables to intention in saving behaviour for retirement. But there is limited study in investigating factors that affect the intention of individual in saving and invest as a whole for retirement. Among one study mentioned of positive influence of planned and perceived behavioural factors to intention of investing for retirement by young generation (Bongini & Cucinelli, 2019). Furthermore, there is limited study on the intention to invest for retirement solely upon Generation Y, thus worth to further study in this research. Therefore, this is the research gap that the research can be utilized by studying the relationship of subjective norms, attitude, pension knowledge and trust towards online financial services to intention of individual investing for future retirement. Facing limitation of funding is surely a challenge due to the lack of a well plan budget in young age at Malaysian schools (Sheikh et al., 2020). This study between four independent variables mentioned to intention of investment for retirement is significant because these are the important aspects that will influence the intention of Generation Y in actively invests for retirement. Of course, there were multiples studies conducted mentioned previously to investigate the relationship of other demographic independent variables such as: age, gender, education and independent behavioural variables of financial literacy, self-dominance, financial stress to intention in invests or saves for retirement.

3. RESEARCH METHODOLOGY AND FINDINGS

Quantitative approach was applied for this study with data obtained from the questionnaire survey and was analysed with SPSS. The data of survey questionnaires are collected through network and on-site distribution at multiple locations with dense population around Klang Valley. Total of 240 questionnaires

were distributed, only 232 questionnaires were valid after collection, resulting with recovery rate of 96.67%.

- 122 male respondents, account for 52.6% of total respondents. While, female shows total number of 110, account for 47.4% of total respondents.
- 141 participants in this survey within age of 20-29 years old, accounting for 60.8% of total participants. While, 91 participants within 30-39 years old, accounting for 39.2% of total participants.
- 137 participants are single, account for 59.1% of overall respondents. While, 97 participants are married, account for 40.5% of overall respondents. Only 1 participant is divorce, accounts for 0.4% of overall group. This reflects that over half of generation Y currently is single.
- The largest group is employees with number of 108, account for 46.6% from overall group. While, 87 participants, of 37.5% from total are currently students undergoing undergraduate or postgraduate studies. Lastly, 37 participants are self-employed individual, account for 15.9% from overall group. It reflects that majority of generation Y now are either students or employees.
- 119 participants or 51.3% from overall group are currently with monthly income below RM 3,000. Next, 56 participants are currently with income of RM 3,001 to RM 6,000, account of 24.1 from total. Then, 34 participants had income of RM 6,001 to RM 9,000, comprise of 14.7% from overall. Lastly, only 23 participants had income of over RM 9,000, account of 9.9% from overall. This shows that over half of respondent had income below RM 3,000 in this survey because they are currently students or fresh graduates.
- 158 participants holding bachelor's degree, comprise of 68.1% from total. While, 29 participants are from diploma/A-level/STPM level, comprise of 12.5% from total. 22 participants are Master level, account for 9.5% from total. 17 participants are secondary level, account for 7.3% from total. Only 6 participants in this survey are PhD/DBA level, account for 2.6% from total. Overall, majority of generation Y are well educated with minimum degree level.
- Hence, 232 copies of valid samples are analysed through following tests.

4. DISCUSSIONS

Normality test (KS and SW) of all variables.

TABLE 1.

Variables	Statistic	df	Sig.	Statistic	df	Sig.
Intention To Invest	0.184	232	0.000	0.921	232	0.000
For Retirement						
Subjective Norms	0.300	232	0.000	0.837	232	0.000
Attitude	0.282	232	0.000	0.821	232	0.000
Pension Knowledge	0.108	232	0.000	0.969	232	0.000
Trust Towards	0.133	232	0.000	0.927	232	0.000
Online Financial Service						

Normality test (Skewness and Kurtosis) of all variables:

TABLE 2.

Variables	Statistic	df	Sig.	Statistic	df	Sig.
Intention To Invest	0.184	232	0.000	0.921	232	0.000
For Retirement						
Subjective Norms	0.300	232	0.000	0.837	232	0.000
Attitude	0.282	232	0.000	0.821	232	0.000
Pension Knowledge	0.108	232	0.000	0.969	232	0.000
Trust Towards	0.133	232	0.000	0.927	232	0.000
Online Financial Service						

4.1. Validity Test:

- (i) KMO is 0.813, which greater than theoretical benchmark of 0.5 and within 1, suitable to construct factor-by- factor analysis. The significance value of Bartlett's test is 0.000, which less than 0.05.
- (ii) KMO is 0.510, which greater than theoretical benchmark of 0.5 and within 1, sufficient to construct factor-by- factor analysis. The significance value of Bartlett's test is 0.000, which less than 0.05.

