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**ANTECEDENTS OF THE EDUCATIONAL LOAN
REPAYMENT AMONG THE POLIMAS STUDENTS**



NUR DIYANA BINTI ZAMRO

UUM
Universiti Utara Malaysia

MASTER OF SCIENCES (INTERNATIONAL ACCOUNTING)
UNIVERSITY UTARA MALAYSIA
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**ANTECEDENTS OF THE EDUCATIONAL LOAN REPAYMENT AMONG
THE POLIMAS STUDENTS**



By
NUR DIYANA BINTI ZAMRO

UUM
Universiti Utara Malaysia

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(International Accounting)**



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Tunku Puteri Intan Safinaz
TUNKU PUTERI INTAN SAFINAZ
SCHOOL OF ACCOUNTANCY
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ABSTRACT

Rising in the Malaysian cost of living, as well as the government constraint in providing sufficient aid together with the narrow performance of PTPTN repayment collection, called for the citizen to make saving for future education. Various plan and strategies proposed by the government to manage the overspending issues, however, the results found to end up with the more desperate condition. Concerns with these, this study, therefore determining the significant antecedents which encouraging the intention of educational loan repayment. Few arguments raised in accordance to problem centered within the current debated issues. For that intensifies, this study contributes 400 questionnaires to POLIMAS student, which subsequently provided by the 327 valid's and reliable responses. Resulted, all the proposed antecedents found to significantly related to the educational loan repayment. The parental socialization is found to be most influential. Overall, this study manages to fulfill the targeted objectives. Nevertheless, there were some important issues regarding the limitation in sample size, the constraint of the literature review as well as the cost and time constraints. Future study is recommended to investigate the other significant antecedents related to the government and managerial practice policy and strategy.

Keywords: *repayment, students, parents, social media, saving, financial, literacy, efficacy*

ABSTRAK

Kos sara hidup yang kian meningkat di kalangan rakyat Malaysia, kekurangan sumber pendapatan oleh kerajaan berikutan kegawatan ekonomi dunia telah mengundang kepada pelbagai isu dan salah satunya adalah berikutan kepada kekangan pembayaran balik pinjaman pelajaran. Berikutan dengan itu, pihak kerajaan menyeru kepada sikap menabung untuk pendidikan masa hadapan di samping memperkenalkan pelbagai namun menimbulkan kebuntuan. Terkesan dengan isu berbangkit, kajian ini dijalankan bagi menyalurkan alternatif alternatif yang dapat dimanfaatkan dan oleh itu, kajian ini dijalankan untuk mengenalpasti facto-faktor yang signifikasi dengan niat untuk membayar pinjaman pendidikan. Kajian ini memperlihatkan masalah berkaitan dengan lebih jelas melalui kaji selidik yang dijalankan ke atas 400 orang pelajar Polimas, dan hasilnya 327 respon dikenalpasti sah dan boleh dipercayai. Hasilnya, kajian ini mendapati faktor seperti sikap menabung serta pengaruh media sosial dapat dimanfaatkan dalam melahirkan niat untuk mematuhi pembayaran balik pinjaman pendidikan. Walau bagaimanapun, terdapat beberapa isu-isu penting mengenai had saiz sampel, kekangan kajian literatur dan juga kekangan kos dan masa. kajian masa depan adalah disyorkan untuk menyiasat latar belakang penting lain yang berkaitan dengan kerajaan dan dasar amalan pengurusan dan strategi.

Kata kunci: pembayaran balik, pelajar, ibu bapa, media sosial, menabung, kewangan, literasi, keberkesanan diri

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This study has visualized the real condition of the Malaysian educational loan issues which subsequently encouraging the researchers to identify the antecedents of educational loan repayment. As the beginning section, this section comprises of nine subsequent sub-sections which are the development of Malaysian higher education funding system followed by statement of research problem. This section later, proposing the research questions which driven to proposition of the research objectives. Next, the significant contribution of this study is expressed together with the research's term determination proposed. Lastly, the organization of the remaining chapters depicted for overall view of this study proposes and aims.

1.1 The Development of Malaysian Higher Education Funding Scheme

Prior to Malaysian inflation crisis in the late 1990s, the government of Malaysia generously granted the scholarships for higher education students. However, the implementation of this grant is not really in fairness. Stated in the New Economic Plan of Malaysia (1971 to 1990), Malaysia's education system, particularly the HES found to barriers in many perspectives even though for the strong qualifications. These barriers is accordance with the ethnicity-quota policy, which exercised in the manner of limiting the access among non-*Bumiputera*, typically to the Chinese and Indian ethnic. Highlighted, during 1980, the majority of Malaysian students in abroad are the Malays students (51.2%), which also granted for the government scholarships. However, the majority rate of Malays shrinks during 1983, positioning the Chinese as the majority of the total population, followed by Malays and India.

The primary statistically breakdown shows that that the Chinese students at 63.3%, Malays, 18.9% and Indian, 15%. At that moment, overseas students of Malays are granted with the scholarships, while the Chinese and Indian are most is self-funded (Raman & Sua, 2010).

Subsequently, this special grants, in fact, led the government to the massive growth in the government spending reflecting that the government overspending in HES has actually alarming since the 1980s. Moreover, in the course of the 5th Malaysian Plan (1981-1985), the government of Malaysia also estimated for bearing the cost of currency conversion approximately at RM1.2 billion. Hence, the great deficit in the government funding, as well as constraint in manpower skill, drives the government to considers the privatization of higher education learning institutions (HLIs) (Aziz, Yusof, Johari, Ramli, & Sabri, 2014; Meek & Leahy, 2012; Raman & Sua, 2010).

Despite, the rebounding spending in public HLIs, while Malaysia is vulnerable to the effect of the Asian economic recession in 1997 eventually enforced the Malaysian government towards practicing the system of cost-sharing. Also, the government of Malaysia shifted the partial loan scheme of *Majlis Amanah Rakyat* (MARA) into 100% loan except for the scheme of excellent students (Portnoi, Rust, & S., 2010).

On the other hand, the government of Malaysia forms the National of Higher Education Corporation (NHEFC) or PTPTN as the efforts to deal with the crisis pressures. This formation aims at striking the government constraint in providing sufficient income for HES. PTPTN offers loans subsidized by the government, helping the HLIs students in affording the enrolment's cost. Moreover, this PTPTN formation apparently to persistently the funding scheme for helping the Malays

students in pursuing study so that the composition of targeted ethnic remain in the application (Anisah & Shukran, 2011; Raman & Sua, 2010). PTPTN has generously contributed the HLIs with a large portion of the overall total fund. It's open to all HLIs students (under the age 45), part time (only for private HLIs students) and full-time students, from Diploma level to the level of Doctor of Philosophy (Ph.D.). The provision of the loan is either fully or partially afford the student's enrolment cost and expenditure which 100% axis on the level of parents' income, plus only subjected to the student whose taking the course that are accredited by Malaysia Quality Assurance (MQA) (Ismail & Hamid, 2015; Ministry of Education Malaysia, 2015a). **Table 1-1** indicates the annual amount gives to higher education students since the formation of the PTPTN. Every year, the PTPTN loan increase in the total funding as the total demand increases in the subsequent year (Ali et al. 2015).

Table 1-1 :
PTPTN Annual Contribution to Students

Year	Total Contribution	Total Students' Received
1997	219,040,509.99	11,279
1998	398,468,068.89	17,223
1999	1,802,509,439.35	85,429
2000	1,757,007,297.47	86,441
2001	2,118,211,676.59	98,940
2002	1,960,257,918.49	97,854
2003	1,853,100,988.79	108,654
2004	2,267,232,118.50	118,114
2005	2,762,966,600.40	142,205
2006	3,221,737,033.83	130,323
2007	3,897,455,103.20	60,585
2008	4,035,835,015.84	103,549
2009	5,109,482,028.94	166,272
2010	6,039,472,929.20	215,539
2011	5,518,255,102.78	207,963
2012	5,128,968,167.74	240,000
2013	5,140,000,000.00	200,000
Aug-14	3,060,000,000.00	120,000

The PTPTN eligibility criteria one of which is formally based on student's citizenship, however, the recent phenomena has shown that PTPTN remained in practicing the quota policy of student's ethnicity. In April 2010, PTPTN allocated the fund where statistic indicates 70% were Malay's students. While for the students of Chinese, Indian and other ethnic, the results indicate respectively at 18%, 5%, and 7%. Primarily, the objective of PTPTN formation is to support the Malaysian citizens in pursuing the study into higher learning level but since 2001, PTPTN spending income increased over the private HLIs students. Most of this spending is found to fund most of the Malays students who's studying at the private HLIs that is under the Malay's ownerships. Summarizing, this PTPTN formation is actually to essentially play a role that sustaining the Malays' main proposition and conition. Resulted, during the year of 2002, it is estimated that about the 186 public HLIs is owned by the Malays ethnic and 90% of the total enrolment in accounting program is also Malay or *Bumiputera* students (Lee, 2014).

Accordingly, the Malaysia's ministry of higher education, as well as the other private and statutory bodies also indispensable played a role in providing fund (loan or scholarship) to universities students. However, students are only allowed to either receive the scholarship or the loan because these two financial aids distinct by the rules and regulations. Students who received loan were subject to repayment obligation while the scholarship is either bonded the students with or nor specific jobs after graduate. Moreover, the eligibility of application also distinct due to business nature; loans generally offered in due to income level and scholarship is up to academic achievement (Ali et al., 2015; Educational Review, 2015).

So far, HLI's income is most contributed by the government spending. Approximately, 90% of HLI's fund is derived from the government provision and the

remaining is thru students and tuition fees (BERNAMA, 2012a; Norhayati, 2015). Subsequently to the recent economic condition, the government of Malaysia to revising the spending expenditure for HLIs (reduce the budget cost), increase the total enrolments from both of local and foreign students, aiming for the Malaysia as an international hub of higher educational preferences. All these strategies plan convinced by the likelihood to increase in subsequent generating of the public income, encourages the competitive environment which later increase the overall total of HLI's quality (Economic Transformation Programme: A Roadmap For Malaysia., 2010; International Consultants for Education and Fairs, 2015). Overall interpretation has shown that the government of Malaysia is, in fact, struggling in achieving the aims while the budget is in constraints.

1.2 Problem Statement

According to Lebeau, Stumpf, Brown, Lucchesi, & Kwiek (2012), the HLIs of most countries across the world experiencing the effect of the global economic crisis. Previous research proves some Asian countries are facing the pressure due to the global economic downturn. Countries such as Thailand, Malaysia, and the Philippines faced challenges in developing the national HES. These countries were found to be constrained in providing sufficient funds (Postiglione, 2011). Another literature also indicates the pressures encountered by developed country. Nomura & Abe (2010) investigates the challenges faced by Japan higher HES. The research reveals the consequences towards the reduction of funds, which increase the social demand and decline in student's enrolments.

Notably, the sustainability of the government of Malaysia in allocating funds to the development of HES is most debated among Malaysians. Take after the recent global economic turbulent, the government of Malaysia faced the deficit in their

annual expenditure and income, also with the depreciating of Malaysian currency (Aziz et al., 2014). The PTPTN funding source also faced to definite over the reduction of repayment income due to the risen of defaults while the demand is massively increasing. According to Malaysia's Minister of Education in 2010, from the total of 412, 245 of the PTPTN defaulters, 328,550 defaulters are among the Malays, followed by the Chinese (55,445) and the Indian (28,250) (Kassim, 2013). To date, 1.25 million of the PTPTN defaulters are currently listed under the Central Credit Reference Information System (CCRIS) (BERNAMA, 2016). Consequently, many of the attempts have been proposed, such in 2010, the PTPTN generously announced for loan forgiveness by shifting the loan scheme to 100%scholarships. This shipment however only eligible to first class honours of bachelor's degree and as a results, 72.8% of the recipients is found to be amongst the Chinese students, whereas the Malay and the Indian , as well as the other ethnics, is approximately rated at 22.2%, 3.8%, and 1.2% (BERNAMA, 2012b). Otherwise, the discounting plan, as well as the strictness of the defaulter's penalties, is found in embarrassingly the overall collection of repayment (PTPTN website, 2014).

With regard to the above discussion, this study argues the relevant of today's implementation of the ethnicity-based quota policy. This study concerns the probability that the future Malays graduates end up with huge debt compared to the other ethnic's graduates. In addition, the statistical results prove that the lowest household income earners are the Malays, while the Chinese keep to be the higher earner even though they are lack in financial aids provision (The Department of Statistic, 2014) (see **Appendix A**). Moreover, the Chinese citizens recently are also reported to conquer most of the Malaysia's important sectors such as the education sector and the economy sector (BERNAMA, 2012b; Kassim, 2013).

The high rate of the PTPTN defaulter is no doubt to disputable and this obviously impels the PTPTN towards the shortage of funds issue. In review, the total of fund disbursement is far from the total repaid, which subsequently acquired the government to injects the additional source of RM5 billion per year (Hoh, 2015). Briefly, **Figure 1.1** shows the 10 years performance of the PTPTN repayment's collection. Notably, PTPTN is persistently decline in performing the collection of repayment. As the Malaysian government also constraint in the overall income spending, this study concerns the continuity of the PTPTN in future operations. This study, therefore, argues the probability of the future generation to fully self-funding their enrolment in HLI. This likelihood might able to cause the total enrolments of HLIs to the discrepancy, especially among the Malays young adults.

