

## Effective Retirement Planning: Exploring Financial Planning Behavior in Malaysia

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**Abstract :** Purpose: This paper examines how people treat on the importance of financial planning for their retirement. There is lack of standard instrument that enable us to access the retirement planning behavior. This paper studies the reliability and validity of a proposed scale for accessing this behavior. Design/methodology/approach: The Retirement Planning Behavior scale (RPB) is developed from the results of reviewing different papers on this topic. A total of 900 Malaysians from the age of 18 and above are used as the sample. Findings: Our results show, firstly, the RPB meets all criteria from the instrument reliability and validity which based on the theory of planned behavior. Second, our findings propose two components for this RPB scale; attitude toward planning for retirement and intention towards retirement planning behavior. Practical implication: An effective retirement planning achieves financial independence after the retirement. Our findings have important implications for the scope and significance of the retirement planning behavior measurement, especially for retirees. Originality/value: This study proposes a new approach to cater consumers' needs for retirement planning. Therefore, consumers are able to achieve financial independence in their retirement age.

**Keywords :** retirement planning behavior (RPB) scale, reliability, validity, retirement planning, financial independence

**Conference Title :** ICBAFE 2017 : International Conference on Business, Accounting, Finance and Economics

**Conference Location :** Bali, Indonesia

**Conference Dates :** October 23-24, 2017