

**DETERMINANT FACTORS OF AWARENESS ON ISLAMIC
FINANCIAL PLANNING AMONG STUDENTS**

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**Research paper Submitted to the
Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
In Partial of the requirement for the
Master in Islamic Finance and Banking**



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ABSTRACT

The aim of this study is to assess the relationship between Universiti Utara Malaysia-College Of Business (UUM-COB) postgraduate students' and awareness of Islamic financial planning (IFP). Thus, the purpose of this study is to investigate the relationship between UUM-COB postgraduate students religiosity, social influence, financial satisfaction, attitude, and awareness of IFP. The findings indicated a positive relationship between religiosity, social influence and attitude with IFP. The independent variables were suitable to test the dependent variable while, financial satisfaction showed an insignificant relationship with the dependent variable. This study was conducted among UUM-COB postgraduate students for several reasons; firstly to create awareness of IFP among postgraduate students by distributing questionnaire and spreading information and secondly, the research will contribute in terms of practical implications help academicians and financial planners to validate the framework of this study that have impact on the financial planning especially Islamic financial planning. And it would provide a knowledge to fellow Muslims and lastly it would influence Malaysian government and other Muslim countries to be alert the need of IFP.

Keywords: Attitude. Islamic financial planning awareness. Religiosity. Social influence.

ABSTRAK

Kajian ini bertujuan untuk mengkaji kesedaran pelajar pasca-siswazah Universiti Utara Malaysia – Kolej Pengurusan Perniagaan (UUM-COB) terhadap perancangan kewangan Islam (IFP). Oleh yang demikian, tujuan kajian ini secara terperinci adalah untuk mengkaji hubungan diantara kesedaran pelajar pasca-siswazah UUM-COB terhadap perancangan kewangan Islam (IFP) yang merangkumi beberapa aspek iaitu nilai agama, pengaruh sosial, kepuasan terhadap kewangan dan sikap. Dapatan kajian menunjukkan hubungan yang positif diantara nilai agama, pengaruh sosial dan sikap dengan IFP. Dalam kajian ini, pembolehubah tidak bersandar yang dinyatakan adalah sesuai untuk menguji pembolehubah bersandar. Manakala, kepuasan kewangan menunjukkan hubungan yang tidak signifikan terhadap pembolehubah bersandar. Tujuan kajian ini dilaksanakan ke atas para pelajar pasca-siswazah UUM-COB adalah untuk mewujudkan kesedaran dan menyebarkan maklumat terhadap perancangan kewangan Islam melalui edaran borang kaji selidik. Selain itu, kajian ini adalah kajian penyelidikan yang berbentuk mod campuran dimana bentuk kajian ini amat bersesuaian dengan skop kajian penyelidikan. Implikasi kajian ini tertumpu kepada implikasi terhadap teori, walau bagaimanapun, dapatan kajian telah membawa implikasi secara praktikal dan politikal.

Kata Kunci: Kesedaran terhadap Perancangan Kewangan Islam (IFP), Nilai Agama, Pengaruh Sosial dan Sikap.

ACKNOWLEDGEMENTS

In the name of almighty Allah, the most Gracious and the Most Merciful. The completion of this research paper would be difficult without the help of Allah (SWT), who granted me the strength and ability to proceed with my Master programme in Universiti Utara Malaysia (UUM).

I am thankful to my mother, Hinda and my father, Bashe who always supported me and gave me strength physically and spiritually; may Allah (SWT) give them good health and long life with full of good deeds. I would like to thank my wife, Suad Mohamed, as she sacrifices her sleep, time, and energy to support me.

I would like to express my gratefulness to my supervisor Dr. Rosemaliza Binti Ab Rashid for her support, guidance, motivation, and patience, may Allah (SWT) rewards her and gives her good health and long life with good deeds. I am also grateful to Prof. Madya. Dr. Abu Bakar Hamed for his restless support that he always welcomed me with open hands although he was busy, may Allah (SWT) gives him good health and long life with good deeds. I am hugely indebted to Dr. Ahmad Affandi Mahfudz, who gave me the best advise at the beginning of the semester and ice breaking consultants as well as advises during my proposal defence session, may Allah (SWT) gives him with good health and long life with good deeds. Finally, I express my sincere appreciation to my family and neighbours.

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LIST OF ABBREVIATIONS

UK	United Kingdom
IFA	Individual Financial Planner
GST	Goods and Services Tax
UUM-COB	Universiti Utara Malaysia College of Business
IVs	Independent Variables
DV	Dependent Variable
SWT	Subhanahu Wa Ta'ala (The Exalted, the Majestic and Sublime)
PBUH	Peace Be Upon Him
FSA	First Sovereign Advisory
FAR	Financial Adviser Representative
CMSRL	Capital Markets Services Representative Licensed
CFP	Certified Financial Planner
H_a	Hypothesis Alternative
H₀	Hypothesis Null
PhD	Doctor of Philosophy
Q-Q plot	Quantile-Quantile (q-q) plot
VIF	Variance Inflation Factor
NSCP	National Savings Centers of Pakistan

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

According to Varcoe, Martin, Devitto, and Go (2005), bad financial basics acquired at a young age can carry on into adulthood, which can cause financial problems. Norvilitis and Santa Maria (2002) confirmed that a lot of students enter college with lack of experience in budgeting or personal finances and are liable to use credit excessively. The combination of high debt, low income, and low levels of financial knowledge may affect college students' financial comfort (Hayhoe et al., 1999).

There are growing financial illiteracy problem; a review of the literature on financial literacy suggest that a majority of college students lack sufficient knowledge to effectively manage their personal finances (Chen & Volpe 1998). Behrens (1992) identified that there are four reasons to contribute to loan problems and its repayment, namely mismanagement, economic recession, fraudulent, and other unavoidable problems such as death, illness, natural disaster, and accidents.

However, consumer credit card use was increased from Malaysian Ringgit (MR) 10.2 million in 2003 to MR 12.8 million in 2006 (Central Bank of Malaysia 2009). Data from the Central Bank of Malaysia (2009) indicated that the number of individuals, who declared bankruptcy was increased from 11,685 in 2001 to 16,251 in 2004.

Malaysian college students became a lucrative consumer market segment as the number of students enrolled in tertiary education tripled between 1999 and 2005 (Department of Statistics Malaysia 2008). Ansong & Gyensare (2012) established the influence of financial literacy on financial behaviour in an empirical study and showed that people with low financial literacy are more likely to have problems with debt. Lusardi & Tufano (2008) found that the financial planning of university students becomes empirical evidences indicating that most of university students fail to plan their expenditure and therefore, unexpectedly experience financial problems.

Financial planning is a procedure consisting of continuous directing and allocating financial resources to reach the financial goals and objectives of individuals. Wahab (2014) mentioned that financial planning measures and accomplishes an individual success in four financial pillars, namely protection, accumulation, preservation, and distribution of wealth, which will be discussed in details in chapter two. Similarly, Abdullah and Muhammad (2013) affirmed that financial planning is crucial for the comfort

of both individual and his family in the basic day-to-day life; the earlier an individual begins to manage his money, the better it would be. Bhatti et al. (2012) argued that individuals tend to overspend their money because they don't understand their priorities, thus, workers' debt is currently growing as fast as inflation. Extensive saving is considered as a main factor of promoting long-run economic growth (Aghion, Braun and Fedderke 2006).

Financial planning is a subject, which is rarely taught in schools. Average students from the universities or colleges graduate with over \$20,000 debt (Bramson 2005). A study by Chen and Volpe (1998) reported that university students generally are financially knowledgeable. Those with higher levels of financial awareness tend to have right opinions and make correct decisions related to savings, investing, and borrowing. Tennyson and Nguyen (2001) found that it is important for students to have a greater practical exposure to financial planning at young age of education life. Likewise, Hilgert and Hogarth (2003) studied that financially knowledgeable individuals are able to make better decisions for their household and therefore they have higher financial stability and growth. Masud et al. (2004) found that majority of Malaysian university students experience financial instability due to lack of understanding and management skills.

Religiosity plays a role in an individual's life by affecting one's choices and activities in life. Metwally (1996) found that religiosity is the most important factor to determine attitudes of Muslims towards Islamic banks factor. Therefore, religiosity is a factor required to be investigated as an Islamic financial planning awareness. Similarly, Metawa and Almosawi (1998) asserted that religiosity is the most important factor to use in Islamic banks services, thus, increasing Islamic financial planning awareness promotes the Muslim society to invest and use Islamic banks products.

In contrast, Erol and El-Bdour (1998) and Haron et al. (1994) found that religiosity was not the primary factor for customers to deal with Islamic banks. Renneboog and Spaenjers (2009) examined the relationship between religiosity and making financial decision and they found that people with religious belief are more likely to save their money and they have lower risk appetite with lower investment in risky assets.

Similarly, Hilary and Hui (2009) found a positive relationship between individual's religiosity and risk aversion and they concluded that people with higher level of religiosity have lower risk experience. Shu, Sulaeman and Yeung (2012) examined that religious individuals are more risk averse. In this study, it is hypothesized that social influence has a positive relationship with Islamic financial planning awareness. Fauziah et al. (2008) found that social influences are valid constructs to explain an individual's acceptance of

Islamic financing products. Amin et al. (2011) supported that notion of social influence is positively related to the intention of using Islamic personal financing by individuals.

Initial parental and social influences on retirement planning have been found to have a positive effect on financial knowledge (Hershey et al., 2010; Guitierrez and Hershey, 2011). Similarly Kopusko (2010) tested whether social influences predict successful financial planning and he concluded that a variety of factors influence financial planning, which society is one of them.

Cynamon and Fazzari (2008) argued that it's crucial to know fundamental social influences on household spending and financial decisions and added that the reference group idea increasingly becomes important in economics as economists begin to consider social influence effect on economic decisions. Regarding to significant social influence and social pressure, it is rational to say that an individual would perform the behavior even though he is not in favor of performing it (Venkatesh and Davis, 2000). Falahati et al. (2012) found a positive relationship between financial behavior and financial satisfaction. Grable and Joo (2004) confirmed the determinants of financial satisfaction and determined that financial satisfaction is positively related with financial behavior.

Fauziah et al. (2008) found that attitude is a valid construct in explaining an individual's acceptance of Islamic financing products; therefore, Islamic financial planning awareness is a key point to promote Muslims to earn halal income in Muslims society. According to Ali (2012), financial literacy is a key to flourish the financial planning industry.