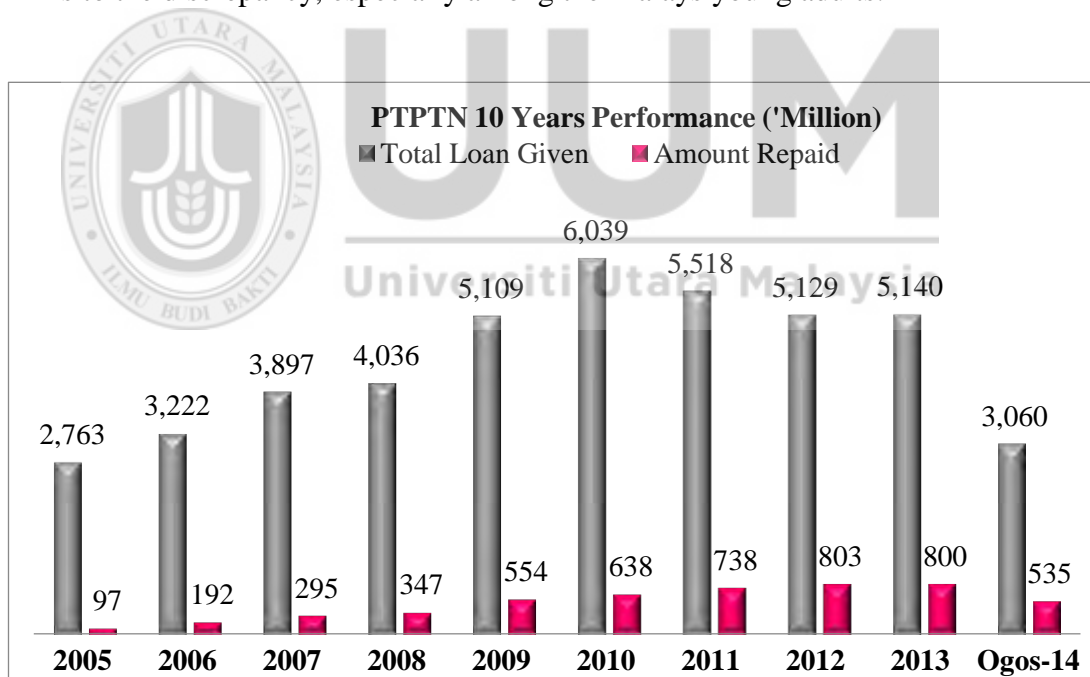


Figure 1-1:
PTPTN Performance in Provision of Fund and Collecting the Repayment (Ali, Ismail, & Bakri 2015).

Related, previous study has indicated that there is a niche opinion regarding the PTPTN repayment among Malaysia private higher education students. According to Zainal & Ismail (2012), the repayment of PTPTN is ranked at a low level when passing into the consideration of allocating the student's personal monthly expenditure. To date, amongst the HLI's graduate, the polytechnic institution (PI) graduate is found to be as the most unemployable graduates. The finding reveals that the PI students struggling for having a job. The statistical finding shows that the PI graduate is one and foremost jobless for over 6 months. This is expected when the results also show a low rate of the PI graduate to be employed for less than 3 months since they are graduated (Ministry of Education Malaysia, 2015a). Essentially, the government of Malaysia has currently put high efforts promoting the TVET's enrolments as well as upgrading the standards and the total establishment of TVET's institutions (National Higher Education Strategic Plan (NHEP) in 2020). According to the Malaysia's Prime Minister, 650,000 enrolments is targeting for TVET institution by the year of 2025 and 10 more community college will be formed (Ministry of Education Malaysia, 2015b). So far, Malaysia is already have 128 TVETs institutions with total enrolments of 114, 598 (Hamisah, 2015). In line with that, this study argues the capability of the government to provide the sufficient market jobs in the future. Therefore, overseeing the probability of the subsequent issue, this study is motivated to conduct an investigation that might drive to comprehensively identify the issue from the perspectives of the Polytechnics students as the Polytechnics is part of the TVETs programs.

According to Marino (2015), providing loans to the person whose may inevitably to pay back is something that is too much and will eventually hit the economic growth. Andrew (2010) claims that rising in UK educational loan is one of

the factors liable to the reduction of homeownership rate among young adult. Besides, Elboghday (2014) raise concern over the ability of a young adult to buy the first house. The study argues that rising educational debt while a reduction in wages for a fresh graduate is possibly is part of the reason for slipped home purchases. In line with that argument, this study concerns the relevant of the PTPTN rules and regulations, which solely based on the student's parents' income level.

Kaylene & Carolline, (2011) suggesting fives important ingredients to motivates the young adults. Those five ingredients consist of the students themselves, followed by the teachers, the content, the process as well as the environment. These five ingredients contain the need to comprehensively and continuity in educational plan (students), requires specific skills, knowledge and understanding the students characteristics (teacher), the need for the young adult to feel connected, novelty and fully and truly utilizes with technology and information like Facebook, Twitter, YouTube (content), the important to provides the encouragement, the reinforcement, and the visualization thru the storytelling (method) and lastly the young adult also found to be motivated by the empowerment, emotionally literates with the environment, distance and online learning (environment).

Subsequently, during the launching of the education blueprint, the Malaysia's Higher Education Minister, Datuk Seri Idris bin Jusoh is interviewed, to look for ideas regarding the reducing crisis tapped in our HES. One of which, the minister has suggested for the Malaysian citizen to make early saving for future education investment (Williams, 2015). Additionally, during the year of 2012, PTPTN has introduced the *Skim Simpanan Pendidikan Nasional (SSPN-i)*, a saving scheme designed for Malaysia higher education. Students who which to apply for PTPTN are

required to have this account with a minimum deposit as required by PTPTN (PTPTN website, 2012).

Motivating people to start saving for the future education of children is probably able to support the government in cutting the HLIs budget (Anisah & Shukran, 2011). According to Adam Davidson (2011), parents that have a lack of college saving matters in students access problematic. Also, there is investigation considering the Malaysian HLI's students towards performing the saving attitude and the study found a narrow rate in the performance of this attitude. In fact, some of them are found to still receiving the pocket money from the parents (Salikin, Wahab, Zakaria, Masruki, & Nordin, 2013).

Particularly, most of the previous studies about financial behavioural are found to denominating by the investigation to reveals the role of financial education towards influencing the financial behaviour as well as the financial knowledge (Batty, Collins, & Odders-White, 2015; Bucks & Karen Pence, 2006). However, some of them argue that the role of educating is not really easy to executes because the human being is complex and it might be challenging for sustaining the behaviour, primarily when it was related to the young adult (Lusardi & Mitchell, 2014; Willis, 2011).

Timkey (2015) indicates the roles played by the parent, which is highly important in personalizing the children's attitude. Other related studies also agree that the parents are the most influential person in shaping the children's personal finance behaviour, and therefore, parents should be the children personal main role model (Cude et al., 2006; Sam, Geetha, & Mohidin, 2012; Webley & Nyhus, 2006).

By taking these into consideration, this study, therefore, investigates the importants of saving attitudes as well as the parental influence towards promoting the

intention of educational loan repayments. This study also considers three other significant antecedents, which are the influential of the social media, the financial literacy as well as the financial self efficacy. Associating to that explanation, the following research's questions is proposed and the conjunctioning the proposal of the subsequent research objectives or aims.

1.3 Research Questions

1. Is the saving attitude related to the intention of educational loan repayment?
2. Is the parental socialization related to the intention of educational loan repayment?
3. Is the influential of social media related to the intention of educational loan repayment?
4. Is the financial literacy related to the intention of educational loan repayment?
5. Is the financial self-efficacy related to the intention of educational loan repayment?

1.4 Research Objectives

1. To determine whether the saving attitudes is related to the intention of educational loan repayment,
2. To determine whether the parental socialization is related to the intention of educational loan repayment,
3. To determine whether the influential of social media is related to the intention of educational loan repayment,
4. To determine whether the financial literacy is related to the intention of educational loan repayment,
5. To determine whether the financial self-efficacy is related to the intention of educational loan repayment.

1.5 Significant of the Study

1.5.1 Management Contribution

This study will eventually provide the comprehensiveness of student's perception regarding the PTPTN loan repayment as well as able to indicate the consequence intention to comply with the repayment's rules and regulation. In conjunction with this finding, the researcher is expected to indicate the following contribution:

1. Helping the government as well as the PTPTN management to revised the related rules and regulation to fit with the real circumstances.
2. Capable the government and the PTPTN management towards an effective solution and plans thru the provision of the actual and crucial views.
3. Promoting public awareness regarding the important of saving for education investment.

1.5.2 Theoretical Contribution

Study regarding educational loan has long years been discussed but the issues remains into the discussion among academicals researchers. As such, this study is intended to also provide some significant extensions for previous findings and suggestions. In tandem to this target, the following discussion expresses the related theoretical contribution of this study.

1. To the best of researcher's knowledge, this is the initial attempts that considering the Polytechnic students as the research respondents.
2. Today, people around the world were depressed by the reduction of spending, while the living cost increases over the years. Moreover, due to the advancement of technology, people nowadays tend to go for viral information which later rose for the substantial controversy. Associated, this different environment, and the

phenomenon are hoped to be able to provide different results and implications which consequently will extend the recent findings.

3. Previous studies determining the intention of repayment without considering the need effects of the loan's rules and regulation, this study in fact defining the intention of repayment by considering that the students fully agree and understanding all the rules and regulations regarding the repayments such as the interest effects and optional (Aziz et al., 2014; Hamisah, 2015; Wan, Sirat, & Razak, 2015)

Studies on the influential of the social media in promoting the people's awareness are widely discussed in the context of Theory of Planned Behaviour (TPB), but to the best of the researcher knowledge, the application of TPB into investigating the influential of social media in educational loan perspective seems unusual. Also, studies of educational loan seem to have a lack of consideration regarding the application of self-efficacy (a theory proposed by Bandura, 1977) into the TPB perspectives. Instead, this study's has put into consideration to test the significant application of self-efficacy towards the determinant of the TPB control belief component.

1.6 Definition of the Terms

The following table explain the definition of the term uses in this study proposal. That term is defined based on the previous suggestions but has been counterpart with the study's nature and condition discussed

Table 1-2:

Definition of Terms

Variable Term	Definition	Author
Parental Socialization	The parent's upbringing lesson style of the students regarding the personal financial management as well as the future investment plan.	Brim, (1996); McNeal, (1987); Moschis (1981); Franzoi (2006)
The Influential Social Media	Reflecting the students' engagement with the recent tool of social media as a method for obtaining knowledge, information, warning, advice, awareness etc.	Kaplan & Haelein (2010); Shijders & Helms (2014); Romero & Huberman (2011); Hillmann & Trier (2013)
Financial Literacy	Student's level of knowledge regarding the rules and regulation of PTPTN in term of application eligibility as well as the repayment's rules and regulations	Fox, et. al (2005); Burkhalter (2005); Gharna & Fogue (2006)
Financial Self-Efficacy	Student's perception of the ability to perform the saving attitude as for compliances with PTPTN repayment.	Bandura (1977); Dietz, et.al (2003); Gore & Bracken; Hunne & Gutteling (2005); Kievik & Gutteling (2011); Ajzen, (2002;1991); Armitage & Conner (2001;1998)
Attitude	Student preference for saving as future investment	Denton, Fretz & Spencer (2011)
Intention	Student intention regarding the PTPTN repayment as reflected by the saving behavior	Ajzen (1991); Ganesan (2012)

1.7 Organization of Remaining Chapters

The organization of chapter 1 and the remaining chapter of this study is described as follows.

Chapter 1-Introduction summarizes the overall study and covers the background of the study; research problem; research questions and research objective; contribution to theory and industry; research scope or area; and definition of variables/key terms. In the final section, the structure of this paper is presented.

Chapter 2-Literature Review: All variable proposed in the study framework is reviewed on and defined as suggested by previous researchers. The variable is described as accordance to this study nature and design. Study questions and aim also took into consideration in defining the variables. Theory supported to this study design and concept is explained so that the proposal of this study framework is fairly and logically proposed.

Chapter 3-Research model and hypothesis: the development of hypotheses is highlighted with previous literature. This study proposed the hypothesis in the manner of consistent with the previous finding. The discussion is separated from the previous chapter due to different nature of chapter designed. Chapter 2 discusses the nature and characteristic of the variables, whereas Chapter 3 discusses the interrelation between the variables.

Chapter 4-Research Design and Methodology explains the process includes in designing the study structures. Elements that are vital to this process is viewed and briefly explained.

Chapter 5-Results and Finding: the outcome for the data analysed is proposed and depicted with the significant interpretation that consistent with previous suggestions.

Chapter 6-Conclusion and Recommendations: overall finding is concluded and justifying with the research questions and the research aims. Attached is an implication as well as the recommendations as a direction for future research to be conducted.



CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter expands the discussion on the study background for more and clearly determinants the research problem and aims. Then, the discussion for defining the variables is justified with previous literature so that the logical and the rationality of the researcher's consideration is ultimately utilized. The theory underlines for this study is subsequently explains for best describe the overall condition and the study nature.

