

**MEDIATION EFFECT OF ISLAMIC FINANCIAL PLANNING INTENTION IN THE BEHAVIOUR FRAMEWORK OF MALAYSIAN PUBLIC WORKERS**

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**Abstract**

In the current economic environment with various product and services offered by financial institutions, wise decisions among Muslim workers are vital for their life well-being and afterlife. Their planning in achieving financial goals had to take considerations of their religious belief. In view of this, this study would like to unveil the possibility of established factors in influencing financial planning specifically in the Islamic context. Furthermore, the Islamic financial planning intention is to determine its mediating effect between the factors in the Theory of Planned Behaviour and the behaviour of financial planning. Random sampling on a list of ministries situated in Putra Jaya, Federal Territory were used in the first stage followed by a selection based on departments in those ministries. Liaison officers appointed in the selected departments assisted in collecting completed self-administered questionnaires. Cleaned data resulted in 304 questionnaires gathered data on socioeconomic characteristics, financial literacy, attitude towards financial planning, subjective norms, perceived behavioural control and financial planning in the Islamic context. A regression analysis revealed significant influences of Islamic financial planning attitude, subjective norms and perceived behavioural control on the Islamic financial planning. Whilst, series of regression analyses proved that Islamic financial planning intention mediates the influences of Islamic financial planning attitude and subjective norms on the Islamic financial planning behaviour. However this is not the case for perceived Islamic financial planning control which has a direct effect on Islamic financial planning. As a conclusion, the results had proved the application of the Theory of Planned Behaviour in the Islamic financial planning context among public workers in Malaysia.

**Key Words:** *financial literacy, attitude, subjective norms, perceived behavioural control, financial planning intention, mediation effect*

**Introduction**

In the current economic environment with various product and services offered by financial institutions, wise decisions among Muslim workers are vital for their life well-being and their afterlife. Their planning in achieving financial goals had to take considerations of their religious belief. However deciding on Islamic financial products and services may not be comprehensive among workers. With limited financial resources and with hopes to increase income by venturing into short-term or long-term investments, individuals might be focusing more on what can benefit them most in terms of choosing the products and services offered.

Efforts to increase awareness, knowledge and understanding of the Islamic financial planning have been actively done by Islamic Banking and Finance Institute Malaysia (IBFIM). Till the middle of 2015, a total of 72 publications by IBFIM (2016) in relation to Islamic finance are distributed to other countries. IBFIM acts as a global institution for Islamic financial education. Reading materials were produced especially textbooks by IBFIM for the purpose of certification such as the Certified Islamic

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Financial Planning (CIFP) in collaboration with the Financial Planning Association of Malaysia (FPAM). Another institution actively distributing the knowledge of Islamic finance is International Shari'ah Research Academy for Islamic Finance (ISRA). The existence of Islamic financial planning is seen as the reaction towards the rapid development of conventional financial planning. Islamic financial planning is thus the marketing capital for financial advisors offering various Islamic financial products and services to the nation.

Due to the effort by various Islamic financial institutions, the community as a whole is expected to be aware of the financial products and services that conformed Syariah. They are hoped to make better financial decisions in their quest to prosper in their life and afterlife. Hence, this study is performed to identify the Islamic financial planning literacy and factors influencing Islamic financial planning. Mainly, the Islamic financial planning intention is determined its mediating effect between the factors in the Theory of Planned Behaviour that are attitude, subjective norms and perceived behavioural control, and the behaviour of Islamic financial planning.

### **Literature Review**

Prior to the Theory of Planned Behaviour (TPB), in the theory of reasoned action (TRA) (Fishbein & Ajzen, 1975) there are two predictors namely attitude and subjective norms that influence intention and further has an influence on behaviour. In this sense, TRA act as a basis for the development of TPB. Perceived behavioural control is the added behavioural antecedent to TRA to form TPB other than attitude and subjective norms as influential predictors on intention and behaviour.

The inclusion of the perceived behavioural control construct allows for an assessment of behaviours in which volitional control may be incomplete. Perceived behavioural control refers to the perception of an individual of the easiness or difficulty in performing certain behaviour. This includes the perception of an individual personal control on performing the behaviour (Montano & Kasprzyk, 2002). Attitude towards a specific behaviour include an overall evaluation of the behaviour either a positive or a negative evaluation. Subjective norms are the perceptions of whether a peer referent group approve or disapprove of a specific behaviour.