1.2 Importance of financial planning from both Muslims and Non-Muslims perspective

Islamic financial planning existed since Muslims have received the revelation from Allah (SWT) stated in the holy Qur'an Surah Yusuf (47-49),

قَالَ تَزْرَعُونَ سَبْعَ سِنِينَ دَأْبًا فَمَا حَصَدْتُمْ فَذُرُوهُ فِي سُبُلٍ إِلَّا قَلِيلًا مِمَّا تَأْكُلُونَ (٤٧)

[Joseph] said, "You will plant for seven years consecutively; and what you harvest leave in its spikes, except a little from which you will eat." (Al-Quran, 12:47)

ثُمَّ يَأْتِي مِنْ بَعْدِ ذَلِكَ سَبْعٌ شِدَادٌ يَأْكُلْنَ مَا قَدَّمْتُمْ لَهُنَّ إِلَّا قَلِيلًا مِمَّا تَحْصِنُونَ (٤٨)

"Then will come after that seven difficult [years] which will consume what you saved for them, except a little from which you will store." (Al-Quran, 12:48)

ثُمَّ يَأْتِي مِنْ بَعْدِ ذَلِكَ عَامٌ فِيهِ يُغَاثُ النَّاسُ وَفِيهِ يَعْصِرُونَ (٤٩)

“Then will come after that a year in which the people will be given rain and in which they will press [olives and grapes].” (Al-Quran, 12:49)

According to Abdullah and Muhammad (2013), this verse demonstrates the importance of planning as a Muslim to wisely save and use good times prior bad times. Ahmad (2010) stated that if a consumer has no basic knowledge, he would have little defense against salesman’s bargain in sales techniques, thus Muslims must understand Islamic finance as a religious duty. If Muslims do not care about the prohibition of *riba*, *maysir*, and *gharar* and continue to consume conventional financial products, then the Islamic financial system will never be developed. Perpetuating the conventional financial system is certainly sinful for Muslims.

Wong (2015) argued that customers have an unrealised or latent need for financial planning and wealth advisory. Nabil (2015) argued that the Islamic financial planning and wealth management division play an important role in helping the country progress into a high-income nation. He added that the Islamic financial planning is offered to Muslims and non-Muslims financial instruments based on the philosophy of profit sharing, risk taking, and trusts.

According to Cheah (2000), a lot of retired people do not know what to do with the situation. As a result, financial planning is more than managing finance-related activities and it's a life planning and defining life issues. Cheah (2003) also stated that financial planning develops by private sector selling insurance and unit trust in Malaysia. According to Gitman, Juchau and Flanagan (2010), the terms of financial planning are long- and short-term; long term financial planning works as a script in the preparation of the short term financial planning, while the short term financial planning is visualized in one to two years. On the other hand, long term financial planning is from two to ten years. The theoretical mapping of the mechanisms to process elements of financial planning is therefore a unique contribution to the financial planning literature (Irving 2012).

1.3 Problem Statement

Sabri et al. (2008) suggested that there are financial problems among Malaysian universities' students, who use education fund for purposes other than their academic expenses. Most of them were uncertain where to spend money and thus they bought unnecessary things and lent to friends. Supported by the data on financial problems faced by students, Jariah et al. (2004) found that some students are involved in impulse spending and respondents may be involved in 'low priority' unnecessary purchases. For example, 46% of respondents had cell phones and 5% plan to buy a cell phone with loan money they receive. Chen & Volpe (1998) asserted that many individuals find their income and available credit amount to be poorly

matched, creating a problem especially for students to be predisposed to overspending or unwisely planning their money in order to pay their loan balances. Jariah et al. (2004) found that parents still have to support college education of their children.

Educational loans help lessen the financial burden of parents, but impose a financial burden of students in the long run. According to Ali (2012), the Islamic finance product's level of awareness of propositions, applications, and qualities has to grow in Malaysia as well as globally. For example, the subset of Islamic financial planning such as *waqaf*, *zakat*, and *sodaqah*, is known to the general public as *uruf* (tradition/custom) in Malaysia but it is not known as part of financial planning. The emergence of individual financial advisory (IFA) adds value to the industry in order to promote financial planning awareness.

Furthermore, Hassan (2014) believes that it would be helpful to gain an understanding of the factors, which prevent intra-family succession from succeeding in order to prevent succession failure. Hong (2013) addressed some of the current issues pertaining financial planning and argued that it is crucial to develop IFP if it has an impact on the global financial planning landscape. The development of a sound framework and the support of a comprehensive range of Islamic product offerings are of paramount importance. Whilst Islamic products are not new in the realm of financial

planning, currently the market still lacks both breadth and depth of service offerings and most people neglect it in the course of pursuing wealth and other material goals (Ali 2012).

However, financial knowledge has been identified as an important factor for people without financial experience, such as college students, to improve financial behavior and to promote personal financial well-being. Several studies indicated gender differences in financial knowledge among college students (Falahati and Paim 2011), however this study attempts to answer the following questions of the relationship between UUM-COB postgraduate students' awareness of religiosity, social influence, financial satisfaction, attitude and Islamic financial planning. The objectives of the current research are to investigate religiosity, social influence, financial satisfaction, and attitude.

1.4 Research Questions

In order to examine the relationship between UUM-COB postgraduate students' awareness of religiosity, social influence, financial satisfaction, attitude and Islamic financial planning, the following questions would be addressed in this study:

1. Does UUM-COB postgraduate students' religiosity have any relationship with the awareness of Islamic financial planning?

2. Does UUM-COB postgraduate students' social influence have any relationship with the awareness of Islamic financial planning?
3. Does UUM-COB postgraduate students' financial satisfaction have any relationship with the awareness of Islamic financial planning?
4. Does UUM-COB postgraduate students' attitude have any relationship with the awareness of Islamic financial planning?

1.5 Research Objectives

The objectives of this study are to identify the relationship between religiosity, social influence, financial satisfaction and attitude with the awareness of Islamic financial planning. In other words, this study attempts to achieve the following objectives:

1. To identify the relationship between UUM-COB postgraduate students' religiosity and awareness of Islamic financial planning
2. To identify the relationship between UUM-COB postgraduate students' of society influence and awareness of Islamic financial planning
3. To identify the relationship between UUM-COB postgraduate students' financial satisfaction and awareness of Islamic financial planning
4. To identify the relationship between UUM-COB postgraduate students' attitude and awareness of Islamic financial planning

1.6 Significance of the Study

Considering that Islamic financial planning plays an important role in life cycle of students, this study will assist the society by encouraging students to manage their basic finance based on the Shariah law and therefore contribute in the following areas:

- This study will benefit UUM-COB students and in a bigger picture, Malaysia to enlighten the Islamic financial planning's operations by providing information on what and how they should invest and more importantly to create awareness of permissible and non-permissible financing in order for students to avoid the latter. Therefore, understanding the Islamic financial planning will reduce the risk of non-permissible investments or serving as a customer for non-Shariah compliant companies.
- This study will provide information about the relationship between the independent variables and dependent variable and thus, it explores whether religiosity, social influence, financial satisfaction and attitude influences Islamic financial planning.
- This study will help the government to focus on people awareness of Islamic financial planning and assist the society to avoid wasting time and money.

For instance, UUM may put more effort to organize seminars and workshops for students and their parents on the basics and the importance of Islamic financial planning to increase their awareness on the differences and similarities of the conventional financial planning in comparison with Islamic financial planning.

1.7 Scope and Limitations of the Study

Since this study focuses on the relationship between UUM-COB postgraduate students' awareness and Islamic financial planning, thus, the respondents are limited to UUM-COB postgraduate students and specifically to University Utara Malaysia as a university of interest. The current research has faced some difficulties to access the relevant articles and journals as some of them were not available for free. In addition, it is essential to have access to articles and journals related to industry field in order to address the possible unanswered questions.

1.8 Organization of the Thesis

Chapter one consists of background of the study, problem statement, research questions, research objectives, significance of the study as well as scope and limitation of the study. Chapter two discusses critical review of the previous relevant literatures, the Islamic financial awareness as the dependent variable of the study and religiosity, social influence, financial satisfaction, and attitude as the independents variables. Chapter three addresses research framework, hypothesis, research design, operational definitions of independent variables (IVs) and dependent variables (DV), measurement of variables, data collection, research sampling, data collection procedures and techniques of data analysis.

Chapter four analyzes the findings of the questionnaire and Chapter five finally summarizes the findings and gives some recommendations obtained from the respondents, based on theoretical, practical, and policy implications.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explores the relevant literatures to the current study. Sekaran (2003) stated that a literature review is a documentation of inclusive reviews of published work, attained from secondary sources of data in a specific area. The Introduction section, hence, discusses the reviews and effective determinants on Islamic financial planning.

2.2 Islamic Financial Planning Awareness

Lahtasna (2011) defined Islamic financial planning as a process of assisting clients to determine their financial goals, priorities, and resources to optimally with the parameters of the *Shariah*. In another definition, the Islamic financial planning is the process of meeting life goals through the management of finances in accordance with the *Shariah*. The Islamic Financial planning is an embryonic financial sector in the market, which requires support by the regulators, practitioners, and other stakeholders.

Islamic financial planning is a sub-set of Islamic finance. The process of Islamic financial planning looks into individual's financial circumstances

and takes steps to resolve the problems and achieve financial goals in compliance with the Shariah law (Shariah). The fundamental basis of Islamic financial planning states that all Muslims' wealth belongs to Allah SWT and human beings are just trustees (Noh, 2014). Ali (2012) argued the raise of awareness and public acceptance on the essentials of financial planning to develop the relevance and position of both conventional and Islamic financial planning concepts with strategic collaborations and support from the key stakeholders and regulators in Malaysia. According to Gropelli and Nikbakth (2002), financial planning is the process in which an individual calculates how much finance is necessary for constant operation of an organization and how the necessary funds should be financed. Ismail (2011) asserted that the Muslim community still lacks in financial planning awareness and hence great opportunities can be seen in this niche for financial planners.

First Sovereign Advisory business model is based on a fair sharing formula between FSA and the financial adviser representative (FAR) and /or licensed capital markets services representative (CMSRL). The growing awareness of financial planning in Brazil has led to a steady growth in the number of advisers entering the CFP certification program. In Islam perspective, financial planning is not merely a process of acquisition and accumulating wealth and it has a broad definition relevant to the concept of vicegerent (khalifah) Allah SWT.