2.1 The Landscaping of Malaysian Higher Education Sector

The initial foundation of Malaysian HLIs begins five year after the independence of the country due to the establishment of University Malaya (Wan et al., 2015). By that time, Malaysian higher education sector is fully monopolized by the government, principally in term of budget provision. In early of 1985, the Malaysia's former Prime Minister, Dr. Mahathir bin Mohamad has issuance for the privatisation of higher education. This coherently due to improves the government loopholes through private's profit seeking, also to successfully accomplish the National Economic Plan (NEP) regarding for snowballing the rate of business ownership amongst *Bumiputera* (Sato, 2005).

The current government of Malaysia landscaping the HES based on Education for All (EFA) framework. The framework is regulated under several rules and goals which one of by anchored towards attaining the internationally recognized standard level particularly in education system quality and system provision. Moreover, EFA also plays a vital role in supporting the government's efforts in

providing an equal access for education to citizens (Ministry of Education Malaysia, 2015c).

EFA positively promoting the transformation of the HES towards achieving the marketable quality of the Malaysian graduates. Notably, Malaysia is reported at an enormous rate regarding the unemployment of graduate. The issue points up to over the lack of appropriate knowledge and skills as required by market job (Hanapi & Safarin, 2014). For that reason, it is rational for the Malaysian government to keep tracking the strategy proposed by EFA in order to fill this initial existence gap through improving the quality of the graduate's outcomes.

In tandem with the above aims, the government of Malaysia executes the goal through technical and vocational education learning (TVET) programs (Educational Review, 2015). At this time, Malaysia has allocated for 7.7% from its national budget for higher education and training. Remarkably, Malaysia is actually far most allocated when compared to countries like Japan (1%), Korea (3.9%), Indonesia (3.1%), Thailand (3%) and Singapore (6.4%). Malaysia is aiming to more than double up the total enrolment of TVET students in the year of 2025 (Anis, 2015).

Also in line with the EFA strategy, the government of Malaysia is taking another step by implementing the education blueprint. The objective is to point up the extent of the government's commitment to providing a quality education to all citizens. Government catalysed the blueprint as for Malaysian citizens to recognize the government efforts in the course of attaining the significant level in higher education development. The blueprint will be updated in accordance with the government efforts and achievements years ahead (International Consultants for Education and Fairs, 2015).

For instance, for about 90% of Malaysian private HLIs fund derived from the government's and the remaining is from student's fee (Ali et al., 2015; BERNAMA, 2012a). As of 2016, the Malaysia's Prime Minister announced the relevant plan during the presentation of Malaysian Budget (Ministry of Finance Malaysia, 2016). The proportion of education sector is allocated as described in **Figure 2.1** Overall, the budget allocated for education sector predominantly spent for developing the HES.



Malaysian 2016 Budget Spread for Education Program

Education Quality	Higher Education Strengthening	TVET
<ul style="list-style-type: none"> • As plan in Malaysia Blueprint 2013-2025 (RM 41.3 bill) • Pre-school program execution (RM 44.6 mil) • Language proficiencies (RM 135 mil) • International English Program (RM 350 mil) • E-Kasih Program (RM 423 mil) • National school development (RM 500 mil) 	<ul style="list-style-type: none"> • Scholarship incentives : <ul style="list-style-type: none"> i. Public Service Department (RM 1.65 bill) ii. Ministry of Education (RM 288 mil) iii. Ministry of Health (RM 258 mil) • Tax relief for tuition fee increase for RM 2,000 • Book Voucher (RM 300 mil) 	<ul style="list-style-type: none"> • TVET institution development (RM 4.8 bill) • TVET training program (polytechnics, community colleges, IKM, IKBN,ILP, GiatMara and vocational college) (RM 585 mil) • Establishment of TVET Tourism Academy (RM 80 mil) • Various of TVET training and programs (RM 350 mil)

Figure 2-1:
Budget Allocation for Education System Development for 2016

To date, one of the Malaysian HLI ranked among the Global Top 200 and the other five are ranked at Asian Top 100 (Ministry of Education Malaysia, 2015b). Additional, Malaysia also reported to increase in the number of international student enrolment by 114,653 students, comprises students at undergraduate (85,194) and post-graduate level (29, 459) (Hamisah, 2015). **Table 2-1** initiated Malaysia current's total of HLIs as well as the total of student's enrolment.

Table 2-1:

Total of Malaysian Higher Learning Institutions as at 2015

Institutions	Total of Institutions	Total Enrolments
Public universities	20	566,266
Private universities	513	608,378
Polytechnics	34	96,069
Community colleges	94	18,529

Source: Hamisah, (2015)

2.2 The Impact of the Economic Downturn towards Higher Education Sector in Various Countries

Briefly, Meek & Leah (2012) combined the experienced from various countries when dealing with the effect of economic crisis towards the education system. The results indicate the major challenges experienced and reveals the subsequent initiatives planned by the government as the efforts to deals with the crisis pressures. Resulted, the crisis outcome varied across the countries. This is distinct due to how the government responded towards the pressures. In term of HLI's funding, the government has considered three kinds of initiatives optional; reducing the HLI's funding or increased the HLI's funding or remain the status quo. Details information are as depicted in **Table 2-2**.

Table 2-2:

International Comparison on the Impact of Economic Crisis on the Higher Education System

Countries	Implication	Government Initiatives Plan	Challenge in Implementation
China	<ol style="list-style-type: none"> 1. Reduction in government's funding and endowments 2. Reduction in market value of universities' endowment fund 	<ol style="list-style-type: none"> 1. Matching private donation's policy 2. Shifted from medium to long term plan 3. Increasing of tuition fee 	<ol style="list-style-type: none"> 1. Provision of HLIs' high quality 2. Improves the equality access
Japan	<ol style="list-style-type: none"> 1. Slightly decrease in funding, enrolments and graduate employment 	<ol style="list-style-type: none"> 1. No subsequent plan required (No major changes) 	Not in the implication
Korea	<ol style="list-style-type: none"> 1. Minimal impact 	<ol style="list-style-type: none"> 1. Restriction in tuition fee due to the reduction of household income 	Not in the implication
Malaysia	<ol style="list-style-type: none"> 1. Cost of expenditure increase in 2008 (21%) and 2009 (18.7%) 2. Reduction in expenditure in 2010 3. Reduce in staff recruitment and travel 4. Increase enrolment in public HLIs 5. Decline in private HLIs enrolments 6. Delays some of the development project 	<ol style="list-style-type: none"> 1. Improves HLI's facilities: scholarships, additional of TVETs institutions 2. Funds injection for executing the NHESP 2020: MyBrain 	<ol style="list-style-type: none"> 1. Executing the culture excellence environment 2. Improves access and the source of funding for HLIs
New Zealand	Over-enrolled	<ol style="list-style-type: none"> 1. Increase in price of enrolments 2. Tighter eligibility for students support 	Not in the implication
Philippines	<ol style="list-style-type: none"> 1. Funding reduction 2. Increase in number of HLIs and the course programs 3. Narrow in enrolment rate 	<ol style="list-style-type: none"> 1. Labor market information system 2. Private HLIs students shifted to public HLIs 3. Focuses on the crucial programs (meet the industry requirement) 	<ol style="list-style-type: none"> 1. Increase the student enrolment in crucial course 2. Promoting HLIs for additional of crucial course programs
Thailand	<ol style="list-style-type: none"> 1. Reduction in HLI's endowment value 2. Reduction in endowment provision 3. Delays in promised donations' provision 	<ol style="list-style-type: none"> 1. Administrative systems strengthening 2. Quality enhancement 	<ol style="list-style-type: none"> 1. Difficulty in transformation due to complex political structure

Source: Meek & Leahy (2012)

Overall, those countries are different within the degrees of their hardship's but no longer facing the pressures with HES overall impacts. In fact, some countries enjoy towards gaining the benefit effect. Furthermore, the overall finding also indicates the clear determinant on the vital roles played by HES towards encouraging the economic growth. This *HES* is vitally contributable in structuring the knowledge economy and society framework. This finding is similar with Varghese (2001) suggesting that the imperative of the HES in fighting the economic crisis. Still, this internationalizing of HLIs existed into few important challenges; such as to provides the HLIs with an international standard quality, together with to assemble the excellence culture environments.

2.3 Overview on Global Educational Loan

According to Shen & Ziderman (2009), 70 countries all over the world is found to has implemented the educational loan scheme. The formation of this scheme is for helping and opening the opportunity for the students to pursue study in higher learning level. However, the policy of loan for each country differs thru the application of rules and regulations (Shafinar, 2011; Woodhall, 2002; Ziderman, 2004). For example, Malaysia, Thailand, China, Philippines and Republic of Korea, endorses the loan scheme due to realising their social needs, focusing the students who have come from a humble family background. Moreover, United States of America (USA), United Kingdom (UK), New Zealand, and Australia are formed by focusing on potential students with appropriate opportunity to pursue in higher education. As a sum, the formation of student loan is aimed either on student's socioeconomic level or student's academic performance (Ziderman, 2004).

Inevitably, the expanding demand for the educational loan is found to be irritated due to the funding deficiency which substance to economic crisis along with slowly in collecting the repayment. The substance is clearly defined in **Table 2.3**. In the case of Malaysia, the collection of repayment rate is around 50% (Anuar, 2015).

Table 2-3 :
International Comparison on Student Loan Repayment Collection Rate

Countries	Loan Schemes	Repayment Rate (Principal plus interest)
Nigeria	-	10.88
Russia	-	11.73
Egypt	-	11.95
Latvia	-	24.63
Indonesia	-	27.56
Kenya	-	27.93
Thailand	-	30.08
Ethiopia	-	35.24
Germany	-	38.23
Ghana	-	39.13
Jamaica	-	47.55
Estonia	-	47.73
Mexico	-	49.01
South Africa	-	50.47
Norway	-	56.61
Malaysia	-	56.67
New Zealand	-	58.88
Mauritius	-	59.36
Japan*	Category 1	64.55
	Category 2	85.00
China	-	64.63
Sweden	-	64.63
Denmark	-	64.76
Hong Kong*	NLS	64.77
	LSFS	69.20
Philippines	-	66.01
Belgium	-	69.75
South Korea	-	72.48
	DLICL	73.48
	SDSL	79.69
USA*	Perkins Loan	81.49
	FDSL	82.88
Australia	-	74.30
Singapore	-	77.17
Vietnam	-	80.11
India	-	80.23
Colombia	-	83.17
Taiwan	-	86.60

United Kingdom	-	87.81
Finland	-	90.33
Netherland	-	98.45
Canada	-	99.04
Namibia	-	99.79
<i>* Countries with more than one scheme</i>		

Source : Revised from (Shen & Ziderman, 2009)

2.4 Repayment Loans

Repayment of the loan or the debt burden is defined in many circumstances by many researchers. Some have considering the burden in the manner that the total repayment in exceeding 8% from the student's total income. However, some researcher assumes to be tolerable with that 8% cutting point (Baum & O'Malley, 2003; King & Bannon, 2002; Price, 2004). Overall literature however found at pointing down the burden within the range of 8% -12% (BeanBlossom & Rodriguez, 1989; Cross & Olinsky, 1986; J. B. Lee, 1982).

2.5 Antecedents of Repayment Behaviour

Previous studies have identified numbers of influences factor for motivating the educational loan repayment. These factors are discussed in the following subsection.

2.5.1 Amount of Loan

Previous studies have proven that the amount of loan can affect the repayment of the loan. There is evidence to show that the total amount of borrowing affects the repayment default percentage (Choy & Li, 2006; Dynarski, 1994; Lochner & Monge-naranjo, 2003). In fact, previous studies also indicate that the persons who have multiple applications for the educational loan are found to also be a person that struggling to pay back and tend to perform the default. The students possess for the second borrowing in the term to pursue the study to the next level (Livingstone,

2003; Schwartz & Finnie, 2002; Volkwein, Cabrera, Szelest, & Napierski, 1998; Woo, 2002).

2.5.2 Type of Repayment

Another influential is the type of the repayment itself (Shen & Ziderman, 2009). There was two type of repayment that is commonly executed by numerous countries. One is income-contingent loans, which is proportionate to student income and another one is a mortgage-type, which is based on monthly fixed rate Barr, (2003), Chapman & Ryan,(2005) and Ziderman, (2004). Under the income-contingent loan scheme, a number of loans repayments are subject to graduate income. A student with lower income will pay less than students with high income and also to has a low rate of default (S. Ismail & Serguiva, 2009; Lierass, 2004). Conversely, students who engage with the mortgage loan are found to have higher in the default rate is higher since the repayment collection from this type is low. The borrower is subject to follow the graduation contract, where the repayment monthly rate and repayment term is already agreed (Cartwright, 2008; Chapman, 2005).

Implementation of income-contingent loan is not easy. It requires the countries to have a strong tax system that is connected with their government as well as loan provider organization. This is commonly implemented by developed countries like United State of America, United Kingdom, Australia and Canada. This is, however, is found to be unsuccessful for developing countries since their tax system is weak and they have a problem to get connected with the government and the loan provider. On the other hand, countries that implemented mortgage-type loan are reported to records higher rate of repayment default rate (Barr, 2003; Chapman, 2005).

