



**FACTOR ENHANCING EMPLOYEE SAVING PLAN FOR
RETIREMENT : A CASE STUDY IN EMPLOYEE OF
PRIVATE AND GOVERNMENT SECTOR IN NEGERI
SEMBILAN**

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ABSTRACT

Retirement savings plan is very important thing because it has been able to secure employee post-retirement during post-retirement (Arunagairi & Faudziah). As an employee either from private or government sector should prepare and plan carefully for retirement that will be faced in future. This study is to find out Factor Enhancing Employee Saving Plan for Retirement : A case study in employee of private and government sector in Negeri Sembilan. Purpose of this study to determine the relationship between independent variable consist of goal clarity, financial knowledge and literacy, attitude toward retirement and retirement confidence while dependent variable is employee retirement savings plan. Survey shows most of the employee has lack of knowledge and literacy in preparing for savings retirement. In this study, 100 of employee from private and government sector have been involved in this study. Moreover, objective of the study is to find out factors that enhancing employee of private and government sector towards retirement saving plan. Result shows that, attitude toward retirement variable is the most significant compared with other variables. Not only that, three hypothesis are accepted in this study while one of its which is financial knowledge and literacy is rejected due no significant relationship of dependent variable. Furthermore, the result of this study also have implications for workers involved in any planning for early retirement saving.

Key words – Goal Clarity, Financial knowledge and Literacy, Attitude toward retirement, Retirement Confidence, Retirement, Savings Plan

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CHAPTER ONE : INTRODUCTION

1.1 INTRODUCTION

Retirement is a golden time in the worker's live when employee stops working. Actually, retirement is time that can be spend for people to relax and slow down into quiet life and preparing for old age. Retirement also known as a period of freedom which retire can tackle long await goals such as put aside all the pressure of work and enjoy life to the fullest (Anna O. , 2013).

According to Tung (2012), retirement can also define as a period where people stop working and start a new phase in life. It is estimate on average, every day at least 12,000 baby boomers turning 50. However, this scenario has changed over the past decade. According to the vital statistics of Malaysia's Department of Statistics in 2010, the average life expectancy in Malaysia has increased to 71.7 years for men and 76.6 for women (Department of Statistics Malaysia, August 2010).

Most of the research shows that life expectancy increase in many countries. Average life expectancy tends to increase for both men and women, while the risk of death is lower. Therefore, retirees tend to live longer and its indirectly led to increase in pension liabilities for both employees of government and private sector. Thus, government take steps to reduce effects of aging and increase in pension costs by extend their retirement age and encourage them to plan for saving (Rose, 2012).