Wahab (2014) mentioned that Muslims are surrounded by rules and regulations, which they cannot refuse or ignore unless they are ready to face the consequences in this world and hereafter.

Muslims must therefore practice their religion by following the *Shariah*, which leads to the right oath and teaches Muslims to perform and practice their religion according to the revelation of Allah (SWT). Hence, *Shariah* is concerned about financial planning due to its financial guidance of family members and society at a larger picture. Muslims have to plan their lives to face the challenges and have the idea of what to do and what not to do in order to achieve *al falah* in this world and hereafter. Abdullah (2013) categorized Islamic financial planning as a subset of the Islamic wealth management, which is a subset of Islamic finance that is the subset of Islamic economics.

Sarasin (2011) argued that the Islamic financial planning is established to meet the goals of each Muslim individual by executing his financial plan and continuously monitoring him to be successful in this life and the next. According to Abdullah (2013), wealth is recognized by the *Shariah* as the foundation of life in order to execute Muslim's dual purpose of life as a servant of Allah (SWT) and vicegerent of mankind. He suggested that there are some basic needs that Muslims have to consider such as saving, marriage, household needs, new birth, and etc as well as the spiritual needs

such as paying zakat, performing pilgrimage and so on, which should be added in their financial plan. The life goal of Muslims is not only this worldly life plan, but also the unseen world plan, which makes Islamic financial planning a religion duty.

Moreover, the importance of the individual's level of awareness and understanding of IFP will be heightened according to the tenets of Islam (Noh, 2014). In order to explore whether Malaysians are really ready for financial planning, it was found that there was not enough awareness about financial literacy in the marketplace and the public is confronted with challenges trying to differentiate between a financial planner and a product pedlar (Chuah, 2014).

Noh (2014) added that the scope of Islamic financial planning contains cash flow, Islamic estate, waqf planning, and investment portfolio management, which includes the risk management and investment planning, happening during the life cycle of every individual, when a person begins earning an income until the life time of an individual ends. It therefore involves the process of wealth accumulation, preservation, purification, and wealth distribution.

2.2.1 Islamic Financial Planning Components

Muslim individuals must understand the discipline of Islamic financial planning, which are protection, accumulation, preservation and distribution of wealth according to the *Shariah* guidelines. These above-mentioned components of Islamic financial planning are common with the conventional financial planning, which needs to be addressed in order to achieve financial goals (Billah, 2010).



Figure 2.1 Islamic financial planning



Wealth Creation

Wealth belongs to Allah (SWT) and he gives to whom he wishes without any resistance, which means to say that effort of a man is not the outcome of wealth but it's rather considered as a process that guides to positive or

negative results after the effort being made. In the holy Qur'an, Allah (SWT) said. "... and God has made for you in your homes and abode and has made for you tents out of the hides of cattle for dwelling which you find so light and handy when you travel and when you stay; and of their wool, fur and hair furnishings and articles of convenience and comfort." (Sulaiman, 2011).

Wealth Generation

Wealth generation in Islam is a concept, which shows that the wealth is already on earth and Allah (SWT) placed it to use its benefits by generating and spending lawfully. Therefore, Islam has sent clear messages to Muslims to generate their daily income or wealth in only halal ways and to totally ignore the haram, which Quran and *Sunnah* primarily rejected (Sulaiman, 2011).

Wealth Purification

The purification of wealth is necessary for two reasons:

- ✓ To cleanse the illegal income, which an individual may generate unknowingly
- ✓ To give part of wealth to the eight *asnaf*, who have been stated in the Al-Quran

Quran says, *“Take alms of their wealth, wherewith thou mayst purify them and mayst make them grow, and pray for them. Lo! thy prayer is an assuagement for them. Allah (SWT) is Nearer, Knower.”* For instance, wealth purification is very important in the overall financial planning process as the Prophet (PBUH) said, *“Whoever is made wealthy by Allah and does not pay the Zakat of his wealth, and then on the Day of Resurrection his wealth will be made like a bald-headed poisonous male snake with two black spots over the eyes. The snake will encircle his neck and bite his cheeks and say, ‘I am your wealth, I am your treasure.’ The payment of zakat is compulsory to every Muslim who is eligible to pay it and the reward is 70,000% return for those who pay it.”* As Al-Quran say, *“The likeness of those who spend their wealth in the way of God is as the likeness of a grain of corn; it grows seven years, and each ear has a hundred grains. God gives manifold increase to which He wills.”* (Sulaiman, 2011).

Wealth Protection

Wealth protection is a pillar of wealth management, which identifies the sources of current and future income of an individual. Protection of wealth involves cash flow planning, tax planning, and etc. In Islam, the concept of wealth protection is based on cooperation or *takaful* under the concept of *tabarru* (donation). There is a hadith, which states that one day prophet (PBUH) saw a Bedouin man and then asked *“why you do not tie your camel*

and he replied *I put my trust in Allah* (SWT) and prophet (PBUH) said to him *tie your camel and then put your trust in Allah*". This hadith by tirmidhi shows that it is encouraged to protect health, wealth, and life in Islam in a way that is not contradicting to the *Shariah* of Allah (SWT) (Sulaiman, 2011).

Wealth Distribution

Wealth distribution in Islam manages the wealth of a dead person, thus proper plan is helpful to Muslim individuals to plan their estate according to the *Shariah*. One third of the wealth can be distributed according to the will of the person. Hence, having a will is highly encouraged for Muslims due to many reasons as lack of a will might be burdensome to the children of the dead person, in which they sometimes fight or kill each other because of the wealth. Estate distribution of a Muslim involves the settlements of debts and other expenses of dead person (Sulaiman, 2011).

2.3 Elements of Successful Financial Planning

The ultimate aim of financial planning is to support client in order to gain a sense of subjective well-being, abundance, and balance. In order to achieve the balance, the following financial planning process with the elements are required: building trust, creating financial and emotional security,

identifying life goals, and understanding factors that block or foster development toward those purposes.

Building trust: Generally, a successful financial planning requires strong relations between client and planner, which is the backbone of the success.

Creating security: It's crucial to build very strong basis of financial and emotional security between client and planner, which allows the client to bear the essential risks to accomplish the success of self-fulfillment.

Identifying life goals: The financial planner must help the client to clarify and quantify his goals in order to develop a plan to meet the client's goal.

Understanding factors that block or foster progress: It is significant to know the current situation of client before a financial planner starts to move client to the next place. The most important question is to ask the current situation of client and to know the question of "Where are you now?". This question can be related to client's emotions, career goals, finances, and relationships that can generate complex answers (Zutphen, 2010).

2.4 The Importance of Maqasid Shariah

Fardu kifayah (social obligatory) in Maqasid Shariah means if a group of the society do it, then it would be sufficient for other groups of the society. Thus, if there is not any group of the society, who knows Maqasid Shariah, the society is sinned (Awdah, 2007). The importance of Maqasid Shariah is as follows:

1. ***To Understand al-Quran Al-Karim***, the goal of Muslims is obviously achieved by learning Maqasid Shariah through the Correct Comprehension manner that its verses are needed to be connected with other related verses, so that the meaning is more clear (Al-Qaradawi, 1992).
2. ***To Understand Islamic Shariah in General***, knowing Maqasid Shariah is important in Islamic legislatures and a Muslim person should know the basic things that are required daily, weekly, monthly, and yearly, however majority of Muslim society are not aware of such important things in their daily life, which eventually would be their final destination (al-Qaradawi, 1990).
3. ***To Continue Ijtihad Movements***, true Ijtihad does not take place unless an individual's understanding towards Shariah passages changes with external aspect or knowledge to the objective existing behind the passages, because holding too tightly to external passage or non-Shariah passages causes negligence towards wisdoms and secrets of the emergence of Shariah passages and then justice protection, ihsan, sympathy, brotherhood, love, assurance, and cooperation in performing good deeds and fear of Allah SWT would not exist, which are the highest reason among others. Allah SWT sent down His Shariah for humankind (Al-Qaradawi, 2004).
4. ***To Confirm Ijtihad***, this means to achieve the level of being able to perform ijtihad, which benefits the society, because Mujtahid performs an action, which cannot be done without a deep understanding of the Maqasid Shariah (Al-Qaradawi, 1996).

5. *To Strengthen Mufti's Task*, there are a lot of different sects or *firqah* among only Sunnah population of Muslims living in this era, therefore it is very important for Muslims not to blindly follow their scholars, which would be very dangerous and harmful to the society and it therefore requires an individual to learn Arabic language in order to understand the books written by old Muslim scholars, to obtain knowledge in the related fields, and to understand Maqasid Shariah in addition to gaining tafsir (interpretation) knowledge, hadeeth, and comparison laws (Al-Qaradawi, 1995).

2.5 The purpose of Islamic financial planning based on the application of Maqasid Al-Shariah

The purpose of performing financial planning or any other activities by Muslims must be in line with the principles of *Shariah* (Islamic law). There are many different definitions for Maqasid Shariah, defined by Usul scholars, which are as follows:

1. "Maqasid is the goal to be achieved in doing something. When Maqasid Shariah is mentioned, it means the objective has been set by Shariah to rule a law." Many different famous terms used Maqasid Shariah such as Maqasid al-Shari', Maqasid Shara', or in Arabic language is referred as *Maqasid Al-Shariah*. (Al-Raysuni, 1992).
2. "Maqasid is the wisdoms and *maslahah* for humans to be in this world or hereafter." (Ibn Qayyim al- Jawziyyah, 1996). The changes of time, laws,

and generations must be ensured that Shariah can accommodate the public needs.

3. “Maqasid is to avoid harm.” (Al-Khadimi, 1998).
4. “Maqasid is all sort of comprehension that can be seen in the laws completely or mostly being made.” (Ibn Ashur, 1998). This means Maqasid Al-Shariah is not a comprehension that can be specifically seen on a certain laws.
5. *Maqasid* is the *Shariah* goal and the secrets of ruling every law. (Al-Qarni, 1419H).

Similarly, Asmadi (2012) defined *Maqasid Al- Shari’ah* as “an Arabic term, which is a combination of two words, *Maqasid* and *Shari’ah*. *Maqasid* is a plural word for *Maqsad*, derived from a root word *al-qasd*. It literally means going towards something, or direction, or walking in a straight line. The word ‘*al-qasd*’ refers to a wooden staff or crosier, where benefits human in term of assisting and guiding them to walk.