2.5.3 Unemployment

Unemployment of graduates is found to have a direct implication on loan repayment. This factor amplified the probability of default (Dynarski, 1994; Monteverde, 2000). Prior studies have shown that unemployment is directly affecting the loan repayment (Boyd, 1997; Choy & Li, 2006; Dynarski, 1994; Lochner & Monge-naranjo, 2003; Volkwein et al., 1998; Woo, 2002). Moreover, a study has proven that the default rate is probably decreased as the level income of postgraduate increased (Baum & O'Malley, 2003).

2.5.4 Marital Status

Marital status is found to be an unconfirmed relation with the loan repayment. Few study found a significant effect between marital status and loan repayment Volkwein et al., (1998), Dynarski, (1994) and Myers & Siera, (1980). This study reveals the default rate increased from 7% to approximately 40% among single, divorced or widower (Volkwein & Szelest, 1995). In different results, the non-white students are found be more responsible in paying back the loan, which later found to also reduce the default rate (Ismail and Serguiva, (2009); Volkwein et al., 1998) . Yet, some studies have totally rejected the association of marital status with the default rate (Spencer 1992; Gray 1985).

2.5.5 Perception towards Loan Repayment

Another crucial factor that could impact the repayment of the loan is students' perception. Undergraduate students have voices up their concerns about the effect of the debt burden that might require them to delays in buying the house, buying the car or even to live independently after graduation (Baum & Saunders, 1998). This is, however, distinct with finding from Millett (2003) suggesting that the graduate

students are not really troubled with this financial aid. Moreover, Baum & O'Malley (2003) also initiates the insignificant relationship between loan burdens with the probability of owning a home. This study is conducted among the Pell Grant borrowers.

Perceptions regarding the effect of loan repayment towards the personal life of the students after graduation could be crucial in term of forecasting the repayments and defaults. Abu Bakar, Masud, & Md Jusoh, (2006) have investigated about the mentioned issues among the PTPTN borrowers and found that, 70% of the students claimed that the loan burden delay them from having their own cars whereas at 43.6% concerns about delay in getting married, and 36.1% concerns on having a children This finding similarly with the finding of Hira, Anderson, & Petersen, 2000; Marks 2009; Lamkin, 2004).

2.6 Student's Intention

The TPB assumes that the intention is direct to influence the actual behaviour, and the intention is defined to show the degree of person's willingness to executes the certain behaviour (Ajzen, 1991; Ganesan, 2012). For this reason, the intention is occupied to captures the significant antecedents to highly influence the behaviour to be performed. The more the degree of the person's intention, the more the likelihood that the behaviour will be performed (Ajzen, 1991).

2.7 Student's Saving Attitude

Saving could be simply defined as the excess of person's income after deducting the person's expenditure. In the other hand, the expenditure is also called as the consumptions because people spend for the comforts and secure life (i.e.: insurance, education), whereas the excess income is kept for person's life improvement in the

future. Accumulating the income (assets, money, investments etc.) leads the person into possesses the financial wealth (Denton., Fretz., & Spencer, 2011).

2.8 Parental Socialization

Previous studies indicate the term of socialization regarding the phases faced by the people in obtaining an appropriate knowledge, skills as well as the characters value. Socialization can be referring to the parents, the peers and the media. This person is found to effectively or nor towards the contributable for the certain groups or society (Brim, 1996; McNeal, 1987; Moschis, 1981). According to Franzoi (2006), the influence of socialization includes the person's social authority to impact the other person's behaviour regarding the specific manner.

2.9 Social Media

The application of the internet-based group is the best described for the social media conceptual. It allows the users to creates, generates and exchanges the information, knowledge etc. Social media is also found as one and foremost popular conceptual of an information system. It complies with a range of mechanisms tools such as the Facebook, the Twitter, the *Instagram*, the Web Page, the YouTube etc. (Kaplan & Haenlein, 2010).

According to Snijders & Helms (2014), in the March 2013, Facebook has recorded to received 1.11 billion active users, while the Twitter had 200 million of registered users and in average, Twitter has been reported to receives 400 million tweets per days within one month. Subsequently, the users also showing a great competition in seeking the attention of the public through sharing of the information (Romero & Huberman, 2011).

Moreover Hillmann & Trier (2013) states that the social media has broadly open for ranges of concept that allows for explaining on how the certain actions are affected by another person thru the interaction's outcome. In conjunction with that, the social media can be implied as part of the social influential factors, which is natural in the process, yet is beneficial for the businesses to change the person's attitude or behaviour. However, the consequences are depending to the users, either to perform in positive achievement or vice versa.

2.10 Financial Literacy

According to Fox, Bartholomae, & Lee (2005), financial literacy is defined as an understanding and knowledge regarding the concept of financial and financial knowledge the knowledge about the fact, the concepts, the principles and the technology mechanism which is important in affecting the financial well-being (Garman & Fogue, 2006). Based on this suggestion Burkhalter, (2005) suggest for the similarity in defining the knowledge and literacy which both is including to be able in balancing the checkbook, managing the credit card, preparing the budget, taking out the loan and purchasing the insurance

2.11 Financial Self-Efficacy

According to Bandura (1977), the individual's self-efficacy is defined as person's ability to performs a certain behaviour due to deals with the out coming challenges and threats. In the financial domain, the self-efficacy refers to the person's thought over his/her level of authority as well as the capability to deal with money matters (Dietz, Carozza, & Ritchey, 2003). There were studies of self-efficacy has already constructed the relationship between the self-efficacy and the risk perception, also

towards the numerous behaviour from various perspectives (Gore & Bracken, 2005; Huurne, & Gutteling, 2009; Kievik & Gutteling, 2011).

The PBC under the Ajzen's theory is referring to person's perception regarding the person's capability level in performing the certain behaviour. The PBC also reflected by the person's previous experienced or/and the person's thought over the hardship level in performing the certain behaviour (Ajzen, 1991). Armitage & Conner (2001) indicates the PCB as referring to the degree of vitality control that the person perceives over the certain behaviour, which is compatible with the self-efficacy; even though the control perceived might initiate the PBC along with the perceived self-efficacy (Ajzen, 2002; Conner & Armitage, 1998).

Accordingly, Engelberg (2007) linked the economic self-efficacy with money attitude among the young adults and reveals the positive association between economic self-efficacy, saving attitude as well as the economic attitude. In tandem with the study efforts, discriminating the low and the higher level of economic self-efficacy, this study suggested that the interaction of economic self-efficacy and the psychological factors favours the young adults to copes the economical rapid change.

2.12 Theory of Planned Behaviour

Theory of Planned Behaviour (TPB) is formed in the manner to increase understanding regarding the change in people's behaviour. TPB theory predicts deliberate behaviour because behaviour could be deliberated and change. Primarily, the formation of TPB is to extend the theory of Reason Action (TRA) through the inclusion of person's control belief or perceived behavioural control (PCB). The inclusion of PCB is based on the assumption that the TRA is formed to the behaviours that are partially under the volatility control (Ajzen & Fishbein, 1977; Ajzen, 1991; Liska, 1984; Madden, Ellen, & Ajzen, 1992).

TPB is developed under few relevant assumptions; 1) the creation of human being is rational which will respond towards the available systematic information and 2) people will only engage with certain behaviour after considering the factors affected (implication once engaging the behaviour) (Madden et al., 1992).

The development of TPB begins by discovering the behavioural intention as it becomes immediate antecedents to that behaviour. It assumed that the successful of performing the certain behaviour is driven by the strength level of person's intention. The intention is purposely for salient belief and/or information towards the likelihood that performing the behaviour will eventually drive to the specific outcome. Intentions change over the time. The longer the time period between the behaviour and the intention, the greater the likelihood that the unforeseen outcome will create changes in intentions. However, the formation of TPB is not solely axis on predicting behaviour but rather to comprehensively understanding the person's behaviour (Ajzen & Fishbein, 1977; Ajzen, 1991; Liska, 1984; Madden et al., 1992). Therefore, the theory of TPB is suggested together with three kinds of the following consideration

2.12.1 Behavioural Belief/Attitude

The first antecedent of intention is person's attitude. It is related to the person's positive or negative belief towards performing the certain behaviour. The performance of the person's behaviour is normally driven by person's positive belief. The influential antecedents for person's belief are determined by belief regarding the possible consequences when performing the attitude and also depend on the evaluation of affected outcome. Those belief is assumed to directly affect the person's intention which is linked to belief normative and control (Madden et al., 1992).

2.12.2 Normative Belief/Subjective Norm

Normative belief is assumed as antecedent that is depending on specific individual approval. A person is intended to perform the certain behaviour when he/she believe that the specific individual would also agree to the performance of the certain behaviour. The specific individual might be related to the person's spouse, parents, peers, friend, etc. This is assessed by asking the specific individual for judgement whether it is important to perform the certain behaviour (Madden et al., 1992).

2.12.3 Control Belief/Perceived Behavioural Control

Control belief is referring to the degree of person's willingness in performing the certain behaviour. Commonly, the intention of the individual is strongly related to the person's belief that the certain behaviour is able to be performed. Therefore, it is impossible for the person to strongly intend in performing the certain behaviour if the person believes that he/she do not have any resources or even any opportunity to performs the certain behaviour even though he/she (behavioural belief) and his/her specific individual (normative belief) positively belief in performing the certain behaviour. PCB could directly/indirectly influence the behaviour through the behavioural intention. This direct influence initially emerges when there are some agreements between the person's control perception and the person's actual control over the period (Madden et al., 1992).