It is suggested by researchers that the more favourable the attitude towards a specific behaviour and the subjective norms, and the greater the perceived behavioural control in a certain context, the stronger will be the behavioural intention (Hrubes, Ajzen, & Daigle, 2001). The theory posits that intention predicts behaviour in general (Ajzen, 1991). In view of this, intention is suggested as a mediator between the three predictors and behaviour. Furthermore, perceived behavioural control is contended by Ajzen as an accurate reflection of actual control (Ajzen, 1991). Hence, the Theory of Planned Behaviour stated that there are two elements influencing behaviour directly that are intention and perceived behavioural control. In conjunction to this, intention is also suggested not to mediate the influence of perceived behavioural control on behaviour.

In the context of drinking behaviour, the positive attitudes towards drinking affect the drinking behaviour among college students (Trafimow, 1996). Other studies related to alcohol use are by Conner, Warren, Close, and Sparks (1999), and Norman and Conner (2006). The importance of subjective norms influences on alcohol

consumption is supported by research stating that others who are important to young adults play an important role in young adults' decision making. Peers have been found to be more influential than other agents on behavioural decisions (Borsari & Carey, 2001; Durkin, Wolfe, & Clark, 2005; Perkins, 2002; Wood, Read, Palfai, & Stevenson, 2001). In terms of the influence by perceived behavioural control on drinking behaviour, an individual who wishes to stop drinking may be prohibited to do so due to the environmental pressures.) Past studies found influential effects by perceived behavioural control on drinking (Higgins & Marcum, 2005; Thomsen & Rekke, 2006; Wolfe & Higgins, 2008).

Applying the Theory of Planned Behaviour in a study on investment decision among British consumers, East (1993) found consistent results with the theory. Specifically, friends, relatives and easy access to funds contribute strongly to investment decision, hence subjective norms was found to affect investment decision. In purchase decision, Arti (1994) found perceived financial control significantly influence purchase intention however did not influence directly on purchase decision. In a study on consumer behaviour in developing debt management plan, the information and account of sample clients from national consumer counseling led Xiao and Wu (2006) to determine factors related to the decision. They concluded that attitude towards the behaviour and the ability to control influence actual behaviour, however is not influenced by subjective norms. Similarly, Kennedy and Wated (2011) also found perceived behavioural control to be significantly predicting reported credit card debt however with a negative influence.

With increasing Islamic financial planning products and services in Malaysia offered to households, the Theory of Planned Behaviour may contribute in understanding the factors influencing Islamic financial planning among households. In the Islamic financial planning context, the three constructs that are attitude, subjective norms and perceived behavioural control are proposed to influence Islamic financial planning intention and Islamic financial planning. Perceived behavioural control also is suggested to have a direct influence on Islamic financial planning as posited by Ajzen (2005).

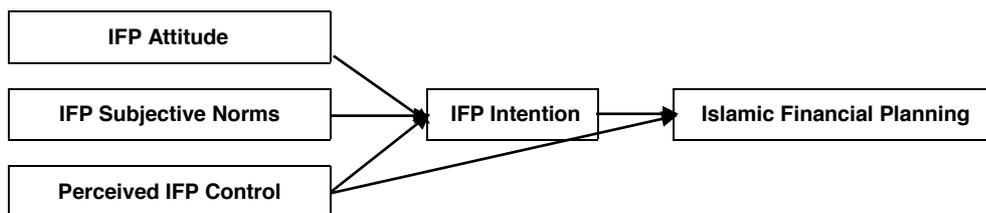


Figure 1: Islamic Financial Planning (IFP) Framework Based on Theory of Planned Behaviour

## Research Methodology

### Sampling

This study employed a cross-sectional design where data are collected only once from each of the respondents. In the simple random sampling procedure carried out on a list of ministries situated in the Federal Territory of Putrajaya, eight ministries are being chosen. One department from each ministry are randomly selected from lists of departments under those ministries. A total of 400 self-administered questionnaires are distributed through appointed liaison officers in the departments of the ministries which resulted in 310 completed questionnaires. Only local Muslim workers working in those ministries responded to this survey. Prior to the distribution of questionnaires, the samples are randomly selected from lists of workers' name in each department.

### Instrumentation

Apart from the background of the respondents, data on Islamic financial planning literacy, Islamic financial planning factors that are attitude, subjective norms and perceived behavioural control, Islamic financial planning intention and Islamic financial planning behaviour are collected using self-administered questionnaire. Islamic financial planning literacy is measured using subjective knowledge on Islamic financial planning on various aspects consisting of five statements with a yes and no answer.

The Islamic financial planning factors are measured indirectly as suggested by Francis, Eccles, Johnston, Walker, Grimshaw, Foy, Kaner, Smith, and Bonetti (2004). Islamic financial planning attitude construct is measured through two components that are behavioural beliefs and outcome evaluation having four statements each. Scales from 1 to 7 are used for the responses on both components. Sample statements for behavioural beliefs are "If I do Islamic financial planning, I will feel that I have done something positive for my afterlife at *akhirat*." and "I feel worried and uncomfortable about my condition at *akhirat* if my financial activities are not based on *Syariah*." Sample statements for outcome evaluation component are "Always ensure financial matters are not involved in doubtful matters." and "Put an effort to do something positive for the life at *akhirat*."