The intention to conduct the Islamic financial planning must be aligned with the application of *Maqasid Al-Shariah*, (Abdullah and Muhammad, 2013). The aim of *Shariah* is to protect the social order and encourage the human beings to have the ability to consider the economic wealth to the highest and seek it in a way that Allah (SWT) stated in his holly book. According to Ashur (2006), the third pillar of Islam is *zakah* on economic property, thus

its implementation is a sign of true Muslim and its absence is a sign of hypocrite.

As Allah (SWT) stated, (Al-Quran, 5:55)

إِنَّمَا وَلِيُّكُمُ اللَّهُ وَرَسُولُهُ وَالَّذِينَ ءَامَنُوا الَّذِينَ يُقِيمُونَ الصَّلَاةَ وَيُؤْتُونَ الزَّكَاةَ وَهُمْ رَاكِعُونَ (٥٥)

“Your ally is none but Allah and [therefore] His Messenger and those who have believed - those who establish prayer and give *zakah*, and they bow [in worship].”

The above verse clearly indicates the crucial of wealth to the well-being of the society in both acquisitions and spending. Knowing the ultimate purpose of *Maqasid Shariah* is therefore essential for Muslims in order to plan their financial needs based on the *Shariah* law and it would be helpful for them to analyze any kind of saving, investing, spending their daily, monthly, or yearly income based on Allah’s will (SWT).

Islamic scholars have divided *Maqasid Shariah* to another category with specific objectives (*Maqasid khassah*), consisting of specific purpose of Islamic legislation (*al-Maqasid al-khassah*), where the concern is a specific discipline, such as financial transactions, family law, and private conduct. Dusuki and Bouheraoua (2011) categorized serve as the main framework governing human lives in this world in order to achieve the ultimate happiness in the hereafter. The overall goal of this system is to realize the

Maqasid Shariah, which should manifest in the economy to enable growth and justice (Siddiqi, 2004).

Islamic religion recognizes the importance of financial planning. Islamic financial planning can be defined as a process, which helps individuals set and achieve their long-term financial dreams in accordance with the *Shariah* principles and *Maqasid Shariah* and go through the proper management of wealth. It covers wealth accumulation such as savings or *al-wadi'ah*, wealth enhancement such as investment or *al-mudharabah*, wealth maintenance such as *jizyah*, wealth protection such as *takaful*, wealth distribution such as *waqaf* and *wasiyyah* and wealth purification such as *zakat* and *sodaqah* (Ali, 2014).

2.5.1 Divisions of Maqasid Shariah

Maqasid can be divided into three sections, namely general Maqasid, specific Maqasid, and Maqasid juz'i (micro). General Maqasid is the objective considered by Shariah to determine all of the Shariah laws; for example, the justice and equality (*al-Musawah*) concept that can be found in all Shariah laws (Al-Raysuni, 1992). Specific Maqasid is a Maqasid taken into consideration by Shariah to determine a few groups of certain laws such as family laws (Al-Raysuni, 1992). Not to prevent cause, harm or danger to women, prevention element in punishment, abolish scam in wealth

management and other fields are some of the examples (Awdah, 2006). Maqasid micro or juz'i is considered by Shariah to determine certain laws (Al-Raysuni, 1992) like preventing difficulties to allow a person who can observe fast to break his fast and manifest a firm assurance in prohibition to keep the meat from sacrificed animals and so on (Awdah, 2006). General Maqasid is however the specific topic in the discussion of *usul fiqh* and Maqasid knowledge, while specific Maqasid is the discussion topic for *fiqh* scholars (Al-Raysuni, 1992).

In addition, Sulaiman (2011) suggested the levels of *Maqasid Shariah* to be upheld including classification and prioritization of the needs of Muslim individuals for their financial plan. Consequently, the five levels of essentials are the main dimensions of financial planning, therefore, Islamic finance and financial planning try to preserve the five essentials needs.

2.5.2 Five Integral Elements of Maqasid Shari'ah

The five basic elements of the *Shariah* are protection of life (*nafs*), religion (*din*), dignity (*nasb*), intellectual (*aql*), and wealth (*mal*). Protecting these five elements are very important in Islam, thus Islamic scholars determined these five elements as the spirit of Islamic law because Islam look at these five elements in a different way. Islam subsequently encourages protecting them and any neglect should be faced by non-permissible ways as a consequence.

Islam not only encourages acquiring wealth but also provides the ways for Muslims to acquire the wealth and the way to spend in order to avoid personal goals and greediness (Asmadi, 2012). Hence, the objective of *Shariah (Maqasid Al-Shariah)* is to relieve people from hardship that they are facing and therefore for their interest (Abdullah and Muhammad, 2013).

In addition, the objectives of *Shariah (Maqasid Al-Shariah)* are necessities (*Daruriyyah*), needs (*Hajiyat*), and beautification (*Tahsiniyyat*). Sulaiman (2011) suggested that these levels must encourage Muslims while doing Islamic financial planning. It is very important for Muslims to understand the priorities in their life and hereafter.

Furthermore, religion is to follow the commandments by Allah SWT and protection of religion is to follow the *Shariah* and it would be easy for people who protect their dignity, in which people use their intellectual to manage the wealth and enjoy the permissible use. *Maqasid Al-Shariah* involves the commitment of individuals to achieve a better life in this world and the hereafter (*hayatan toyibah* and *al-falah*) by promoting brotherhood, justice, and social welfare.

The concept focuses on fulfilling three levels of necessities (*Dharuriyyat*), the essentials (*Hajiyyat*), and embellishment (*Tahsiniyyat*). “It is necessary to carefully analyze Muslim’s needs to determine the suitability according to *Shariah’s* objectives in order to develop a comprehensive financial plan. The five important values of religion, life, lineage, intellect, and property have to be preserved. Once these needs are successfully met and implemented, the benefit would be received during this lifetime and the hereafter (Sulaiman, 2011)

2.6 Religiosity

Religiosity can be defined as someone’s religious values, believes, and practices by applying in his daily life (Shukor and Jamal, 2013). This definition is adopted in this study because it is important to follow religious beliefs as a basis in daily life including the way people behave in the marketplace. According to Shukor and Jamal (2013), religiosity differs from spirituality, which seeks a connection to a non-material reality perceived as a kind of excellence, whereas religiosity is the observance of the external forms of some religious traditions. Sapora (2000) mentioned that psychologists and counselors pertinently look at religion and other spiritual dimensions as a tool to enhance human lives’ happiness whenever looking on a broader sense in many disaster interventions.

McGarvey (2014) wrote an article entitled “*Why Financial Planning Needs More Religion*” indicating faith and spiritual acknowledgement help people better understand their financial goals and stick to them, thus people need to be spiritually and educationally prepared. These two elements are important to execute a financial plan. Spiritual helps people have faith in Allah (SWT) in which he knows *qadr and qada'*, the destiny and the acceptance of the destiny.

McGarvey (2014) argued that if individuals don't practice their own religion or they are not religious clients, in order to discuss the values that they have, a list of 140 common values should be given to them because everyone has different values in the world. Then they can select the most 20 important values and then the top 10 should be chosen out of the list as they consider themselves in a completely new way.

Religiosity is a powerful influence to people's behavior and it has a positive relationship with financial literacy, which can influence people to take risk because of their faith level. Murphy (2013) suggested people's faith has ultimate effect on financial decision, in which the higher faith they have, the easier for them to take a risk. In Islam, Muslims are bounded by faith unlike other religions.

Muslims must have faith to perform everything and Allah (SWT) does not only look into outside, rather he looks into inside; what heart plans to do or

what it loves is what you do outside. Lehrer (2004) argued that Muslims personality is grounded in high moral character encompassing beliefs, external traits, attributes, manners social graces, and *adab* (etiquette). The foundation of Islamic personality can be seen as one of full dedication to God and religion (Islam).

2.7 Social Influence

Social influence can be defined as individuals' perception towards people who are important to him and influence his behavior (Fishbein and Ajzen, 1975). According to Amin et al. (2011), social influence has a direct relationship with intention to use Islamic personal financing, thus, this study attempts to test whether social influence has an impact on Islamic financial planning. Social influences have been found to have a positive effect on financial knowledge, retirement planning and saving.

Hershey et al. (2010) and Guitierrez and Hershey (2011) developed a model for social influence and gave a special consideration to social influences in order to predict successful financial planning. Society is one of the factors influences financial planning (Koposko, 2010). Cynamon and Fazzari (2008) argued that it is crucial to know fundamental social influences on household spending and financial decisions.

He added the reference group idea is increasingly becoming important in economics as economists begin to consider social influence on economic decision. Therefore, an individual would rationally perform a behavior under significant social influence even though the individual is not in favor of performing the behavior (Venkatesh and Davis, 2000).

2.8 Financial Satisfaction

Financial satisfaction is defined as satisfaction with one's income, ability to handle financial emergencies, amount of debt, level of savings, and money for future needs (Hira, 1998). The capability to effectively manage financial resources is an essential component of financial satisfaction. According to Lown and Ju (1992), satisfaction is achieved when a need or desire is fulfilled.

Financial satisfaction therefore can be defined as the difference between desired and actual financial situation. By comparison with a standard or reference point, Choi et al. (2005) found that financial knowledge facilitates individuals to have a concept of money management and it promotes wise spending, regular saving, and different ways of making one's resource.

The current financial crisis has helped the society to be alert to their financial options and knowing their financial consumers (Choi et al., 2005; McKenn

et al., 1997). If consumers are well informed and have enough knowledge about financial literacy, they can be well watchful in taking credit, which they can't afford (Choi et al, 2005; McKenn et al,1997). Schreiner and Sherradan (2007) found that the greater a person has financial literacy, the more likelihood that a broker can scam his money or he falls to purchase products, which are not his best interest; these factors improve the importance of financial literacy.

Financial literacy is an accepted title in both developed and developing countries. Current problems in the advanced credit markets have shown that financial literacy benefits consumers everywhere around the world (Hartarska and González-Vega, 2006).

2.9 Attitude

Ajzen and Fishbein (1980) defined attitude as an index of the degree to which a person likes or dislikes an object; a person's attitude toward a behavior is determined by the set of salient beliefs he holds about performing the behavior. Brennan and Ritters (2004) indicated that financial knowledge plays an important role in financial empowerment.