- (iii) KMO is 0.940, which greater than theoretical benchmark of 0.5 and within 1, suitable to construct factor-by- factor analysis. The significance value of Bartlett's test is 0.000, which less than 0.05.
- (iv) KMO is 0.50, which similar to theoretical benchmark of 0.5 and within 1, sufficient to construct factor-by- factor analysis. The significance value of Bartlett's test is 0.000, which less than 0.05.

4.2. Multiple Regression Analysis Test: Summary of Intention to invest for retirement to independent variables:

TABLE 3.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	df1	df2	Sig. F Change	Durbin-Watson
1	0.674a	0.454	0.444	1.498	4	227	0.000	1.931

- a. Predictors: (Constant), Trust Towards Online Financial Service, Attitude, Pension Knowledge, Subjective Norms
- b. Dependent Variable: Intention To Invest For Retirement

4.3. Hypothesis Testing and Summary: Hypothesis testing for each independent variable on dependent variable with coefficient and significance value supported.

4.4. Discussion on Intention To Invest For Retirement Planning (RP). There are two measurement items with total 10-measurement scale constructed in questionnaire to study RP. Based on the analysis, the mean value of RP was 7.48, indicating that individual of Generation Y tends to invest in pension fund for preparation for retirement. This shows that, they are aware of the importance of early retirement preparation. Hence, the behavioural trait that influences their intention to actively invest for retirement is worth to study.

4.5. Discussion on relationship between Subjective Norms (SN) and intention to invest for retirement planning (RP). Based on the results of correlation and multi regression obtained from chapter three, the hypothesis (H1) is supported, stating that there is a significant positive relationship between subjective norms and intention to invest for retirement. This is supported from correlation analysis, which Pearson correlation coefficients value of SN to RP was 0.619 with significance value of less than 0.01. With the positive correlation value obtained, demonstrates a positive correlation between SN and RP.

TABLE 4.

Hypothesis	Beta	Sig.Value	Result Interpretation
H1: There is significant relationship between Subjective Norms (SN) and intention to actively invest for retirement by Generation Y in Malaysia.	0.498	0.000	Supported
H2: There is significant relationship between Attitude (A) and intention to actively invest for retirement by Generation Y in Malaysia.	0.189	0.001	Supported
H3: There is significant relationship between Pension Knowledge (PK) and intention to actively invest for retirement by Generation Y in Malaysia.	0.128	0.017	Supported
H4: There is significant relationship between Trust towards Online Financial Services (OFS) and intention to actively invest for retirement by Generation Y in Malaysia.	0.088	0.008	Supported

Meanwhile, multi regression analysis further displayed beta coefficient value of 0.498 with significance value of 0.000 that less than 0.05, indicate that subjective norms from family or peer positively influence the intention of Generation Y to invest for retirement planning. Moreover, SN has the greatest influence on RP as compared to the other three independent variables studied based on largest beta coefficient value obtained.

4.6. Discussion on relationship between Attitude (A) and intention to invest for retirement planning (RP). As derived from correlation and multi regression analysis previously, the hypothesis (H2) is supported, demonstrating significant correlation between attitude and intention to invest for retirement planning. The result from correlation analysis of Pearson correlation coefficient value was 0.461 with significance value of less than 0.01, displaying positive correlation between A and RP. In addition, the multi- regression results showed beta coefficient value of 0.189 with significance value of 0.001 that less than 0.05. This positive correlation value further concluded that attitude would positively influence the intention of individual from Generation Y to invest for retirement.

4.7. Discussion on relationship between Pension Knowledge (PK) and intention to invest for retirement planning (RP). Hypothesis (H3) is supported based on results from correlation and multi regression analysis obtained from chapter three, exhibiting significant positive correlation between pension knowledge and intention to invest for retirement planning. The results from correlation analysis showed Pearson correlation coefficient value of 0.308 with significance value less than 0.01, displaying positive correlation between PK to RP. In addition, the results from multi regression analysis of beta coefficient value of 0.128 with significance value of 0.017 that less than 0.05, further deduced that pension knowledge will positively the intention to invest for retirement.

4.8. Discussion on relationship between Trust Towards Online Financial Service (OFS) and intention to invest for retirement planning. In addition, hypothesis (H4) is supported based on results obtained from chapter three, demonstrating positive correlation between OFS to RP. Based on correlation test, the Pearson correlation value was 0.210 with significance value of less than 0.01, indicating significant correlation between OFS to RP. In the meantime, the beta coefficient value from multi regression test was 0.088 with significance value of 0.008 less than 0.05 further conclude that trust towards online financial service will positively influence the intention for retirement by Generation Y. However, the impact to intention to invest for retirement not greater as compared to the other three independent variables in this study, based on smallest beta coefficient value obtained.