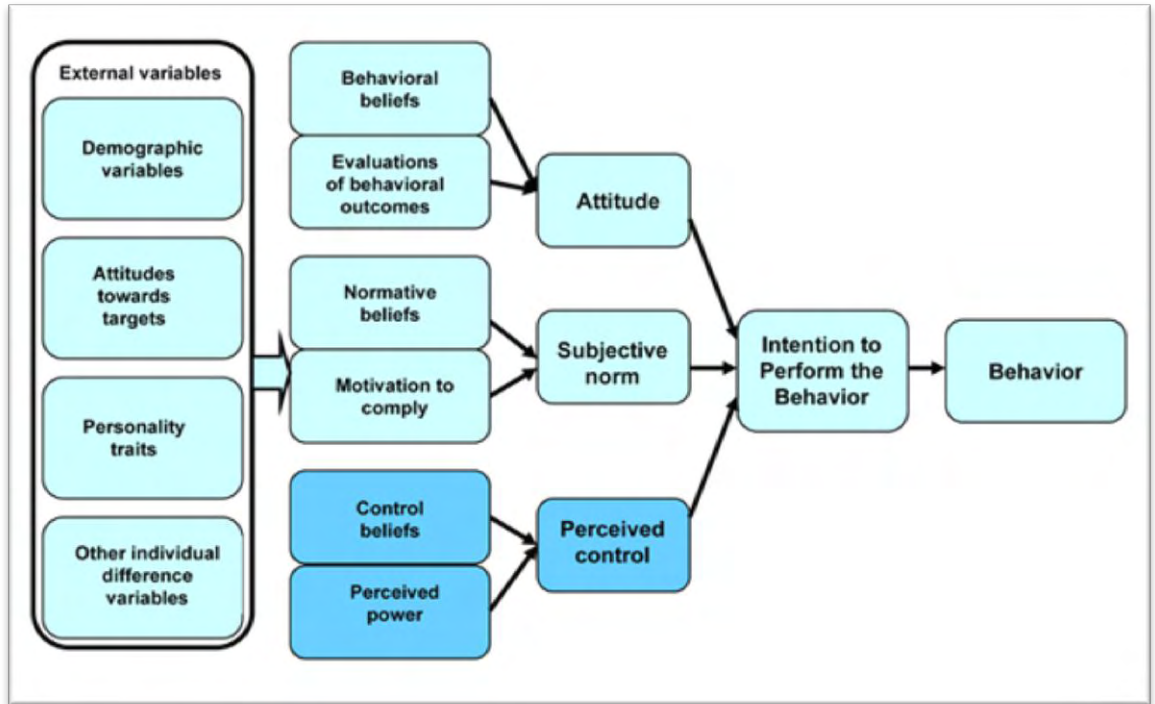


Figure 2-2:
Theory of Reasoned Action and Theory of Planned Behaviour



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CHAPTER 3

HYPOTHESES DEVELOPMENT

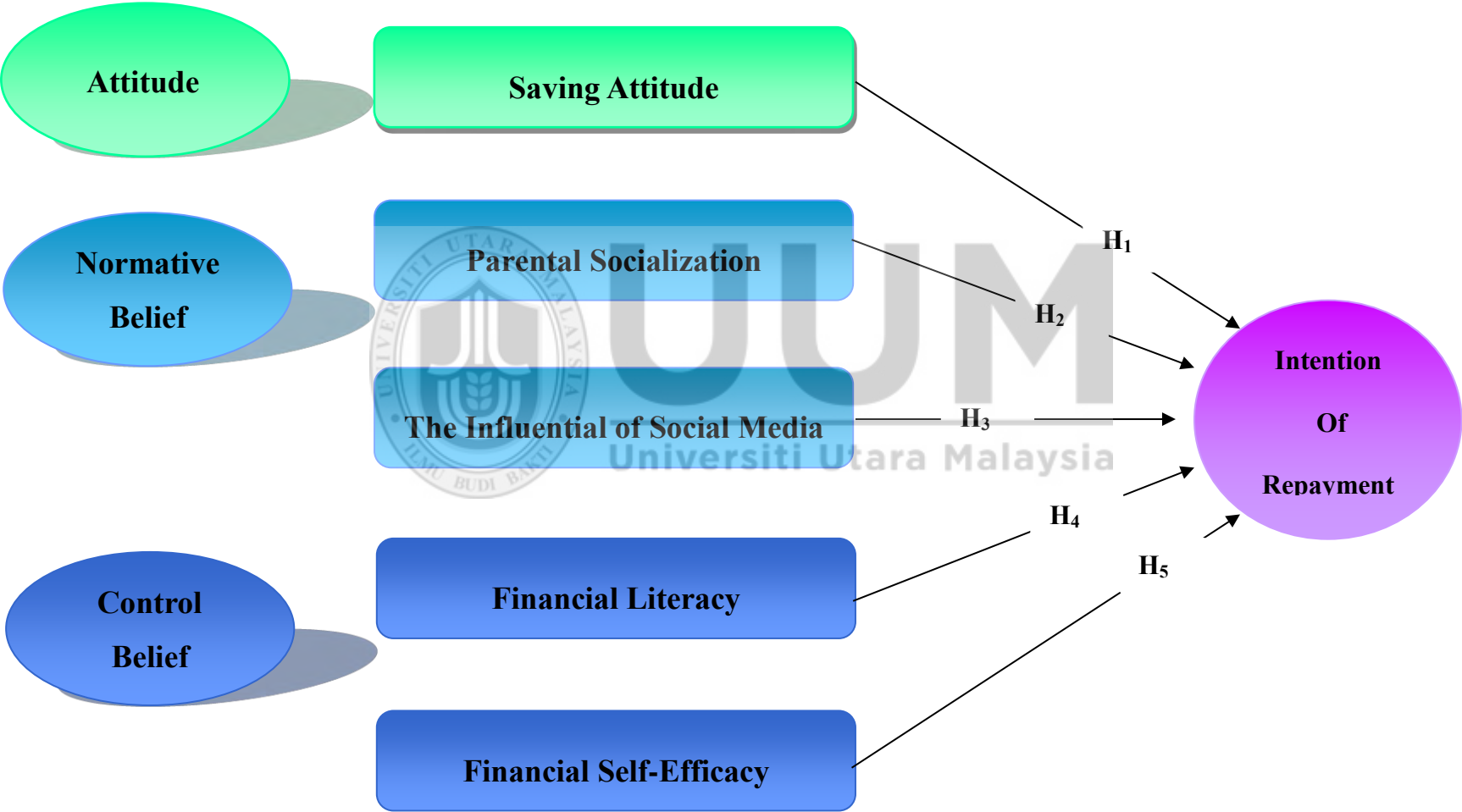
3.0 Introduction

This chapter briefly discussed previous literature associated with the consideration on proposing the study's hypothesis. The discussion highlight the relation based on the theory of planned behaviour.

3.1 The Application of Theory of Planned Behaviour

The elements in the theory of planned behaviour are the focal point in comprehensively understand the behavioural intention of students towards compliance with repayment's rules and regulations. The influential factors to enter into student debt and subsequently paying back this debt are of enormous interest rate in the efforts to understand the student debt process. Likewise, the intention of the student as well as the underlying antecedent that influence the debt behaviour is vital in understanding the term of interest. The use of theory is to help the researcher to understand the student perception along with antecedents that shape the intention of the student. This study has found that the theory is not only applicable in predicting the student behaviour but also equally essential to PTPTN policy improvement. In addition, TPB provides a lens that allows the researcher to focus on student behavioural intention which directly impacted by PTPTN policy as well as the influential of the society and the student's environment towards student's intention on repayment.

3.2 Conceptual Framework of Repayment Intention



3.3 The Application of TPB on the Antecedents Variables

3.3.1 *The Role of Saving Attitude*

Previous research has revealed the significant of making saving for the children's future education investment which later also helps on preventing the students debt (Elliott, Lewis, Grinstein-Weiss, & Nam, 2014). Moreover, Bevans & Chiem (2012) found the similar results when conducting the research the perception of U.S parents regarding the saving preferential. The results have revealed that 75% of the respondents save for the future education of their children. Amongst, 69% of the parents make it as a priority and 21% separately in also a preference to make saving for higher education. The results also found that the educational saving is likelihood to increase due to increases in the respondent's income. However, amongst of the parents who did not save for education or even for other purposes is found to cause by the limited source of their financial or concern on the possibility to lose the eligibility for making application for the educational financial aid. In sum, the researchers suggest for withdrawal restriction as well as the implementation of matching concept, for example as for matching with tax incentive or also might be taken as employee benefits.

3.3.2 *The Role of Parent Socialization*

The TPB states that the behavioural of the individual is associated with the individual intentions that are form by one of which is thru the normative belief. Normative comprises the significant person like parents, peers, etc. (Ajzen, 1991)

Most studies have found that young people especially student are much influenced by these socialisation agents in term of moral development, emotional as well as psychological aspect. Furthermore, the interaction between students, parents, friends as well as the exposure of mass media advertisement is found to be

influenced by the socialisation agent (Frankenberger & Sukhdial, 1994). In-depth, socialisation is part of the cultural process whereby the children's habit and value is adopted through training, imitation as well as an insight which is fit to their culture (Baumrind, 1980). Hence, the children are found to develop their habit and value through the adaptation of parental socialisation (Baumrind, 1980).

Another, parent's is found to significantly influencing the children life as a whole starting from the moment of the children's birth until their adulthood period (Bibi, Chaudhry, Awan, & Tariq, 2013; Perera, 2014; Porumbu & Necsoi, 2013; Sun, Bradley, & Akers, 2012). This is proven when prior study, Hancock, Jorgensen, & Swanson (2013) which reveals the association factor of student's positive attitude toward the use of credit card. The result indicates students whose parents well manage the credit card and student with a negative attitude toward the use of credit card is students whose parents experience difficulties in managing the credit card.

Rising tuition rates not only impact on the increase in demand for education loans but also change the way of the students and their families to finance the degree education (R. Chen & Wiederspan, 2014; Houle, 2013). Students will be more secure if they are fully supported by parents, but this parents' contribution is closely related to social class (Houle, 2013; Mo Xue1 & Xia Chao, 2015). Otherwise, parent's income is found to be related to repayment default Webber & Rogers (2014).

The habitual of saving attitudes widely spread throughout the religious' lessons for educating the young children, which regards to enlighten people about the important of being economic thought. Webley & Nyhus (2006) supports the important of parental socialization through influencing the children for making saving during the childhood. The study also indicates the continuous effect of saving attitude during the adulthood. Furthermore, Moschis (1981) appears to also agree

with the important of the parent's appearance towards contributing the relevant aspects of consumer socialization during the offspring seasonal. In the on the hand, Webley & Lea (1993) reveals the significant of saving attitude towards the massiveness of national economic growth.

Obviously, the parent has played an ultimate role in preparing the financial resource for their children's college education and there is evidence that parental college saving helps the student to reduce the college debt (Elliott et al., 2014). Family normally will start the plan of this education provision within six to one year before the application of the loan (Marguerite J. Dennis, 1993; Shafinar, 2011); hence, it is supported that parent should initially plan the provision of their financial position in order to overcome the increasing cost of education (Elliott et al., 2014).

Sabri (2011) concludes his study by determining the parents is most antecedents for student's saving habits. Furthermore, Ganesan (2012) reveals the preference of university students in obtaining information regarding saving. Resulted, more than half of the respondents indicates that their parents and sibling as most informative persons. Literature also provides evident from Polytechnic students, also found the student's parents as most influential person in performing saving attitude (Hashim, 2013).

Literature has shown the contribution of parent income as well as parent education on loan repayment and default and these results, however, different accordance to the personal background. Accordingly, there are studies indicating that the level of parents' income is positively associated with educational loan repayment (Dynarski, 1994; Gray, 1985; Knapp & Seaks, 1992; Wilms, Moore, & Bolus, 1987). The default rate is found to be less for students who have parents with high income as compared to students who has parents with low income (Baum & O'Malley, 2003;

Volkwein et al., 1998; Woo, 2002). Moreover, a student from a rich family is found to better in performance due to complete study equipment and exposure prepared by their parents. Nevertheless, some studies have opposed the above result since their finding is oppositely resulted (Flint, 1997; Greene, 1989; Volkwein & Szelest, 1995).

This factor is referring to parents' academic background or qualification (Steiner & Teszler, 2003). Students whose parents have well academic background is found to be less default (Choy & Li, 2006; Volkwein et al., 1998); due to a better understanding by the parents on the requirements and repayment terms of the loan agreement. This is supported by Eccles (1992), which stated that parents with higher education profile are found to have a better influence on their children in term of the loan repayment commitment.

Moreover, according to Flint (1997), the main source of the information for children is friends, peers, and professionals and they have been proven by (Davidson, Yantis, Norwood, & Montano, 1985) to have an influence over the students' subsequent attitudes and behaviour particularly in decision-making contexts. Moreover, the peer is also found to be able to influence the students in term of belief, feelings and behavioural tendencies to loans. A prior study, Thein & Herr (2001), states that senior student is perceived to have better knowledge about the loans' information compared to junior students, and Dynarski (1994) has shown that media is likely to have more interest about defaulters

3.3.3 The Influential of Social Media

In connection to role promoted by mass media, people recently collaborate, communicate, and contribute knowledge and wisdom through the online social network. The popularity of social network has created new and wider collaboration and communication among people around the world (Cheung, Chiu, & Lee, 2011).

According to Internet World Stats (2015), 34% of people among world's population have to access the internet and each one of seven persons in the world found to has a Facebook account. Moreover, almost four of five internet users visit the social media sites (Nielsen, 2012). As compared to a traditional source of media, social media allows communication in broad demographic appeal (Kaplan & Haenlein, 2010). Rising execution of social media, however, distinct among organization and this was under led by information viral thru the internet uses (Li & Bernoff, 2011; Nielsen, 2013)

Social media is also found to be one of the mechanism's tools in promoting awareness and subsequently change the behaviour. Most studies investigate the influential of social media towards influencing the individual personal behaviour such as the buying behaviour, the online shopping, the individual consumptions like the healthy eating style as well as the individual health concerns like HIV, cancer etc. (Farhangi, Abaspour, Farahani, & Ghasemi, 2014; Lapointe, Ramaprasad, & Vedel, 2014). Conversely, there are many studies considering the influential of social media in the protests and revolutions. As a result, numerous of studies indicates the influential of social media empowering the expression of protest and revolution (Howard, 2010; Iwilade, 2013; Olorunnisola & Martin, 2013; Saleh, 2012; Tufekci, 2014).

For this study context, the students are aware of his education debt when he/she has information about it. Empirical studies have shown that students gain the information from their parents, peers, friends, professional bodies, and media (Dynarski, 1994; Flint, 1997).

The importance of information is proven to be able to increase engagements with students, thus providing better opportunities to change the student's behaviour.

The loan defaults could never be associated with ignorance and misinformation issues because student realizes the requirement of loan repayment (Volkwein et al., 1998).

3.3.4 The Role of Financial Literacy

US students from the various field are found to have a lack of knowledge about the loan agreement (Hira et al., 2000; S. Ismail & Serguiva, 2009). In a different context, a similar result is shown where junior level students are found to have narrow in knowledge as compared to a student in senior level (Abu Bakar et al., 2006). Notably, students who are familiar with loan agreement will not necessarily have a positive view to the agreement. Most students overlooking information stated in loan agreement (Schwartz, 1999).

Obviously, the educational loan is closely related to student's attendance, and this is totally different with consumer loan that directly tied to the tangible consumer goods purchased. For student loan, there is almost no direct communication between students and lender, which potentially exist for a long period because the repayment only begins when they have graduated (Schwartz, 1999). As such, some student intense to forgot or not even know that the repayment of the loan after graduate is part of their loan's package (Schwartz, 1999). Thus, students might either confused about the responsibility of repayment loan or deliberately refrain from paying back loans (Schwartz, 1999; Woo, 2002).

According to US Department of Education (2003), federal financial aids and regulation are proposed to forms a secondary institution in order to provide information for students regarding loans availableness. Consequently, students are provided with counselling session intended to increase understanding and provide clarifying about commitment on debt repayment. This accountable to the institution

to also proposing the students with an appropriate repayment plan as well as the method, enabling them to efficiently manage the debt after graduate.

College students are commonly found to lack of financial knowledge, which later has to burden them with financial constraint (Haiyang Chen & Volpe, 2002; Culture et al., 2009; Mandell, 2009; Mitchell, Lusardi, & Curto, 2009). When coming to the perspectives of college students, this financial knowledge is hugely mattered since they are also narrowing in obtaining experience. This kind of knowledge is highly essential in enhancing the student's financial behaviour as well as towards promoting the behavioural of well managing the financial condition. Lieberman (1996) indicating the financial knowledge as most influential antecedents for the processing of information.

Studies on financial behaviour are varying in performing the results regarding the significant influence of this knowledge towards the individual related behaviour. The results are found to be distinctive due to a different type of measurement as well as different consideration on person's behaviour (Lynch, 2004; Peng, Bartholomae, Fox, & Cravener, 2007). Likewise, Peng et al. (2007) also reveal the favourable rate of saving by a person who has completed their personal finance course.