For instance, education helps consumers to be well prepared in order to face brokers and to have the skills, right attitudes, and relevant required

information when they make decisions. Similarly, Leskinen and Raijas (2006) indicated that individuals have financial skills, competence and financial literate, which are influenced by personal attitudes in spending and saving. Therefore, financial skill and ability are required to plan, control, manage, and determine financial risks in the future (Hira, 1997; Joo and Grable, 2004).

Additionally, Fauziah et al. (2008) argued that there is a significant relationship between postgraduate students' attitude towards diminishing partnership home financing and the level of acceptance of such financing. Gopi and Ramayah (2007) recognized attitude as a key factor in the adoption of online trading system. Their finding indicated that attitude has a direct positive correlation towards behavioral intention to adopt Internet stock trading since it has been acknowledged as a construct to monitor future behavior or to perform a specific behavior as the reason of intention.

Attitude refers to assess the effect of positive and negative feelings of people to perform specific behavior (Fishbein and Ajzen, 1975). There are a number of studies relating attitude to behavior. Amin et al. (2011) declared that attitude is positively related to the intention to use Islamic personal financing, which means the stronger the attitude, the greater the use of Islamic personal financing, therefore, the more positive the attitude is, the

more probability the UUM-COB postgraduate students are aware of Islamic financial planning.

Taylor and Todd (1995) defined attitude as an individual's positive or negative feeling towards performing the target behavior, whereas Fishbein and Ajzen (1975) mentioned that A person's attitude towards a behavior is in turn determined by salient beliefs about the consequences of that behavior and the evaluation of the desirability of the consequences. Believes are defined as the individual's subjective probability that performance of a given behavior results in a given consequence. Subjective norms are defined as the person's perception that most people who are important to him think he should or should not perform the behavior in question (Dillon and Morris, 1996).

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter describes the adopted research methodology in this study, which begins with the elaboration on the theoretical framework together with the hypotheses development. It further discusses on research design, operational definition, and measurement of variables as well as the data collection method that is adopted to obtain the required data to carry out the current study. Then, it further discusses sampling, data collection procedures, and lastly the techniques of data analysis.

3.2 Theoretical framework

Theoretical framework is a set of hypothetical assumptions, which attempts to explain the researcher's view on how several variables are related to each other (Sekaran and Bougie, 2013). It also allows the researcher to expand the knowledge by trying to measure the validity of the theory by taking various tests of both dependent and independent variables based on the proposed theoretical framework.

Hence, as it was discussed in the previous chapter (literature review), the variables of the current study follow the framework and are illustrated in

figure 3.1.

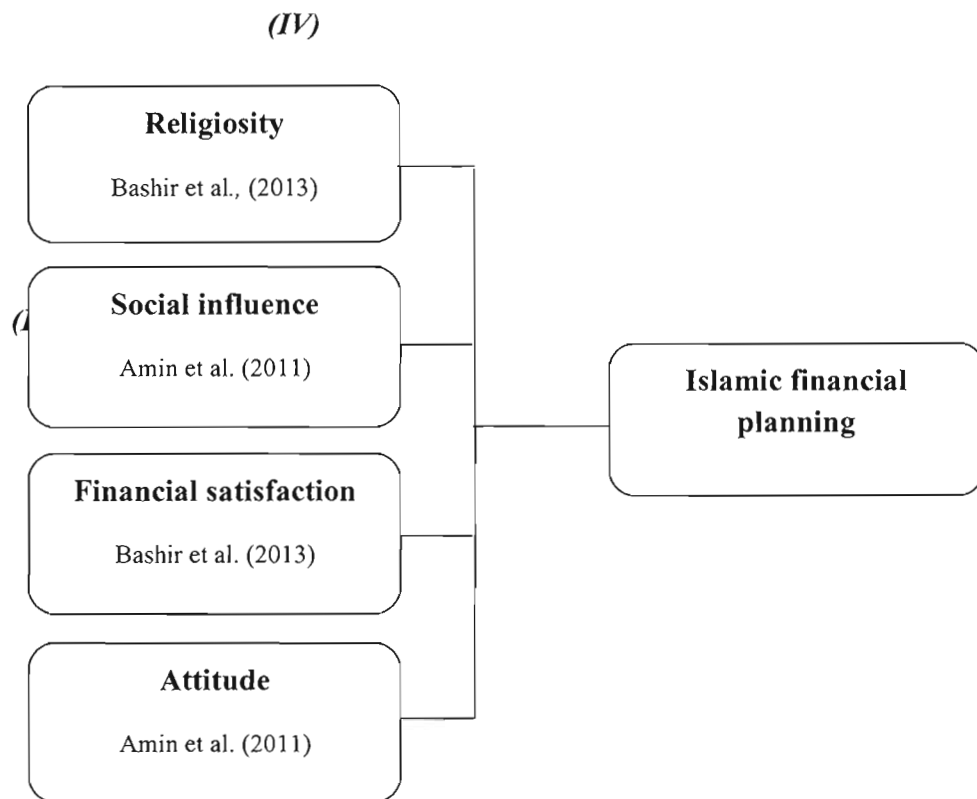


Figure 3.1

Theoretical framework

Figure 3.1 shows the expected theoretical framework for this research, which was adopted and then modified to fit into the context of this study. The above proposed theoretical framework presents the independent variables of this study, which are religiosity, social influence, financial satisfaction, and attitude, while the dependent variable is Islamic financial planning. Therefore, the four independent variables will be examined to determine the influence of the UUM-COB postgraduate students on awareness of Islamic financial planning.

3.3 Hypotheses Development

The definition of hypothesis can be structured as the rational assumption of the relationship between two or more variables stated in a testable statement (Sekaran and Bougie, 2013). Thus, the hypothesis is divided into two categories of null and alternate hypothesis in this research. Null hypothesis (H₀) can usually be expressed as no significant relationship between the independent and dependent variables, while, alternate hypothesis (H_a) indicates that there is a significant relationship between independent and dependent variable (Sekaran and Bougie, 2013).

3.3.1 Hypothesis 1:

To identify the relationship between religiosity of UUM-COB postgraduate students and awareness of Islamic financial planning

H₀₁: There is no significant relationship between religiosity of UUM-COB postgraduate students and awareness of Islamic financial planning.

H_{a1}: There is a significant relationship between religiosity of UUM-COB postgraduate students and awareness of Islamic financial planning.

3.3.2 Hypothesis 2:

To identify the relationship between social influences of UUM-COB postgraduate students and awareness of Islamic financial planning

H02: There is no significant relationship between social influence of UUM-COB postgraduate students and awareness of Islamic financial planning.

Ha2: There is a significant relationship between social influence of UUM-COB postgraduate students and awareness of Islamic financial planning.

3.3.3 Hypothesis 3:

To identify the relationship between financial satisfaction of UUM-COB postgraduate students and awareness of Islamic financial planning

H03: There is no significant relationship between financial satisfaction of UUM-COB postgraduate students and awareness of Islamic financial planning.

Ha3: There is a significant relationship between financial satisfaction of UUM-COB postgraduate students and awareness of Islamic financial planning.

3.3.4 Hypothesis 4:

To identify the relationship between attitude of UUM-COB postgraduate students and awareness of Islamic financial planning

H04: There is no significant relationship between attitude of UUM-COB postgraduate students and awareness of Islamic financial planning.

Ha4: There is a significant relationship between attitude of UUM-COB postgraduate students and awareness of Islamic financial planning.

3.4 Research Design

A quantitative approach was used and conducted through a survey by distributing a questionnaire to respondents as an appropriate way to meet the research objectives of this study, which is conducting descriptive and explanatory study. This research studies the relationship between dependent variable and independent variables. Hence, the descriptive study was designed to disclose the relationship between the variables (Sekaran and Bougie, 2013). For instance, the time horizon that was applied in this particular study is the cross-sectional studies, because the data was collected from one place in a period of one week according to the allocated time by the university. The unit of analysis can be stated as a person, who involves in

data collection during the research period, which are the UUM-COB postgraduate students.

3.5 Pilot study

A pilot study was executed after the development of the questionnaire. The pilot study was necessary before a large-scale study is carried out. The purpose of the pilot study was to examine the adequacy of the instruments and to measure whether respondents were able to understand the questions before the actual set of questionnaires were distributed. The selected respondents in the pilot study were a small group of respondents with similar characteristics with the actual respondents. The pilot study was implemented among UUM-COB postgraduate students; a 40 sets of questionnaires were distributed during the allocated time.

3.6 Operational Definition

Sekaran (2003) defined operational definition as a concept to be measured by considering the behavior dimensions, aspect, or property signified by the concept. The operational definitions of constructs in the research framework can be stated as below:

3.6.1 Islamic Financial Planning

Islamic financial planning is a contemporary new concept established nowadays with a relationship with the definition of Islamic financial marketing, defined by Ibnu Abu Yusuf, Ibnu Taimiyyah, and Ibnu Khaldun, as the creation, developing, and delivery of unique customer satisfying competitive products and services at a profit to organization and customer in the lights of Islamic values and principles (Abdullah and Muhammad, 2013).

3.6.2 Religiosity

Religious duty refers to the role that religion plays to affect an individuals' choice or activity (Amin et al., 2011). By definition, religiosity refers to the role of religion in affecting one's choices and activities. According to Sulaiman (2003), Islamic society is expecting a clear Islamic worldview based on *Shariah*.

3.6.3 Social influence

The term social influence as used in this study refers to pressure from the society and it can be defined as one's perception about people who are important to him and he should or should not perform the behaviour in question (Fishbein and Ajzen, 1975).

3.6.4 Financial satisfaction

Financial satisfaction is operationalized as the sense associated with the attainment of financial goals that one has set for oneself and gives an immense of relief. This definition is supported by Ali et al. (2013), who defined financial satisfaction as being satisfied regardless of the amount of wealth and debt.

3.6.5 Attitude

Attitude refers, tests or evaluates the effect of positive or negative feelings of an individual's performance in a particular behavior (Fishbein and Ajzen, 1975).

3.7 Measurement of Variables

This section includes measurement among variables, instrument development, and scale. The dependent variable of the study is Islamic financial planning awareness whereas the independent variables are religiosity, social influence, financial satisfaction, and attitude. Table 3. 1 shows the measurements for all the variables.

Table 3.1

Summary of dependent and independent variables and their measurements of instrument.