4.9. Subjective Norms (SN). In this study, it is found that SN has the greatest impact on affecting the intention of Generation Y to invest for retirement. In other words, a stronger effect of social environment from people that important or highly respect of to individual will significantly affect the likelihood of Generation Y to invest for retirement planning. This particularly aligned with study demonstrating that SN often used as reference to conduct certain behavioural actions including investment (Bongini & Cucinelli, 2019). Basically, Generation Y will perceive societal pressure from people surround when they are making decision to invest for retirement or pension fund. With millennial that grows in the family; where the members persistently comprehend the importance of investment of financial instruments for retirement, will greatly influence their decision in taking serious consideration to invest in retirement fund. This is because that,

they are consistently being reminded that importance of early investment for retirement fund for optimal return and aware that by solely saving itself will not sufficiently sustain future retirement period. In addition, societal pressure from friends and colleague including spreading of awareness, importance or usefulness to Generation Y also contribute into their intention to actively invest for retirement preparation. The finding of this study particularly aligned with study from (Bongini & Cucinelli, 2019) showing that societal pressure will positively influence the intention of Generation Y to invest for retirement. This finding also particularly correlate with the findings by (Alwi et al., 2015) suggesting that Generation Y's of university students tend to consider for investment in retirement fund seriously when peer and family taking the issue of the retirement planning important and aware about proper financial knowledge information. Moreover, the study from (Thung et al, 2012) also mentioned the importance of subjectivity from peers and family in greatly influencing the determination of youth to engage retirement planning actively. Lastly, finding from this study also correlates with finding from (Chia et al., 2011) stating that people surround will greatly affect the positive behavior of university student towards retirement fund preparation through saving and investment.

4.10. Attitude (A). From the finding of this study, it is found that attitude positively impact the intention of Generation Y to invest for retirement. In this context, millennial with positive attitude that think that invest for retirement fund is helpful, profit, rewarding and pleasant will tend to make decision to invest for retirement fund. Surprisingly, attitude found to be secondly greatest after SN in influencing the intention of Generation Y to invest for retirement. This is aligned with study from (Schmidt, 2010) displaying that positive attitude or perception towards investment will increase the likelihood to invest for specific financial instrument. The extent of either positive or negative attitude towards retirement planning is important in determine the intention or readiness of individual in prepare for retirement. Generally, majority of Generation Y are positively aware about the importance of early preparation for retirement. They are not afraid of the aspects such as age or fear of loss of identity and optimistic about it, as they know that early preparation for retirement will ease the agonizing when they are near to retirement period. In addition, Generation Y are generally well educated and having positive perceptions about

investment for retirement fund. They think that long-term investment regardless of any financial instruments like mutual fund and annuities is useful and rewarding as compared to purely saving or relying on employer provident fund (EPF) itself. Therefore, they are willing to invest for retirement fund and this finding further reinforced by study from (Bongini & Cucinelli, 2019) that Generation Y with positive attitude regarding of invest for retirement more willing to purchase or invest for retirement related products or financial instruments. Findings from (Nosi et al., 2017) also shown correlation to finding in this study whereby young adult tend to actively engaging retirement linked investment products when they are having positive perceptions and belief towards idea of early retirement preparation. Lastly, finding from this study also match up to study in Sri Lanka whereby individuals with positive attitude tends to engage in investment actively for retirement as saving and social security are not enough to sustain future retirement period (Heenkenda, 2016).

4.11. Pension Knowledge (PK). Pension Knowledge studied in this research is not similar to financial literacy that studies the overall aspect of individual from financial knowledge to making financial decision. Pension Knowledge here refers to individual's understanding to characteristics or benefits of pension system regardless of private or government scheme, timing for retirement planning, right consideration to specific investment linked retirement product. It is found that pension knowledge positively correlates with intention to invest for retirement. Results above showed that after SN and A, higher pension knowledge significantly impacts the intention of Generation Y to invest for retirement planning. Individuals of Generation Y with higher pension knowledge are more likely to invest to retirement fund. As proved in this study, majority of Generation Y in Malaysia are mainly well educated with minimum of degree level. Hence, they sufficiently understand about the deficiency of social security system or employer provident fund, and aware that by relying only on those funds is not sufficient to sustain future retirement period. They realize that they need to invest wisely for supplementary retirement fund as soon as they start working in order to finance future retirement period. With that, they are wiser in selecting financial instruments when it comes to investment for retirement planning in the long run including selection of reasoned portfolio and incentive plan. This finding further aligned with study from (Bongini & Cucinelli, 2019)

