

**UNIVERSITI TEKNOLOGI MARA**

**ANALYZING FACTORS THAT LEAD  
TO UNPREPAREDNESS OF  
EMPLOYEE FOR RETIREMENT IN  
SHAH ALAM**

**IZNI NADIRAH BINTI NAJMUDDIN**

Academic Writing submitted in partial fulfillment of the  
requirements for the degree of **Bachelor in Muamalat**

**Academy of Contemporary Islamic Studies**

January 2019

## AUTHOR'S DECLARATION

I declare that the work in this academic writing was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This academic writing has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Under Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student	:	Izni Nadirah Binti Najmuddin
Student I.D. No.	:	2015419094
Programme	:	Bachelor in Muamalat –IC 210
Faculty	:	Academy of Contemporary Islamic Studies
Academic Writing Title	:	Analyzing Factors that Lead to Unpreparedness of Employee for Retirement in Shah Alam
Signature of Student	:	.....  .....
Date	:	January 2019

## **ABSTRACT**

Retirement financial planning is one of phase that have been highlight in Islamic financial planning, besides tax and estate planning. Unfortunately, it have been take for granted and neglected by not only Malaysian, but as well as others developing countries such as China and United States. It is due to the long term financial planning and basically will take a more sacrifice in saving for the future. The main purpose of this research study is to identify the preparation of employee in facing their retirement and directly identify the factors that make employee become unprepared for their retirement. The three factors that have been highlight in this research are knowledge, management income as well in believing. This research study is a quantitative research that used questionnaire in collecting data. 100 of questionnaires have been distributed to the population of 130 people from different sectors of working in Shah Alam. Through then, the collection of data is then being analyzed in descriptive analysis, Pearson Correlation and Regression Analysis that basically will analyzed the two different variables. In conclusion from this research, it have been seen that most of employee in Shah Alam are not fully prepared in facing their retirement. Most of them believed that there are still insufficient in their current saving in order to face their retirement. Besides, the results have proved that only 33% of the respondents that basically contribute in more than one retirement scheme, but still could not guaranteed their sufficient saving for their retirement. A further discussion regarding factors that make them unprepared is being discussed clearly that give a huge figure and review on how these factors influences the preparation of employee.

## ACKNOWLEDGEMENT

I am truly grateful to The Almighty Allah for guiding all my way in fulfilling and completing my degree in Muamalat for these past seven semesters. I could not go this far if He did not helping me through this challenging journey. I always make my prayer that I will complete this journey in the required and provided time without failure and it is Him who make this journey went smoothly even there are a lot of challenges that need to be face out.

Secondly, it will not be easy if there is no one who is helping me in accomplishing this academic paper. Thus, a special thanks that I like to express to my supervisor, Ustaz Wan Ab Aziz Wan Yaakub for helping me by giving advise, motivate me and exposed me with a new knowledge and information regarding my topic of research which is retirement financial planning. With his guidance, it helps a lot to make this research a reality. Also, I will like to show my gratitude to my examiner, Ustazah Che Zaharah Abdullah.

Besides, I would like to stay thank you so much to my beloved parents for giving me this idea about this study.

## TABLE OF CONTENTS

	<b>Page</b>
<b>CONFIRMATION BY PANEL OF EXAMINERS</b>	i
<b>AUTHOR'S DECLARATION</b>	ii
<b>ABSTRACT</b>	iii
<b>ACKNOWLEDGEMENT</b>	iv
<b>TABLE OF CONTENTS</b>	v-vii
<b>LIST OF TABLES</b>	viii
<b>LIST OF FIGURES</b>	ix
<b>CHAPTER ONE: INTRODUCTION</b>	
1.1 Introduction	1-2
1.2 Problem Statement	2
1.3 Research Questions	3
1.4 Research Objectives	3
1.5 Hypothesis Statement	3-4
1.6 Operational Definition	4-8
1.7 Scope and Limitation	8
1.8 Significance of Research	9
1.9 Conclusion	10