Construct reliable	Scale	No. of original	No. of valid		
			Items	Items	Items
Islamic financial planning awareness	1-5 points	7 items	6 items	4 items	
Religiosity	1-5 points	9 items	8 items	7 items	
Social Influence	1-5 points	7 items	6 items	5 items	
Financial Satisfaction	1-5 points	9 items	8 items	7 items	
Attitude	1-5 points	8 items	7 items	6 items	

3.7.1 Measurement of Religiosity

The instruments of religious obligation were related to the Islamic philosophy, Islamic principle, and Al-Quran and Hadith. The study employed a Five-point Likert scale to measure the religious obligation of respondents as follows 1= strongly disagree, 2 = disagree, 3= neutral, 4 = agree, and 5 = strongly agree. The items for religious obligation were derived and adopted from Amin et al. (2011). Religious obligation was measured using five questions.

3.7.2 Measurement of Social Influence

The instruments to measure social influence in this study were adopted from Amin et al. (2011). The total 5 items were measured using the five-point Likert scale measurement. The rating scale ranges from value 1, which is strongly disagree and ended with strongly agree with value of 5.

3.7.3 Measurement of Financial Satisfaction

The instruments to measure the financial satisfaction were adopted from Amin et al. (2011). The total 5 items were measured using the five-point Likert scale measurement. The rating scale ranges from strongly disagree with value of 1 and ended with strongly agree with value of 5.

3.7.4 Measurement of Attitude

The instruments to measure variable of attitude was adopted from Amin et al. (2011). The total 6 items were used the Five-Point Likert scale measurement. Rating scale was from 1 = strongly disagree to 5 = strongly agree.

3.8 Data Collection Method

Primary and secondary sources are both considered significant in order to provide information related to this study. Hence, this study used the source of the secondary data such as various books, journals, articles, and literatures, however the primary source was not ignored but rather the researcher used to collect the data from the respondents. The tools of distributing questionnaire to the selected respondents, UUM-COB postgraduate in sintok, were used in this study.

3.8.1 Questionnaire Design

The data was collected through a survey by distributing the questionnaire to the right respondents, which is the most appropriate method to deal with such a large size of population of 313 respondents. Majority of the researchers adopted this method because it is less expensive and less time-consuming. The questionnaire consists of five pages including the front page, which is a brief description on the purpose of the study. The researcher developed the questionnaire in only English language. The questionnaire is divided into three parts of A, B, and C consisting of religiosity, social influence, financial satisfaction, and attitude. Table 3.2 shows the subdivisions of the questionnaire.

Table 3.2

subdivisions of the questionnaire

Parts	Items	No of Questions
A	Demographic profiling	4
B	Islamic financial planning awareness	4
C	Religiosity	7
D	Social influence	5
E	Financial satisfaction	7
F	Attitude	6

The measurement of dependent and independent variables are interval scales based on five point Likert scale, which ranges from 1 = strongly disagree to 5 = strongly agree. There is an open-ended question, where the researcher asks to get the feedback from the respondents that might be helpful to the researcher in the study.

3.9 Sampling Elements

The data was collected from the UUM-COB postgraduates in Sintok. In order to finish the research paper within one semester to fulfill the university requirement, it was inconvenient and costly for students to collect data from far and unreachable places. The University enables the students who are not at Ph.D. level to choose the capacity and collect data from the nearest place

in order to finish the master program within the limited time, therefore, the awareness of postgraduate students on Islamic financial planning was investigated among UUM-COB's students.

The suitable unit analyses are the UUM-COB postgraduate students of University Utara Malaysia in Sintok campus. In order to meet the study objectives, the sample was selected according to the following categories:

(a) The sample should be currently working as an UUM-COB postgraduate students.

(b) The Sample is categorized as follows:

- ❖ Masters
- ❖ Ph.D.

3.9.1 Sampling Technique

The probability sampling method was used as the sampling technique of this study, which is a technique to collect samples in a process that gives all individuals equal chances of selection in the population. A number of 313 respondents were found suitable to answer the questionnaire in order to test the objectives of the study.

3.10 Data Analysis Techniques

The collected data were analyzed through SPSS software version 20. Reliability analysis was used to test the reliability of variables and normal distribution to ensure the normality of the distribution of the questionnaire. Table 3.3 shows the results of reliability test.

Table 3.3
Results of the reliability test

Variables	No. Of items	Cronbach's Alpha
Religiosity.	7	0.857
Social influence	5	0.820
Financial satisfaction	7	0.771
Attitude	6	0.926

Table 3.3 shows the reliability test using Cronbach's Alpha. According to Hair et al. (1998), the lowest limit of Cronbach's Alpha is 0.70, hence the value of Cronbach's Alpha ranges between 0.771-0.921; if the value is closer to 1, it shows that the data has high reliability of internal consistency.

Moreover, descriptive analysis was used in order to know the relationship between UUM-COB postgraduate students' religiosity, social influence, financial satisfaction, attitude and awareness of Islamic financial planning. This analysis was used in this study in order to examine the differences of gender, namely male and female on Islamic financial planning. The relationship between the dependent variable and independent variables was tested by Pearson correlation. The regression indicates how much variance in the dependent variable has been affected by the independent variable.

3.10.1 Normality Test

According to Hair et al. (1998), normality of the data is one of the significant data analysis techniques to determine the normality of data distributed to the respondents. The normality test is significantly useful to draw a conclusion on validity and normality. There are few available statistics to test the normality of the study such as Q-Q plot, histograms, stem and leaf plots, skewness, and kurtosis (Coaked and Steed, 2007).

The two latters are the most famous methods to describe the shape of data distribution. If the distribution is exactly normal, it means the value of skewness and kurtosis is zero, while positive value for skewness shows a positive skew and positive value for kurtosis indicates a peaked distribution. Likewise, negative value for skewness shows a negative skew while negative value for kurtosis shows a flatter distribution.

3.10.2 Descriptive Analysis

The descriptive analysis technique explains the overall respondents that obtained from the distributed data. The descriptive analysis is important in order to carry out the data analysis of the independent variables and dependent variable using SPSS software. The frequencies, percentage value, the measure for central leaning such as mean and standard deviation were provided for all category variables.

In this study, the frequencies were placed together to analyze the religiosity, social influence, financial satisfaction, and attitude on Islamic financial planning. The mean values of each variable and the standard deviation were also provided. The standard deviation is generally meant to describe the distribution of the mean score. Hence, if there is a low standard deviation, the respondent's sample distribution is placed very close to the mean (Hair et al., 2007).

3.10.3 Correlation

Pearson correlation is defined by Hair et al. (2003) as a statistical technique, which measures the linear association between two metric variables. Generally, the pearson correlation examines whether there is a relationship between the dependent variable and independent variables. In addition, it

also specifies the strength of the relationship of the dependent and independent variables, which in this study was applied to examine the relationship between religiosity, social influence, financial satisfaction, and attitude on Islamic financial planning.

Pearson's correlation coefficient, rho (r), is the measurement to examine the associations between the two variables and it can vary from -1.0 through 0.0 to +1.0 (Gliner et al., 2009). If the value of r is more than zero, it indicates a positive relationship and if the value of r is less than zero, it indicates a negative relationship. However, when the value is equal to zero, it shows no relationship, which means that the variables are independent and they are not related to each other.

In addition, the value of -1.0 shows that there is a perfect negative correlation, while +1.0 shows that there is a strong relationship between the variables, which is positive correlation. In contrast, if the Pearson's coefficient has a leaning to be closer to -1.0, the strength of the relationship between the variables is strong towards the negative correlation.

Similarly, there are five underlying assumptions of Pearson correlation. Firstly, the data must be collected in linked pairs; Secondly, the data should be in ratio in nature or interval; thirdly, the score of every variable should be normally distributed; fourthly, the relationship between the two variables

should be linear and lastly the scores of the variability of the variables should be approximately the same (Coakes and Steed 2007).

3.10.4 Multiple Regressions

Multiple regressions are considered as an addition of bivariate correlation, which is used by majority of researchers for several independent variables and one dependent variable (Gliner et al., 2009). Regression analysis is useful to indicate how much independent variables have relationship with dependent variable. Multiple regressions show the effect of an independent variable on dependent variable when some of independent variables vary while others remains fixed (Shaari et al., 2013). In regression analysis, the value of R square indicates the explanatory power of the model from 0-1.00. According to Bhatti et al. (2012), the higher value, the better however it must be less than 1.00.

One should be sanctioned that a R square can be higher but that does not exactly show that the change in dependent variables is caused by the independent variable. According to Coakes and Steed (2007), there are four main underpinning criteria in using regression.

The first one is the ratio of cases to the independent variables. Secondly, the number of cases must be preferably more than twenty times that has relationship, while the minimum requirement is to have five times of at least more cases with those independent variables. Outliers is the second assumption for regression analysis, which is important to take extreme cases into consideration. It should be modified or totally deleted in this particular analysis .

In addition, multivariate outliers can be easily deleted using statistical method such as Mahalanobis distance. The graphical method such as residual scatter plots can be used and the both methods can be useful to identify the outliers in the data. Removing the outliers from the data set should be carefully made because it usually results in the generation of further outlying cases.

It is also understood that the independent variables have a linear relationship with the dependent variables score, thus, it is better to avoid it not to affect the explanation of the relationship between independent and dependent variables. Table 3.4 shows the summary of data analysis technique.

Table 3.4

Summary of data analysis technique

<i>Summary of data Analysis technique</i>	Area of Investigations	Tests
1	Demographic profile and on Islamic financial planning	Descriptive Analysis
2	The relationship between Religiosity, Social influence, Financial satisfaction , Attitude and awareness of Islamic financial planning	Pearson Correlation
3	The relationship between UUM-COB postgraduate students' religiosity, social influence, financial satisfaction and attitude and awareness of Islamic financial planning	Multiple Regression

3.10.5 Population of Study

The study aims to test the relationship between religiosity, social influence, financial satisfaction, and attitude with Islamic financial planning. The population of interest in this study is the UUM-COB postgraduate student and the target population numbers are 2111 as affirmed by the register office (Appendix I). A number of 370 questionnaires were distributed by using probability sampling and a number of 313 questionnaires were successfully collected.

CHAPTER FOUR

FINDINGS AND ANALYSIS

4.1 Introduction

This chapter provides the findings acquired from SPSS version 20. The responses were obtained from 313 questionnaires and respondents' profiles, descriptive analysis, correlation, and regression analysis are presented in this chapter. A number of 370 questionnaires distributed to the respondents but a number of 313 from respondents were collected.