that Generation Y with more understanding about retirement are more likely to invest for retirement preparation. The findings also match up results from (Ricci & Caratelli, 2017) suggesting that individuals with higher pension knowledge tend to be select reasonable investment linked retirement products when investing, as they are fully about the characteristics of certain pension products and drawback of the system. Finding from (Zappalà et al., 2008) also mentioned that individuals that tend to avoid search for pension related information will results in lower pension knowledge, eventually negatively affect the retirement planning as well as overall financial status in the long run. However, the result from this study demonstrated that pension system has less impact compared to subjective norms and attitude in affecting the propensity of Generation Y in Malaysia to actively invest for retirement. This might be due to majority of Generation Y either currently last year of university life, stepping out to society as fresh graduates or at middle level of workforce. They might put in less effort and consideration on investment for retirement planning at current stage. This is because that they need to consider for payment for mortgage like education loan or life expenses for individuals that established a family. Hence, they might suspend the plan to invest for retirement purpose before they settle the obligation or reside for stable income, although they know the importance of early preparation of retirement. But, this is not the first priority at this moment, thus variable of PK has less impact in influencing individual to actively invest for retirement fund.

4.12. Trust Towards Online Financial Service (OFS). From the finding of this study proved that there is a significant correlation between OFS to intention of individuals to invest for retirement. This statement is aligned with study conducted by (Fang et al., 2014) stating that high level of trust will affect the continuous usage of online financial service. Furthermore, multi regression analysis in previous chapter also proved that OFS positively influence the intention of Generation Y's individual to invest for retirement. It shows that, majority of Generation Y perceive the usage of online platform for investment retirement related transaction purpose more useful and efficiently. Since, they grew from Internet bombardment era, they would find using of online platform is easy and clearly understandable to them as well as improving the overall transaction efficiency at the same time. This finding further aligned with study by (Zhou et al.,

2018) stating that high level of trust to usage of online financial platform will tend to affect individual in actively engage in financial transaction. A positive correlation between trust to online platform to active investment transaction also shown from study by Lim et al., 2006). However, finding on this study shows that there is least influence of OFS to intention to invest for retirement by Generation Y as compared to impact of SN, A and PK. Apparently, this is because that different individual of Generation Y perceived different trust on the usage of online financial service. This can be shown from the histogram of normality test in this study. Although, there is normal distribution of data moderately skewed to right, but the standard deviation value is 10.092 showing that there is wide spread of responses from the respondents. Large number of respondents perceived neutral or disagree responses when it comes to questions of perceived ease of use of online financial service for retirement purpose. This relates to characteristics of most Generation Y previously mentioned, that they have less brand loyalty and emphasize on good quality and service product. Apparently, most numbers of Generation Y are concerned about privacy and security issues when using online financial service as platform for management of investment products. They are concerned about securities mechanism of online financial service like risk of fraud or hacking and privacy issues like unauthorized leaked of personal information. Hence, they are hesitating in performing online financial service when it comes to retirement investment. This is because that unlike daily online banking transactions, investment for retirement fund tend to be long term and involve quite amount of money, thus they prefer in using traditional physical transaction. Therefore, further improvement or enhancements on online financial service needed to be done in order to gain the trust of Generation Y to conduct financial service for retirement through platform, as this study found that OFS significantly correlate with intention to invest for retirement.

5. CONCLUSION & RECOMMENDATION

To conclude from the findings of this study, all the predictors demonstrated a positive relationship in influencing Generation Y to invest for retirement fund. Results suggested that variable of SN impacts the most in affecting the intention of Generation Y to invest for retirement fund. This shows that individual in the

environment where family and peers that take retirement planning issues seriously will tend to invest for retirement fund. This provides insight for regulators involved in implementing policy by providing information to peers and family along with Generation Y individual. Then, it follows by variable: A in influencing the propensity of Generation Y to invest for retirement fund. A positive attitude on retirement planning by realizing the importance of early retirement preparation and without bias by individuals often affect them in actively engage in investment for retirement fund. After that, variable of PK follows behind by showing positive impact in affecting the intention of individual to invest for retirement. It has less impact as compared to previous two variables indicate a room of improvement. Hence, policy makers and organizations involved can implement financial education program that specifically target financial planning for retirement purpose, so individuals can fully understand the benefit early investment for retirement as well as the pension system. Lastly, variable of OFS showed positive correlation in impacting the intention of Generation to invest for retirement fund. However, it showed least impact in influencing individual to invest for retirement fund. This indicates that majority of Generation Y are still unsure about the security and privacy of online financial platform, as investment for retirement fund tends to involve longer time and money. This provides implication for parties involved to improve the security system or getting necessary official approval in order to provide assurance and changing their mind by investing through online platform. Lastly, this study sheds the light of few important issues like the urgency of improvement of online financial service to turn the bias of individual to perform investment for retirement or the importance peers and family in affecting Generation Y about importance of retirement planning. This provides insight for future researcher to explore further about the underlying factors. However, there is still some limitations exist in this study such as inadequate samples size due to samples sizes and wide prospective of investment product. Hence, future can carry out particular with large samples size and targeting particular investment product to study for the behavioural intention of individuals to invest on that for retirement preparation.

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