In different consideration, Haiyang Chen & Volpe (1998) argues the influential of financial knowledge towards the individual's consideration process which later on will also affect the financial decision. Haiyang Chen & Volpe (1998) also argues the association of the knowledge and the student's behaviour when this comes into the consideration among the students who are highly unconscious with financial knowledge. This study tests the developed hypothesis and found the favourable association between the levels of financial knowledge with person's level of financials decision goodness.

3.3.5 The Role of Financial Self-Efficacy

In the theory of planned behaviour, perceived self-efficacy is found to partially moderates the person's intention, which is also expected to be able to change the person's behaviour and this correlation seems to be similar with the PCB (Armitage & Conner, 2001; Conner & Armitage, 1998; Icek Ajzen, 2002). Moreover, Armitage & Conner (2001) also indicates that the self-efficacy is more clearly defined as compared to the PCB. Taking these into consideration, this study, therefore, utilizes the perceived self-efficacy as a dimension of the PBC.

Previous studies have reveals the positive association between the self-efficacy and the persons who step into the financial prospects without considering more on the perceived risk, while the persons who are low in self-efficacy is found to highly concerning the possibility to lose the money (Hopfensitz & Wranik, 2008; Krueger & Dickson, 1994). Moreover, testing the saving attitude towards the person's self-efficacy level has found to also the persons who possess for the pension plans as well as the saving plan (Lusardi, Keller, & Keller, 2009; Wiener & Doescher, 2008).

Im & Busette (2010) investigates factors encouraging the low-income earner to make a saving. The study indicates two fundamental reasons for the California low-income earners in making saving; saving for future economy safe or saving for improving life quality thru the financial health. Moreover, Im & Busette (2010) mentioned a few relevant antecedents regarding sustaining the saving attitude. Reveals, most of them will eventually to sustain the saving performance thru the financial training programmes. Likewise, persons whose has efficacy in financial management, as well as the person that clearly determining the future goals will also found to remain in making income saving. However, the persistence of such behaviour is not just saying, but rather to requires for more supports and efforts. As

sequenced, Im & Busette (2010) indicated few more mechanisms to attached, which are related to social effects engagement, and this includes a relationship with the non-profit organization, social network, and civil engagement.

Overall, previous studies confirmed the antecedents of financial behaviour comprises the parents, student's financial literacy, and student's self-dominance characteristic (Ganesan, 2012; Hashim, 2013; Huston, 2010; Remund, 2010; Sabri, 2011).

3.4 Hypothesis Development

As a whole, most of the researchers agree on the influential of the parents, the influential of social media, the financial self-efficacy as well as the financial literacy towards encouraging the saving attitude. Subsequently, the saving attitude is also related to the intention of educational investment purposes. Based on a suggestion from previous studied, this study, therefore, developing the following hypotheses.

Table 3-1:
Hypothesis Proposed

Item	Hypothesis Proposed
H ₁	• There is a relationship between the saving attitude with the intention of repayment loan
H ₂	• There is a relationship between the parental socialization with the intention of repayment loan
H ₃	• There is a relationship between the influential of social media with the intention of repayment loan
H ₄	• There is a relationship between the financial literacy with the intention of repayment loan
H ₅	• There is a relationship between financial self-efficacy with the intention of repayment loan

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.0 Introduction

According to Walliman, (2005) the empirical research is not just about collecting data for no reasons or presenting information without any relevant interpretation. In fact, the research is something that highly impacts, undertaken to systematically investigates in the manner where data is gathered and systematically interprets for more clear in purposing and guidance (Saunders & Thornhill, 2009). This fundamentally driven through the well-planning activities as well as carefully executing the program to provides the relevant solutions for research problems (Sekaran & Bougie, 2014).

Following the literature suggestion, this section captures information regarding the research design, a blueprint for data collection, data measurement and data analysis that is based on research questions of this study. Various issues comprised in research design discussed in this chapter and this section begins with a discussion on the type of study as well as a research approach. The next subsection discusses information regarding source of data, unit of analysis, population framework and type of sample used. Later, this section illustrates the decision regarding data collection and administration, data analysis techniques as well as the pilot test used for this study. Finally, this section summarizes the overall decision for the study design as well as its related component.

4.1 Research Design

According to Cooper & Schindler, (2006), to empirically defining the research purposes, the researcher should complying with details information the research proposal, the research design, performing an adequate analysis, unambiguously presenting the findings and subsequently properly in justifying the conclusion, limitation and truthfully reveals and highly compliance with the standards of ethical. The following subsection proposing the elements that are substantial affects the validity and accuracy of the gathered data.

4.1.1 Type of Study

According to Sekaran & Bougie (2014), the exploratory study is conducted for an issue that has little to information and knowledge due to narrow references from past experience or past cases. In such circumstances, this work attempt is conducted to clearly identify problem along with the narrowing practicing in the problem area, also and/or for attaining expertise in the phenomenon of the research area.

Otherwise, this preliminary attempt is used for recommending future research either to further and comprehensively investigate or vice versa (in the case of a problem that is not big as alleged). In other circumstances, this exploratory research is conducted for the cases that are well in fact and information but requires more information in supporting the viable theoretical framework. As such, characteristic like high curious, creative and committed is highly requires, since this form of research requires to independently conducted; by which to running out without any supportive factor (i.e. statistical calculation or systematic technique), and the execution of data survey is controlled by person's personality capabilities (Sekaran & Bougie, 2014).

Based on the justification describes in Sekaran & Bougie, (2014) confirms in the consideration to conducts this explorative research in order to clearly define in real phenomena as well as offering suggestion and strategy for best problem solutions.

4.1.2 Research Approach

There are two approaches that are the best suit for the business research purposes; the inductive approach and the deductive approach. According to Zikmund, Babin, Carr, & Griffin (2010), these two approaches are distinct mainly due to hypotheses relevance issue. Inductive contributes in term of generating the emergence of new theory, whereas deductive test the hypotheses or theory validation.

In essential determinant, the differentiation between these two approaches is according to the logical path for the certain knowledge. The induction is formed in generalization towards examining sets of particulars, while the deduction identifies the unknown facts, drawn from the resemblance's facts into the acknowledged facts (Root child 2006). Simply thought, the induction is performed from the specific to the general, though the deduction begins from the general to a specific condition.

As this study is conducted with the proposition of testing the hypothesis, this study, therefore, is categorized under the deductive approach.

4.1.3 Source of Data

Sekaran & Bougie (2014) indicated that there are two sources for a researcher in obtaining the desired data and most preferred source are primary and secondary. Primary data allow the researcher to access original source in favour of obtaining information related to interest's variables as favouring the specific purpose of the study, while secondary data provide the researcher with information from a source

that already exist. Intended to the achievement of a specific goal, both source, primary and secondary are found to highly contributed in obtaining desired information.

For this study, the survey questionnaire is conducted in order to reach information that contributes to achieving the research's main objective as well as research questions. Focus group of this study is consisting of a student from Polytechnic Sultan Abdul Halim Mu'adzam Shah (POLIMAS). Highlighted, this study essentially proposed with a target of students from two Polytechnics, including students from Polytechnic Tuanku Syed Sirajuddin, Perlis (PTSS). However, due to unimpressive feedback (1 month in duration) from PTSS contacted person, this study proceeds without considering the PTSS' student involvement.

4.1.4 Unit of Analysis

According to Zikmund et al., (2010), the descriptive study requires the researcher to answers the *who, what, when, where* and sometimes requires answers for the *how* questions. Since the exploratory study is seeking for the causal and the effects, this description requirement is vital.

Moreover, Zikmund et al., (2010) also indicates, the researchers often to study the relationship between all type of the variables (independent, dependent, moderating, mediating and unnecessary variable).

This study considers the variables proposed in the theory of planned behaviours (TPB) and proposed variables as suggestion by previous literature. This study considers the population of POLIMAS students which subjected to the PTPTN loan. This study also considers the students from all level of the study semester and from all kinds of the study program. This study also includes the students from multiculturalism ethnic.

4.1.5 Population Framework

The foremost aim of conducting the quantitative research is to generalize. In each of the quantitative research, it may not too impossible for the research to be conducted among the whole target population. (Lind, Marchal, & Wathen, 2008), states that the samples population is use as inferences the target population, which also views as the subgroup of the population.

For this study, the population comprises the students of the TVET's institution and subjected to the TVETs programs and strategy. This consideration axis towards the realisation to transforms and upgrading the Polytechnics standards level (Ministry of Higher Education Malaysia, 2011).

4.1.5.1 Sample and Sampling Technique

The POLIMAS is taken to the researcher consideration because the POLIMAS is reported as most Polytechnic's institutions that offer the TVET programs (within the Malaysia's northern region) (Ministry of Education Malaysia, 2015a).

According to Malaysia Ministry of Education, (2015),the sum of the polytechnics students (admission and enrolment) by 2014 is 126,513. Among of this summed total, 124,397 students enroll in diploma programs. As for POLIMAS, the total of their students is 7,528 and the graduate students are at 1,845 students. This total comprises 7.1% graduate whose acquires for total CGPA at 3.50 and above. The following table indicate the details information regarding the POLIMAS graduates.

Table 4-1:
Current Status of Polimas Graduates as Year of 2014

Major Focus	Major Field of Study		
	Arts and Science	Information Technology	Technical
Rate of graduation	21%	9%	70%
Total of survey's respondents	325	139	1,085
Total of graduates with total CGPA at 3.50 and above	23	10	75
Unemployable Rate	108	46	361

Sources: Estimated calculation based on the data gathered from (Malaysia Ministry of Education, 2015; Ministry of Education Malaysia, 2015a)

In conjunction with the total sample uses for this study, according to Sekaran & Bougie, (2014), the sample size for the given population size of 75,000 and up to a million is required for sample sizes of 382 to 384. For population size within 7,000 to 8,000 in ranges, the authors suggest for 364 to 367 in the total of samples. As the total of POLIMAS students is within this both ranges, it is possibly the researchers to conduct only in one single institution. Therefore, 400 students are invited to give feedbacks for this survey effort.

4.2 Data Collection and Administration

Based on previous suggestion, this study distributes the questionnaires surveys towards 400 students which are equally given based on the major programs' departments of POLIMAS. The four major departments considered are the commerce department and the engineering departments which consist of the department of mechanical engineering, the department of civil engineering and the department of electric and electrical engineering. The commerce departments are also included into consideration due to the course natures which are closely related to the financial area.

This survey questionnaire only takes about than one month in data collection process. The researcher manages to receive the full cooperation from POLIMAS

management leaders after briefly explaining the purpose and the target aims of this study.

Later on, the questionnaires are given to the POLIMAS research staff and he manages to conduct the impressive session with the students. The student's representative committee of POLIMAS has also kindly asked by the generous officer for helping him conducting the special session. This helps is essential to ensure that the students are given the questionnaires within the comforts and quiet spaces.

4.3 Designing the Questionnaires Instrument and Scale

4.3.1 *The Question's Design*

The questionnaire is divided into seven important sections. The first section is referring to student's demographics background as well as the parent's socio-economic condition. The second section comprises questions regarding the parent's financial teaching method as well as the significant outcomes from the teaching lessons. The third section comprises regarding student's most preference for engaging with the social media tools like the Facebook and the twitter. The students also asked about the ways he /she obtain the information regarding the PTPTN loan. Next is a section to examine the student's literacy about the PTPTN loan before applying for borrowing. The fifth section includes a question regarding the student's level of efficacy in financial management. The last two sections offer the students to indicate the answers for the saving attitude evaluation and for the intention about the repayment loan.

This questions proposed along with the suggestion and discussion with the POLIMAS management leader which supporting by other related literature (Bandura, 2006; Cougan, Galway, & Wilcox, 2015; Shafinar, 2011; Zainal & Ismail, 2012)

4.3.2 The Questions Scale

According to Stone (1978), the researcher should carefully scaling the items of survey questionnaires in order to generate sufficient variance among respondents. Subsequently, previous researchers have proposed much of effective scale method and most frequent and preference scale for the survey questionnaire is Likert- types scale (Cook, Hepworth, & Warr, 1981); also are the most used in behavioural studies (Kerlinger, 1986). Substantially towards effectively conducted the study, this study appreciating those suggestions and greatly apply in the survey questionnaires. The scales is ranges at fives interval comprising the midpoints of *strongly disagree*, *disagree*, *neutral*, *agree* and *strongly agree*.

4.3.3 Data Validation Instruments

One of the subsequence challenges in collecting data is the time consuming. The longer the time consumes the more exposure of the data to contain important issues. Therefore, Saunders et al.,(2009)suggest for checking the validation as well as the reliability of the data. This checking task is performed in order to confirm the reliability and the validity of the data to fit with the measurement issue.

According to Sekaran & Bougie, (2014), the important of validating the data axis on the subsequent effects if the data is processing without firstly testing for validation. Saunders et al., (2009) also indicates the probability that processing the untested data might result in failure in solving the research problem, afterward lead to inappropriate interpretations. For this reason, the data of this study have passed out into several tests before steps into the analysis process.