4.2 Respondents' Profile

The four demographic factors of respondents are reported as gender, age, status of study, and marital status. Respondent's profile aids to analyze the awareness of Islamic financial planning in terms of gender differences between male and female as well as age, status of study, and marital status. A number of 370 questionnaires were distributed among the respondents, where 313 of them successfully filled in and returned. Table 4.1 shows that male respondents are 67.7% of the total respondents, while female respondents are 32.3% of the total respondents.

The study indicates more number of males in COB postgraduate students than women. Age group below < 20 years old is the lowest group with 2.6 %, while 21-35 years old is dominant among COB postgraduate students with 75.7%, followed by 36-45 years old with 16.9 % and 46 years old and above with 4.8%. The status of current study shows Master students as the majority in UUM-COB with 62.3% and Ph.D. students with 37.7%. Lastly, marital status of students shows 48.9% married, 46.3% single, 3.2% divorced and widow, and 1.6% widower, which is shown in Table 4.1.

Table 4.1

Respondent's profiles

DESCRIPTIONS	FREQUENCY	PERCENTAGE
GENDER: Male	212	67.7
Female	101	32.3
AGE		
< 20 years	8	2.6
21 - 35 years	237	75.7
36 – 45 years	53	16.9
46 years and above	15	4.8
CURRENT STUDY STATUS		
Master	195	62.3
PhD	118	37.7
MARITAL STATUS		
Single	145	46.3
Married	153	48.9
Widow / Widower	5	1.6
Divorced	0	3.2

4.3 Validity and Reliability of Data

Questionnaire items have been adopted from Bashir et al. (2013) and Amin et al. (2011) who found Islamic personal financing and financial literacy valid to measure. In this study, the financial planning or Islamic financial planning was examined, as there were not many studies done in this area of research.

Reliability Statistics	
Cronbach's Alpha	N of Items
.918	29

This study adopted the nearest test as the financial literacy has a similar meaning with financial awareness and Islamic personal financing which is based on *Shariah* and Islamic financial planning. The reliability test measures the internal consistence and stability of data and Cronbach's alpha reliability coefficient measures the internal consistency reliability (Sekaran and Bougie, 2013).

According to George and Malley (2003), if Cronbach's alpha value is greater than 0.7, it is considered acceptable, while the value of 0.8 is considered as good, the value of greater than 0.9 is considered as excellent, and the value of less than 0.5 is unacceptable. The obtained data in this study is deemed to be reliable since the aggregate cronbach's Alpha is 0.918, the internal consistency reliability is acceptable and the data is reliable. Religiosity has a

Cronbach's Alpha of 0.857, social influence has a Cronbach's Alpha of 0.820, financial satisfaction has a Cronbach's Alpha of 0.771, attitude has a Cronbach Alpha of 0.926, and Islamic financial planning awareness has Cronbach's Alpha of 0.801. Cronbach's Alpha value for each individual variable is shown in Appendix D.

4.4 Data Normality Tests

Normality test is an important step in data processing and analyzing the findings, therefore, most statistical tests assumed that the data has to follow normal distribution in conducting tests of descriptive test, regression, and correlation (Coakes 2011). There are a number of statistics to test normality (Coakes 2011). In this study, skewness and kurtosis test were conducted to check data normality using SPSS version 20.

According to Coakes (2011), skewness and kurtosis indicates the shape of the study after being distributed. If the distribution exactly follows the normal way, the value of kurtosis and skewness is zero (0). When the value of skewness is positive (+), the distribution is positively skewed (skewed to the right). In kurtosis cases, positive (+) value indicates peaked distribution (Leptokurtic), which has longer tail than normal distribution. On the other hand, when the value of skewness is negative (-), it indicates the negative skew of the distribution (skewed to the left).

In cases of kurtosis, negative (-) value indicates flatter distribution (Platykurtic), which is the distribution with shorter tail (Keller, 2010). The results indicate that the assumption of normal distribution has not been violated as the data are relatively distributed, though they are not exactly distributed normally. Results of the test are shown in Table 4.2.

Table 4.2

<i>Test for normality of data.</i>		
VARIABLES	SKEWNESS	KURTOSIS
Islamic financial planning awareness	-.635	.216
Religiosity	-.953	.220
Social influence	-.461	.032
Financial satisfaction	.143	-.067
Attitude	-.710	-.484

Note: 313

Table 4.2 shows the number of 313 respondents (N). Islamic financial planning awareness shows skewness of -.635 and kurtosis of .216; religiosity shows skewness of -.953 and kurtosis of .220; social influence has a skewness of -.461 and kurtosis of .035; financial satisfaction has skewness of .143 and kurtosis of -.067; and attitude has skewness of -.710 and kurtosis of -.484. The assumption of the most statistical tests have to follow as a normal

distribution were not violated in this study. Histograms and shape of the normal distribution curves are shown in the graphs in Appendix E.

4.5 Descriptive Analysis

Descriptive statistics are presented in Table 4.3 with minimum and maximum values, mean, and standard deviation for all study variables.

Table 4.3
Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Islmaic Financial Planning Awareness	313	2.00	5.00	1241.50	3.9665	.68879
Religiosity	313	3.00	5.00	1427.71	4.5614	.45323
Social Influence	313	1.80	5.00	1154.40	3.6882	.67017
Financial Satisfaction	313	2.29	5.00	1141.71	3.6476	.54338
Attitude	313	2.83	5.00	1361.67	4.3504	.61009

Islamic financial planning awareness as the dependent variable has a mean (M) of 3.9665 and a standard deviation (SD) of 0.68879, where maximum value is 5 and minimum value is 1.00. Religiosity has a mean (M) of 4.5614 and standard deviation (SD) 0.45323 with maximum value of 5 and minimum value of 1.00. Social influence has a mean (M) of 3.6882 and standard deviation (SD) of 0.67017 with maximum value of 5 and minimum value of 1.00. Financial satisfaction has a mean 3.6476 (M) and standard

deviation (SD) of 0.54338 with maximum and minimum values are 5 and 1.00, respectively. Attitude has a mean (M) and standard deviation (SD) of 4.3504 and 0.61009, respectively with maximum and minimum values of 5 and 2, respectively.

4.6 Correlation Analysis

Correlation defines a statistical relationship between two variables. Pearson correlation coefficient and level of significance can analyze the strength and direction (+ or -) of relationship among variables. Correlation table (Appendix H) indicates a significant strong positive relationship between the dependent variable (Islamic financial planning awareness) and independent variables (religiosity, social influence, financial satisfaction, and attitude). Table 4.4 shows the results of correlation.

Table 4.4

Results for correlation of Islamic financial planning awareness and other variables

Variables	Correlations	Sig.
Religiosity	.347**	0.000
Social influence	.496**	0.000
Financial satisfaction	.211**	0.000
Attitude	.471**	0.000

** . Correlation is significant at the 0.01 level.

Table 4.4 shows the findings of correlation matrix between Islamic financial planning awareness and religiosity. The Pearson correlation between both variables is 0.347, which is significant as 0.01. The significant value is 0.000 indicating that there is a strong relationship between IFP and religiosity, thus the null hypothesis (H_{01}) is rejected and the alternative hypothesis (H_{a1}) is accepted.

Meanwhile, the Pearson correlation between both variables is 0.496 for social influence whereas the correlation significant is 0.01 levels. The significant value for social influence is 0.000, which indicates that there is a strong relationship between IFPA and social influence, thus, the null hypothesis (H_{01}) is rejected and the alternative hypothesis (H_{a1}) is accepted. In addition, the Pearson correlation between both variables is 0.211 for

financial satisfaction, where the correlation significant is 0.01 levels. The significant value is 0.000, which indicates that there is a strong relationship between IFP and Financial Satisfaction, thus, the null hypothesis (H_{01}) is rejected and the alternative hypothesis (H_{a1}) is accepted.

Finally, the Pearson correlation between both variables for attitude is 0.471, whereas the correlation significant is 0.01 levels. The significant value for attitude is 0.000, which indicates that there is a strong relationship between IFPA and attitude, thus, the null hypothesis (H_{01}) is rejected and the alternative hypothesis (H_{a1}) is accepted. In addition, the double stars (**) indicate that there is a significant relationship between the dependent variable and independent variables at confidence level of 99%.

4.8 Regression Analysis and hypothesis Testing

The regression model is summarised in Table 4.6, which shows the values of R and R^2 . R-squared is a statistical measure of how close the data is to the fitted regression line. It is also known as the coefficient of determination or the coefficient of multiple determination for multiple regression. The value of R explains simple correlation between dependent and all independent variables ($R = 0.891$), which indicates a good degree of correlation between the variables. R^2 is a determination coefficient indicates the goodness of the model. The higher value of R^2 does not necessarily mean goodness at all the

times but it depends on the objective of the study. Table 4.5 shows the values for R , R^2 , and adjusted R^2 .

Table 4.5 **Model Summary**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 ^a	.751	.743	.55908

a. Predictors: (Constant), Mean_ATT, Mean_FS, Mean_RLG, Mean_SI

b. Dependent Variable: Mean_IFA

It is observed that R^2 value is 0.751 ($R^2 = 0.743$), while the adjusted R^2 value is 0.743 (74.3%), which means one percentage change on the independent variables explains 74.3% variances on the dependent variable (Islamic financial planning awareness). Table 4.6 shows the ANOVA analysis of the regression model.

Table 4.6

ANOVA analysis of the regression model for the study.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.752	4	12.938	41.392	.000 ^b
	Residual	96.271	308	.313		
	Total	148.023	312			

a. Dependent Variable: Mean_IFA
b. Predictors: (Constant), Mean_ATT, Mean_FS, Mean_RLG, Mean_SI

A significant model was emerged using enter method, where $F(4, 308) = 41.292$, $p < 0.05$, and accounted for approximately 74% variance of Islamic

financial planning ($R^2 = 0.751$, Adjusted $R^2 = 0.743$). It seems that this model is fit for the data.

4.8.1 Regression Coefficients

Table 4.7 provides multiple regression coefficients for each predictor in the model.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Religiosity	.208	.079	.137	2.649	.008
Social Influence	.380	.056	.370	6.808	.000
Financial Satisfaction	-.056	.065	.044	-.856	.393
Attitude	.307	.062	.272	4.925	.000

a. Dependent Variable: Mean_I FA

Table 4.7 provides multiple regression coefficients for each predictor in the model.