4.4 Data Analysis Techniques

4.4.1 Quantitative Data Analysis

Sekaran & Bougie, (2014) stated that the quantitative research relies on the deductive reasoning and make use for varieties of quantitative analysis techniques. Cooper & Schindler, (2006) describes the quantitative as for the research that designed into focusing on describing, explaining and predicting issues, coping into the probability sampling and relies on the sample which is huge in sizes as compared to the qualitative types. By means of using the particular tools and mechanisms, the quantitative research is conducted to quantifying the relationship between the different variables (Hopkins, 2000).

4.4.2 Factor Analysis

Factor analysis is taken into consideration since it has found to be one of the most important tools for analysing the data. Factor analysis in nature attempts to outcomes resulting into interrelated variables which are more general in interpretations. As empirical researchers are coming with numbers of a variable which is different in characteristic and outcome, proposing the factor analysis is vital for this study to conducts.

4.4.3 The Regression Analysis

The regression analysis essential in an exploratory study where the author is concerned with predicting the value of a dependent variable based on the independent variable's value. The researcher uses the simple linear regression since the independents variable is solely tested. However for study that requires multiple independent variables, it is suggested to use the multiple regression analysis (Gujarati & Porter, 2008)

4.4.4 Use of Software

According to Lind et al., (2008), the researcher should be conscious in choosing the appropriate statistical tools so that the outcome will be produced in high impacts on quality. There are so many advertised software benefits and for this study, the SPSS software is used as it is the most common software among the Malaysian students.

4.5 Summary of the Chapter

In tandem to the good outcomes, this study is conducted while complying with the scientific approach. All the possible techniques and tools are preferred in this study especially if it was related to validation and reliability of end-outcomes.



CHAPTER 5

RESULTS AND DISCUSSION

5.0 Introduction

This section describes the analysis of data followed by a discussion of research findings. The findings are related to research questions, which functioning as research backbones, piloting the thesis to a specific goal. Data were obtained from administered questionnaires, completed by 400 students; however, 73 of distributed questionnaires (18%) were subjects to invalid issues such as due to straight lining effect and incompleteness replies. The remaining of 327 respondents is valid and reliable for analyses, and the construction of analysis and test is run using two substantial tools of SPSS (i.e. descriptive analysis and inferential analysis)

The distinct between these two analyses is due to end results generated or purposes. For descriptive, the ending results help the researcher in the manner of simplifying the data into meaningful summary so that the raw data will easier to visualized during the presentation. Highlighted, the generated information of descriptive, however, is not applicable for conclusions regarding research's hypotheses purposes. On the other hand, the inferential analysis uses by the researcher to tests the hypothesis and so to conclude for overall conclusion pointing out the performance of researcher towards the achievement of research objectives.

5.1 Data Screening/Scanning Test

According to Hair, Black, Babin, & Anderson (2010), analysing data screening promising the underlying data analysis meeting the overall requirements in multivariate analysis. Added, screening the data prior to analysis also promotes the researchers to critically understanding the data characteristics. Yet, many scientific analyses substantially neglect the fundamental of this procedure as it was depicted mundane and inconsequential to be performed (Olusegun, Hasbullah & Nordin 2014). Hair, Money, Samouel, & Page (2007) suggests for four primarily techniques for data screening analysis; missing value analysis, normality test, assessment of outliers and multivariate analysis. However, Olusegun et al. (2014) insignificantly depicted the multivariate analysis technique, this study, therefore, screening the data using the other proposal techniques. Based on this suggestion and argument, this study proposed the following tests.

5.1.1 Missing Value Test Result

Kura, Faridahwati & Chauhan (2014), opposed the relevance of measuring the percentage of missing values, as no valid statistical inference proposed. However, Acuna & Rodriguez (2004), suggested the acceptable scale to measures the missing value. Missing for 1% in data value reflected as free from any threats, missing in the range of less than 5% is bearable and manageable, but for absence value of 15%, the data were greatly threatened and require for sophisticated techniques to resolve.

For this study, the researcher has considering the guideline provides by Edwards (2016). The author has proposed a manual for identifying the data missing value. This manual is provide based Pallant (2013). The data test is coding for specific code (9, 99,999) so that the system will automatically identify the missing value and replace the neglected with other significant scores. As a result, no missing value is founded. All 327 set of questionnaires is properly answered (**see Appendix C1**).

5.1.2 Assessment of Outliers Result

Barnett & Lewis (1994) defining the assessment of outliers as an observation to inconsistent in remainder data. This referring that the distinction between the data is too far and uncommon. In some other view, the outliers persist to check for bias showing that variables are performing as undesirable condition (existence of uncommon variation) (Byrne, 2013; Hunt & Auster, 1990). This outlier is essential for data validation and (Verardi & Croux, 2009). For instance, this study assesses the outlier by using the SPSS box plot. This form of assessment helps the researcher in identifying the unusual responses, so that, the subsequent deal could be taken.

The previous researcher has recommended various mechanisms in handling the bias issues. According to Hair et al. (2010), these two fundamental are either of replacing the mean value or directly terminated the unusual data (in SPSS the data is mentioned as a case). In this study, the data is deal with the mean replacement task.

5.1.3 Normality Test Result

The essential behind testing the data normality is to ensure that the researcher executing the data at the level of normal distribution. This normality assumption is essential for the statistical analysis as well as the structural equation model. Fails in

executing the normality value are assumed that the data inflates the bootstrapped standard error, perversely (Chernick, 2008; Hair et al., 2010; Hair, Hult, Ringle, & Sarstedt, 2014).

Highlighted, there has been earlier long discussion regarding the normality test approach and most of them are Kolmogorov-Smirnov (K-S) test, Lilliefors corrected K-S test, Shapiro-Wilk test, Anderson-Darling test, Cramer-von Mises test, D'Agostino skewness test, Anscombe-Glynn kurtosis test, D'Agostino-Pearson omnibus test, and the Jarque-Bera test (Ghasemi & Zahediasl, 2012).

In term of the result's interpretation, previous studies suggest for few significant scores. Kline (2011), proposed the absolute value for *skewness* and *kurtosis* to score within 3 and 10. According to, Hair et al. (2010) the normal value which is between the range of 1 (+1, -1) is acceptable. Chua (2013) accepts for score range of 1.96 (+1.96,-1.96), George & Mallery (2010) accepts for score range of 2 (+2,-2) and Santo, Mala, & Lamberto (2011) accepts for range of 3 (+3,-3).

For this study, the data is tested based on the D'Agostino *skewness* test, and the Anscombe-Glynn kurtosis test (Skewness and Kurtosis). **Table 5-1** is used for interpreting the normality level for this study distribution's data. The results (see **Appendix C2**) show that both of the *skewness* and *kurtosis* results within 1. This indicating that the data distributed for this study is initially normal and valid.

Table 5-1:
Skewness and Kurtosis Normality Approach

Variables	Skewness	Kurtosis
Parental socialization	-0.034	-0.575
The influential of social media	-0.189	0.159
Financial literacy	0.062	-0.517
Financial self-efficacy	-0.065	-0.411
Saving attitude	0.039	-0.668
Intention of repayment	0.060	0.072

5.2 Respondent Demographical Profile

5.2.1 Descriptive Analysis Result

Consequently, descriptive analysis is formed for the purpose of cleaning the data. However, according to Pallant (2013), the purpose of descriptive analysis also useful in summarizing a large set of numerical data so that information like respondent demographical background could be reached. Zikmund et al. (2010) indicate the descriptive analysis to persistent the common level of the data.

For this study, the descriptive analysis is tested as Zikmund et al. (2010). As shown, the highest mean for normative belief in the parents and for control belief is the financial self-efficacy. Overall, the lowest mean score is substituted for financial literacy (see **Appendix D1**).

Table 5-2:
Descriptive Analysis Results

Variables	N	Mean	Std. Deviation
Normative:			
Parental socialization	327	3.8304	.59799
The influential of social media		3.5745	.63034
Control:			
Financial literacy	327	3.5478	.52602
Financial self-efficacy		3.6176	.60889
Saving attitude	327	3.7986	.64364
Intention of repayment	327	3.8527	.52128

5.2.2 Frequency Analysis Result

According to Sekaran & Bougie (2014), frequency test is applicable for analysing the survey feedback according to respondent's social characteristics profile (see **Appendix D2**) and **Table 5-3** summarized the correspondent results.

Overall, the respondent is almost equally between the female and male and most of the respondents are Malays students followed by the Chinese and Indian. The accounting students are foremost contributable for this survey. Otherwise, the results

indicate the majority at students whose currently; in the fourth semester, from public secondary schools, parent income at low-income earner, the parents are equal between self-employed and private servant, and the mother are no working.

Table 5-3:
Frequency Analysis Result

Social Characteristic Items	Classification	Frequency	Percentage
Gender	Male	146	44.6%
	Female	181	55.4%
Age	18-20	236	72.2%
	21-23	86	26.3%
	24 and above	5	1.5%
Race	<i>Bumiputera</i>	274	83.8%
	Chinese	35	10.7%
	India	18	5.5%
Secondary School Background	Boarding School	17	5.2%
	Private school	17	5.2%
	Public school	276	84.4%
	Islamic school	17	5.2%
Semester	First	16	4.9%
	Second	72	22.0%
	Third	60	18.3%
	Fourth	106	32.4%
	Fifth	24	7.3%
	Sixth	46	14.1%
	Seventh	1	0.3%
	Eighth	2	0.6%
Course	Accounting	56	17.1%
	Architecture	14	4.3%
	Building services	21	6.4%
	Civil	34	10.4%
	Electrical	26	8.0%
	Electronic	28	8.6%
	Manufacturing	8	2.4%
	Marketing	33	10.1%
	Mechanical	39	11.9%
	Mechatronic	7	2.1%
	Plant	36	11.0%
	Plastic	2	0.6%
Quantity surveying	13	4.0%	

	Town and regional planning	10	3.1%
	Less than RM1,000	45	13.8%
	Rm1,000-RM2,000	133	40.7%
Parent's Income	RM2,001-RM3,000	80	24.5%
	RM3,001- RM4,000	41	12.5%
	More than RM4,000	28	8.6%
Father's Profession	Government servant	80	24.5%
	Private sector	94	28.7%
	Pensioner	32	9.8%
	Self-employment	94	28.7%
	Unemployment	27	8.3%
Mother's Profession	Government servant	64	19.6%
	Private sector	28	8.6%
	Pensioner	8	2.4%
	Self-employment	98	30.0%
	Unemployment	129	39.4%

5.3 Goodness of Measure

5.3.1 Validity Test Result

Give Yong & Pearce (2013) interprets the factor analysis as process interpreting relationship and formation comprehensively and understandably. For instance, this analysis required for mathematical procedures to simplify the interrelated measurement (Child, 2006). The study with huge data is suggested to uses factor analysis for better identification since factor loading simplify the data range. Else, this form of analysis is also applicable for data transformation, testing the hypothesis, mapping, and scaling (Rummel, 1970).

Earlier studies listed a numerous solution for factor analysis issues. Option applied for this study is fundamentally depending on Kaiser Meyer Olkin (KMO) test. KMO measures the adequacy of sampling by determining the adequacy of the responses. The value that close to 0.5 (minimum) is supported, otherwise, values

between 0.7-0.8 considered acceptable, and the value exceeds 0.9 enjoy the superb condition. In a different view, Hair et al. (2010), accepts value exceeds 0.30 if the total of samples is more than 300.

Since this study possesses for more than 300 respondent, the suggestion from Hair et al. (2010) is most fitted. Stated in **Table 5-4**, most items used in interpreting the variables significantly correlates. The value score more than 0.3 except items for knowledge (D3, D5, and D6). D3 and D5 require the studies to retain the items in other variable (from knowledge to financial efficacy). This indicates the researcher to re-compute the mean value for the financial efficacy which is including these two variables. Instead, the item of D6 is excluded and the mean value of financial literacy is also re-calculated without considering those three items (**see Appendix E**).

Table 5-4:
Factor Analysis for Items Interpreted for All Variables

Item Code	Components	Factor Loading
Normative: Parental Socialization		
B1	My parents encouraged me to make saving	0.753
B2	My parents inform me about the important of saving	0.692
B3	I talked with my parents before I applied for PTPTN loan	0.661
B4	My parents warned me about the risk of default	0.631
B5	My parents regularly pay for utilities (i.e. water & electricity, internet)	0.607
B6	My parents is a credit card holder	0.569
B7	My parents convinced me to take some of the PTPTN received for saving (i.e. ASB, SSPN)	0.489
The Influential of Social Media		
C1	I am one of the PTPTN Fanpage likers	0.761
C2	Every time I wake up I will visit my personal Facebook page	0.751
C3	Every time I wake up I will visit my Instagram account	0.712
C4	Every time I wake up I will visit my personal Twitter account	0.664
C5	PTPTN Facebook fans page regularly posting the information regarding the defaulters and the consequence penalties	0.572
Control : Financial Literacy		

D1	I understand the interest charged before I apply for PTPTN	0.551
D2	I understand about the interest option offered by PTPTN	0.374
D3	I am aware of the issue of PTPTN defaults	0.395
D4	I support the proposed penalties towards the PTPTN defaults	0.589
D5	I understand the procedures regarding the loan repayment	0.431
D6	I understand the agreement before I apply for borrowing	-
D7	I read the information regarding PTPTN loan before I apply	0.392
D8	I realize the future intense in getting a job	0.705
D9	I comprehensively understand about the obligation to pay back even no working	0.672
D10	PTPTN collection performance declines over time, this indicates them to perform new and effective legislation over the default	0.464
Financial Self-Efficacy		
E1	I find difficult to regularly pay for loan	0.599
E2	Holds the PTPTN burden find me difficult to owned a car	0.727
E3	Holds the PTPTN burden find me difficult to owned a house	0.729
E4	Holds the PTPTN burden find me difficult to get married	0.763
E5	Holds the PTPTN burden find me difficult to spend on my parents	0.776
E6	I am convinced I can regularly save money	0.743
E7	I am convinced when dealing with money influential in future	0.681
Attitude :		
Saving Attitude		
F1	I borrowed for financing my study	0.880
F2	I spend the money borrowed for books and other stuff related to my study	0.876
F3	Some of the money borrowed is spent in my daily life	0.775
F4	I spent part of money borrowed for entertainment	0.736
F5	The amount received is sufficient to finance my necessity during the semester	0.577
Intention of Repayment		
G1	I make saving for PTPTN repayment in case I was jobless for a long time	0.862
G2	I intend to buy a car once I was employed	0.816
G3	I intend to buy a house once I was employed	0.677
G4	I intend to get married once I was employed	0.563
G5	I invest some of the money borrowed in ASB so that will help me to pay back when due	0.531
G6	I will make deduction through my salary for PTPTN loan repayment	0.509
G7	If possible, I will make full repayment for PTPTN	0.487
G8	My spending priority is for my parents	0.425
G9	My spending priority is for my parents is for PTPTN repayment	0.407

5.3.2 Reliability Test Result

According to Sekaran & Bougie (2014), the initial of measuring for data reliability is to ensure the consistency is applicable for any concepts. Previous studies have provided a various alternative to testing the data reliability and most widely used is the Cronbach's Alpha and highly recommended for the data of questionnaires (Tavakol & Dennick, 2011). For interpretation, Nunnaly & Bernstein (1990) suggest for a score to be within the range 0.5-0.7, however, Streiner (2003), accepts the value scores up to a maximum total for 0.9. **Table 5-5** indicates the entire item is scored below than 0.9 and this indicated that all the proposed variable pass in the reliability test (see **Appendix F**).

Table 5-5:
Cronbach's Alpha Scores for the Variable

Variables	Items	Number of Items	Cronbach's Alpha (α)
Normative	Parental socialization	07	0.834
	The influential of social media	05	0.883
Control	Financial literacy	10	0.746
	Financial self-efficacy	07	0.891
Attitude		05	0.877
Intention		09	0.818

5.4 Hypothesis Testing Result

Mentioned by Brien & Scott (2012), the regression analysis is essentially used for understanding the prediction power of independent variable towards the dependent variable, once an underlying relationship has been supported. As this study predicting the influential factors (independent) of educational loan repayment (dependent), testing for regression is most appropriate and accurate. Therefore, this study's tested the hypothesis proposed using the regression analysis and the results as illustrated bellows (see **Appendix G**).

5.4.1 Determining How Well the Models Fit

Table 5-6 indicates the results on model's fit. The "R" column represents the value of *R*, the *multiple correlation coefficients*. *R* can be considered to be one measure of the quality of the prediction of the dependent variable; in this case, the intention of repayment. A value of 0.635, in this example, indicates a good level of prediction. The "R Square" column represents the R^2 value (also called the coefficient of determination), which is the proportion of variance in the dependent variable that can be explained by the independent variables (technically, it is the proportion of variation accounted for by the regression model above and beyond the mean model). The results are shown at the value of 0.404, showing that the independent variables explain 40.4% of the variability of the dependent variable, which is the intention.

Table 5-6:
Results on Model Fits

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	.635 _a	.404	.395	.40562

a Predictors: (Constant), Attitude, Media, Efficacy, Literacy, Parental

5.4.2 Statistical Significance

Table 5-7:
Significants Results of the Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.771	5	7.154	43.483	.000b
	Residual	52.815	321	.165		
		88.586				
	Total	32	326			
		6				

a. Dependent Variable: Intention

b. Predictors: (Constant), Attitude, Media, Efficacy, Literacy, Parental

The *F*-ratio in the **Table 5-7** shows whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(5, 321) = 43.483, p < .0005$ (i.e., the regression model is a good fit of the data).

5.4.3 Hypothesis Testing Results

Table 5-8:
Significant Results of Independent Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.689	.201		8.401	.000
Attitude	.469	.045	.579	10.332	.000
Parental	-.007	.051	-.008	-.129	.897
Social Media	.095	.041	.114	2.314	.021
Literacy	-.027	.067	-.022	-.396	.692
Efficacy	.045	.041	.058	1.089	.277

a. Dependent Variable: Intention

Considering the significant value at p equal to less than 0.05 ($p = < 0.05$), only two antecedents found to significantly relates with the intention of repayment; saving attitude and the influential of social media, which indicates the p value each at 0.000 and 0.021. However, the other three antecedents found to unfavourably relate.

5.5 Discussion on the Significant Result

In summarized, only two of the antecedents are found to positively associates with the repayment's intention, which are the saving attitudes as well as the influential of social media. The other antecedents are rejected as resulted in **Table 5-9** and the subsequent discussion is related to the significant justification of these finding results.

Table 5-9:
Regression Analysis Result

Item	Hypothesis	Coefficient	t	Sig.	Remarks
	Proposed	β		(p)	
H ₁	Attitude → Intention	.579	10.332	.000	Supported
H ₂	Parent → Intention	-.008	-.129	.897	Rejected
H ₃	Social Media → Intention	.114	2.314	.021	Supported
H ₄	Literacy → Intention	-.022	-.396	.692	Rejected
H ₅	Efficacy → Intention	.058	1.089	.277	Rejected

*significant at p<0.05 level

The ability to effectively manage money by making careful spending choice and saving money may help youth successfully navigate transitions to adulthood. Elliott et al., (2014) and Bevans & Chiem (2012) founds that saving and accumulating the assets helps the youth access educational opportunities and this finding is similar to this study results. The results have shown that the saving attitudes are positively related to student's intention of repayment.

The influential of social media in promoting awareness is confessed. This study also indicates the positive association of the influential of social media towards the intention of repayment, supporting the initial finding regarding the financial capability and skills. As stated in analysis conducted by Hebert & Gyarmati (2014), social network is positively associated with persons who are well plan their future financial plan and these finding eventually also supporting the earlier finding about the influential of social media in promoting awareness as well as provide change to the certain behaviour (Farhangi et al., 2014; Lapointe et al., 2014)

The important role played by the parents is no doubt to argue. Previous studies also found to truly convinced by, and confidence with the roles played by the parents in boosting up the outcomes related to young and young adults (Bibi, Chaudhry, Awan, & Tariq, 2013; Perera, 2014; Porumbu & Necşoi, 2013; Sun, Bradley, & Akers, 2012; Hancock, Jorgensen, & Swanson 2013). However, the result

indicated from this study is varied and unsupported. The finding has found to insignificantly relate the parental socialization and the student's intention of repayment. This finding, however, supporting the other efforts such as Kim, LaTaillade, & Kim (2011) founds that parent's monitoring of their children's spending was not significantly associated with children saving for future education. Moreover, Jorgensen & Savla (2010) only found the positive association of parents socializations through the mediation of student's financial attitude.

Sometimes, the personal financial knowledge or literacy does not really make sense to prevent people from having a credit card and become defaults (Robb & Sharpe, 2009). Moreover, Sages, Britt, & Cumbie, (2013) also suggests for the similar indication by showing the low correlation between the knowledge and the financial behaviour. These initial attempts are actually coherently with this finding results, suggesting the unfavorable relationship between the financial literacy and student's intention of repayments.

Additionally, the financial self-efficacy is found to have no association with the student's repayment's intention. This finding comprehensibly in line with Xiao, Tang, Serido, & Shim (2011), suggesting that financial self-efficacy is positively predicted the construction financial behaviour like saving but not to risky financial behaviour.

CHAPTER 6

CONCLUSION AND RECOMMENDATION

6.0 Introduction

Properly justifying the conclusion as well as the study implication with the study finding and the objective outcomes is essential (Cooper & Schindler, 2006). This study, therefore, concludes the overall finding to justify with the objective performance. Included in this section are additional discussion regarding the implication as well as suggesting for future action and outcomes.

6.1 Conclusion and Recommendation

This study investigated and corroborated key findings from previous literature, and draws conclusions from a random sample of students enrolled at HLIs, and although these results are not generalizable beyond that population, the combination of these findings with prior research gives substantial support to theorize broader trends. The author created indices for saving attitudes (5 item index), parental socialization (7 item index), the influential of the social media (5 item index), financial literacy (10 item index), financial self-efficacy (7 item index) and intention of repayment (9 item index) to test the hypotheses using the SPSS regression analysis. This study hypothesized and found support for saving attitude being predictive for the intention of repayment among Polimas students. Additionally, we predicted and found support for a relationship between the influential of social media and the student's intention of repayment. These findings fit into previously studied area about financial behaviour. Conversely, this research demonstrates that the relationship between parent's socialization and students' repayment's intention is insignificant and so with to financial literacy and

financial self-efficacy. These unfavourable findings present compelling areas for future consideration, such as the research that considers the interactions between other demographic information with broader sample size. This finding, at a minimum, demonstrates that saving attitude and the influential of social media can impact on the student's financial futures. Our findings suggest that willingness to openly discuss finances, and modelling positive financial behaviours can potentially improve financial behaviours.

Most importantly our study reveals the real condition of our educational loan (PTPTN) issues and problems through few argumentations such as the relevant to keep practicing the ethnicity- based quota policy as well as the subsequent possible effects in the future.

Though this research provided significant results, the study has various limitations in regards to the generalizability and validity of those findings. Primarily, our study was conducted at a single HLI, which does not allow us to generalize our results beyond the institution. In addition, the nature of our investigation forced us to exclude a large portion of the population, which limits our ability to generalize our results to the students of the institution. Third, the research conducted was done in the course three months, which did not allow an in--depth study of our results. Finally, the construction of the indices and the questions themselves were left to our discretion, and though they were proofread by peers and our professor, the primarily Likert scale times may not have allowed respondents the full range of expression in their answers.

6.2 Implication of the study

The government of Malaysia recently striven to promote the important of making saving for education investment. This has been pointing out by the recent controversial issue regarding the higher educational overspending the budgets. As stated, PTPTN has to face great declines in spending due to the unimpressive collection by the repayment. The increasing demand for the PTPTN loan has driven the PTPTN shortage in the fund. Therefore, the government of Malaysia highly promoting the researchers to comes in front with outcomes of best alternatives and strategies for betterment and improvements (Ministry of Higher Education Malaysia, 2011).

Assuming that the risen issues are desperate to solves, this study steps into the attempts for seeking the best optional for the government and the citizens towards effectively supporting the desired outcomes. In summarizes, this study fully utilizes the main objective seeking for the solutions towards improving the PTPTN services and management. This study has significantly justified the relevant factors that might help to increase the crucial problem. Understanding factors contributing for encouraging the saving attitude is vital. Previous studies also support the importance of understanding and clearly identifies the motivational factors the might boosting the possibility to achieves the desired outcomes (Bastable & Dart, 2010; Kaylene & Carolline, 2011).

The aim of this study is to provide the significant antecedents that will encourage the student's intention of repayment. As results, this study significantly relates two from the proposed antecedents with the intention of repayment, which are the saving attitudes and the influential of social media.

As well, in conjunction to understand the real issues, this study circuitously has also insight the real condition and phenomena of Malaysian educational loan debated issues. Proposing few related argumentations regarding the implementation of the ethnicity-based quota policy as well as the PTPTN future direction, this study also pertaining the finding results with the desires targets contributions.

As such, there is a need for the government as well as the academics researchers to fully interact thru the research outcomes. There should be a study investigating the need for the government utilizing the academics research finding that will ultimately encourage the academics researchers to always seeking for best solution on the existence problem or even for future achievements. This suggestion is proposed based on finding reveals that the research aid effectively benefits the country economic developments (John Young, Thomas Davis, Stephen Sherlock, 2014; Mellors-Bourne, Humfrey, Kemp, & Woodfield, 2013).

Another suggestion is proposed based on the suggestions of Im & Busette (2010). According to this study, the low-income earner is found to be sustained in saving attitude thru engaging with the financial management program as well as the personal efficacy. Three important mechanisms are suggested such as supporting from the non-profit organisation, the social network as well as the civic engagement. Kaylene & Carolline, (2011) also suggest for the interactive program and learning for motivating the young adults. Therefore, in line with these finding, this study recommended the government to provides appropriate financial management program towards sustaining the personal saving attitude thru increase the personal knowledge and confidence. This study also suggests for the establishment of the institution managing programs related to financial especially regarding the saving investment for future education, considering the appropriate of online learning

program in order to interact with more people around the world while acquires for relevant opinion and thought. This institution also should play as the research and development bodies to investigate the related issues while improving and promoting the substantial awareness. In simple thought, the formation of this institution is fundamentally for encourages the saving for education among citizens. There must be two ways interaction so that there must be also provided with the counselling services. Engaging with facilities offers thru the social network might provide more effective and efficient foundation and aims.



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