Islamic financial planning has a relationship with social influence, attitude, and religiosity. The values are shown in Table 4.7. Religiosity with $B = 0.208$, $Beta = 0.137$, $t = 2.649$, where $p < 0.05$, social influence with $B = 0.380$, $Beta = 0.370$, $t = 6.808$, and $p < 0.05$, financial satisfaction with $B = -0.056$, $Beta = 0.044$, $t = -0.856$ and $p < 0.05$ and attitude with $B = 0.307$, $Beta = 0.272$, $t = 4.925$, $p < 0.05$ are shown.

4.8.2 Relationship between determinant factors and awareness of Islamic financial planning

According to Pearson correlation analysis, a positive significant relationship exists between Islamic financial planning awareness and independent variables (religiosity, social influence, financial satisfaction, and attitude). In other words, Pearson correlation analysis shows that there is a positive relationship association between Islamic financial planning awareness and all independent variables. Islamic financial planning awareness is positively correlated with religiosity ($r = 0.549, p < 0.01$). It was previously stated that Metwally (1996) and Metawa and Almosawi (1998) found a significant relationship between religiosity and Islamic banks whereas Erol and El-Bdour (1998) and Haron et al. (1994) differently argued religiosity and Islamic banks.

This study concludes that religiosity plays a very important role on awareness of Islamic financial planning, therefore this study supports Metwally (1996) and Metawa and Almosawi (1998) and confirmed that religiosity is one of the most important factors that Muslims choose in Islamic banking and related products. Any contributed reasons to negative relationship between Islamic banks and religiosity is rejected in this study. Social influence ($r = .268, p < 0.01$) was found to have a positive relationship with IFPA, hence, this study supports the previous studies of

Koposko (2010), who found that social influence has a positive relationship with financial planning.

Similarly, Amin et al. (2011) found social influence has a positive relationship with the intention to use Islamic personal financing. Regarding the financial satisfaction ($r = .469, p < 0.01$), this study found that there is a negative relationship between financial satisfaction and IFPA, thus, it contradicts the previous studies. Falahati et al. (2012) Grable and Joo (2004) found that financial satisfaction is positively related with financial behaviour. Finally, attitude ($r = .306, p < 0.01$) was found to have a significant relationship with IFPA, and the finding is confirmed by Fauziah et al. (2008), who found that attitude is positively related to Islamic banking products.

This study confirms a positive significant relationship between Islamic financial planning and independent variables (religiosity, social influence, and attitude), whereas , financial satisfaction was found insignificant and thus (Ha) was rejected. The finding indicates that the null hypothesis (H₀1, H₀2, H₀4) is rejected, while (H₀3) is accepted. The alternate hypothesis (Ha1, Ha2, Ha4) is however accepted and Ha3 is rejected. The following equation shows the multiple linear regression analysis:

$$y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$$

Where: γ = Islamic financial planning
 a = Intercepts (constant value)

β = Unstandardized beta coefficient

X_1 = Religiosity

X_2 = Social influence

X_3 = Financial satisfaction

X_4 = Attitude

As a result, IFP: $0.484 + X_1 0.137 + X_2 0.370 + X_3 - 0.044 + X_4 0.272$

Noted. ** Significant at the 0.01 level (2-tailed)

* Significant at the 0.05 level (2-tailed)

The above formula explains that when one unit of knowledge increases, the awareness of Islamic financial planning among UUM_COB postgraduate students increases with 0.484, while other variables remain the same. Religiosity, social influence, financial satisfaction, and attitude on the other hand, increases as 0.137, 0.370, -0.044, and 0.272 indicating that each of the independent variables increases without change of other variables.

4.9 Discussion

The purpose of the study was to measure the relationship between Islamic financial planning awareness and religiosity, social influence, financial satisfaction, and attitude and whether these independent variables have any positive or negative relationship with the dependent variable (Islamic financial planning awareness). Bashir et al. (2013) suggested that a positive relationship exists between religiosity and financial literacy and this study

also proved that religiosity has a positive relationship with Islamic financial planning awareness. Amin et al. (2011) found a positive relationship between social influence and Islamic personal financing and this study also confirmed that there is a positive relationship between social influence and Islamic financial planning awareness.

Financial satisfaction variable contradicts with the previous findings as Bashir et al. (2013) found a positive relationship between financial satisfaction and financial literacy. This study showed that there is a negative relationship between financial satisfaction, which different respondents might be the cause of the contradiction. Bashir et al. (2013) used customers of National Savings Centers of Pakistan (NSCP) as the respondents, while postgraduate students were used as the respondents in this study.

Lastly, Amin et al. (2011) found a positive relationship between attitude and Islamic personal financing and this study also confirmed that the attitude variable has a significant relationship with Islamic financial planning awareness. Religiosity was the key driver of Islamic financial planning awareness in this study with a mean of 3.9665 followed by religiosity, attitude, social influence, and financial satisfaction with mean value of 4.5614, 4.3504, 3.6882, and 3.6476, respectively.

The minimum and maximum value for each construct was 1 and 5, respectively. Based on multiple regression model, three independent

variables were found to have a significant relationship with the dependent variable (Islamic financial planning). The model shows that approximately 74% of variance of Islamic financial planning awareness ($R^2 = 0.751$, Adjusted $R^2 = 0.743$) is explained by the constructs of independent variables.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The purpose of this study was to examine the relationship between Islamic financial planning awareness and religiosity, social influence, financial satisfaction, and attitude. This study therefore used religiosity, social influence, financial satisfaction, and attitude as the independent variables, while Islamic financial planning awareness was used as the dependent variable. In addition, this research intended to examine the influence of UUM-COB postgraduates on the independent variables and awareness of the dependent variable (Islamic financial planning), which was adopted by the items from Amin et al. (2011) and Bashir et al. (2013).

This study has been conducted in Universiti Utara Malaysia, Sintok for several reasons. First, the COB postgraduates were most suitable to answer the questionnaire in order to get their level of awareness on Islamic financial planning. Secondly, the environment was appropriate and knowledge-centered, where everyone was familiar with the questionnaire and understands the questions. The time limitation and the cost were among the reasons that this location was chosen as the study area. The random sampling

was selected by randomly distributing 370 questionnaires among UUM-COB postgraduates within two weeks.

A total number of 313 questionnaires were collected and used for analysis to conduct the descriptive analysis, correlation analysis and regression analysis and to test the hypothesis and analyse the results. The study indicates a strong relationship between religiosity and Islamic financial planning awareness followed by attitude, social influence, and financial satisfaction. Regression analysis showed that religiosity, attitude, social influence, and financial satisfaction were found to have a significant relationship with Islamic financial planning. Based on this study, religiosity as the independent variable is ranked to have the highest relationship with Islamic financial planning.

In addition to the main objective, this study revealed that there is an awareness among UUM-COB postgraduate students and they are well informed about Islamic financial planning. Most of the respondents were faithful, spritual, and religious people, who tended to show their faithfulness to fill in the items testing the religiosity as the highest. The findings of this study indicate a significant association between the independent variables, which significantly influence the dependent variable and report that the UUM-COB students are well awared and informed about Islamic financial planning and its roles among the individuals and society at a larger picture.

Hence, UUM-COB students showed that their education level is well appreciated as long as they grasp the seeds that the university has been planted.

5.2 Implication of the study

This study provides a theoretical, political, and practical implication to help the Malaysian universities locally and worldwide to follow footsteps of creating knowledgeable students with ideas in important areas of life such as knowing how to plan their daily, weekly, monthly and yearly financial plans.

5.2.1 Theoretical implications

This study provides a room for researches in Islamic financial planning and an opportunity for Muslim society to provide a research for their fellow Muslims and to share the reward in the hereafter. In addition, the theoretical implications of this research contribute in the relationship between UUM-COB postgraduate students' awareness of religiosity, social influence, financial satisfaction, attitude and Islamic financial planning. This study shows that UUM-COB postgraduate students are well aware of Islamic financial planning existence and therefore contributes to the literature of the relationship between UUM-COB postgraduate students' awareness and Islamic financial planning. Besides, this study also contributes to the

validated new instruments in Islamic financial planning awareness with literature review and supports the the most suitable instruments for this research.

5.2.2 Political implications

This study may help Malaysian government in planning process to help the industry and by providing the importance of Islamic financial planning awareness as the majority of the population in Malaysia is Muslims. Furthermore, this study fills the gap between Muslims and their financial planning perspective by providing verses and hadiths encouraging them to plan before they make any small or big decisions. The findings of the study confirm that the religiosity has a positive relationship with the Islamic financial planning awareness as Weaver and Agle (2002) conducted a research to examine the relationship between religiosity and ethical behavior and found that religiosity has an effect on the moral performance of people. The research however provided important data to the academicians and universities' administrators, and it suggested to continue to teach university students especially postgraduate students to be well alert on their basic financial planning in Islamic perspective.

5.2.3 Practical implication

The findings of this study help academicians and financial planners to know that this framework of religiosity, social influence, financial satisfaction, and attitude are instruments that have impact on the financial planning especially Islamic financial planning. Firstly, the higher the religiosity level of the person is, the more likely that person invests Shariah compliant products and therefore he approaches Islamic financial planner rather than non-Islamic financial planner Secondly, this study shows that social influence and attitude have a positive relationship with Islamic financial planning awareness, whereas financial satisfaction is found to have a negative relationship with the IFPA.

5.3 Recommendations

Based on the finding of the study, the following recommendations are provided for further researches. Lots of suggestions and recommendations were received from the respondents, which are attached in Appendix I. In addition, it is suggested to continue creating knowledgeable students with knowledge, skills, and experience of Islamic financial planning in any field of education, Medicine, Engineering, Information Technology, Political science or Commerce. Each of these major fields in knowledge creates money and students need to manage, allocate, and invest the right stocks or

diversify the best portfolio based on their different tape of hobby (risk appetite). This study therefore recommends to build a comprehensive framework that helps all of these fields.

5.4 Suggestion for Future Researches

Scope of this study was only limited to examine the relationship between religiosity, social influence, financial satisfaction, and attitude with Islamic financial planning awareness. Thus, it is suggested to carry out the research in the related fields with larger resources like articles, books, journals or even papers related to Islamic financial planning or financial planning. In particular, the study was restricted to University Utara Malaysia and the future research can be expanded to test the broader area in order to create awareness not only for Muslims but also non-Muslims and to take this change as a form of da'wa (spreading Islamic knowledge).

Moreover, there are lots of improvement to be done in terms of writing book and article in order to ease Islamic financial planning in comparison with conventional financial planning.

6.0 References

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