Islamic financial planning subjective norms construct is measured using two components that are norm beliefs and motivation to fulfill norm beliefs demand. Both components have four statements each with a scale from 1 to 7. Sample statements for norm beliefs are "I am influenced by others in implementing Islamic financial planning." and "I am influenced by my family members in implementing Islamic financial planning." While sample statements for motivation to fulfill norm beliefs demand are "Financial planned according to Islamic *Syariah* the same as others." and "Financial planned according to Islamic *Syariah* based on friends' advice."

Perceived Islamic financial planning control on the other hand is measured with control beliefs and control beliefs influence. There are also four statements measuring each of these components with a scale of 1 to 7. Among the statements for control beliefs are "When faced with financial problems, it is difficult for me to avoid from accepting bribe." and "When faced with financial problems, it is difficult for me to avoid from asking for bribe." Two sample statements for control beliefs influence are "I can

easily avoid from accepting bribe if I faced financial problems.” and “I can easily avoid from asking for bribe if I faced financial problems.”

The scales of 1 to 7 for the second component of the three constructs which are outcome evaluation, motivation to fulfill norm beliefs demand and control beliefs influence are later recoded to -3 to +3 before calculating the scoring for the constructs as given by Francis et al. (2004). The following formulas give the scoring for the three constructs. The numbers in the bracket are referred to the statement numbers in part c of the questionnaire.

Attitude scoring :  $(1 \times 11) + (2 \times 10) + (3 \times 12) + (4 \times 9)$

Subjective norms scoring :  $(13 \times 21) + (14 \times 22) + (15 \times 23) + (16 \times 24)$

Perceived behavioural control scoring :  $(5 \times 25) + (6 \times 26) + (7 \times 27) + (8 \times 28)$

Islamic financial planning intention is measured by three statements with seven responses from 1 to 7. These intention statements are referred to the general intention statements as stated by Francis et al. (2004). The financial planning behaviour measurements are adapted from Kapoor *et al.* (2004) to suit for the Muslim respondents resulting in 11 components. Responses from “Never” to “Most Often” are used to determine the extent of financial planning being performed by the respondents on a four scale. Descriptive and regression analyses are used to describe the data and to determine the mediation effect of Islamic financial planning intention in the financial planning framework.

#### **Validity and Reliability of Direct Measurements**

Content validity is established by using measurements adapted from past studies while pre-test on the questionnaire developed assessed the face validity of the measurements. The construct validity and reliability for direct measurement variables are displayed in Table 1. The Kaiser-Meyer-Olkin sampling adequacy test showed that both constructs have significant chi-square with values of more than 0.6 which ascertained that the data are adequate for the factor analysis. Only one factor emerged for both constructs based on the eigen value of more than 1.0 and the validities are high for both having factor loadings from 0.880 to 0.919 for Islamic financial planning intention and from 0.552 to 0.805 for Islamic financial planning constructs.

Reliability tests for the constructs revealed high Cronbach alphas of more than 0.6 which are 0.882 for Islamic financial planning intention and 0.903 for Islamic financial planning behaviour. High reliability coefficients for a measurement showed that the measurements used are consistent, accurate and are able to make prediction of the situation studied.

**Table 1: Validity and Reliability for Main Variable**

Variable	Measurement for Kaiser-Meyer-Olkin Sampling Adequacy	Bartlett Test, $\chi^2$ (sig.)	Eigen Value (% variance Factor 1)	Number of Item	Cronbach Alpha ( $\alpha$ )
Islamic Financial Planning Intention	0.735	499.157 (.000)	2.430 (80.99%)	3	0.882
Islamic Financial Planning Behaviour	0.889	1683.412 (.000)	5.605 (50.96%)	11	0.903

The three factors of attitude, subjective norms and perceived behavioural control in the financial planning framework are not required to determine the reliability as stated by Francis et al. (2004). The reason is that the scores for these constructs are the multiplication of item scores.

## Results and Discussion

### Profile of Respondent

As displayed in Table 2, male (50.3%) and female (49.7%) respondents are almost equal with two-third (66.8%) of them are married. Slightly less than half (44.4%) of the respondents are young employees and having worked for less than five years with the same proportion of respondents.

Table 2: Profile of Respondent

	Profile of Respondent (N=304)	Frequency n, (Percentage, %)
Gender	Male	153 (50.3)
	Female	151 (49.7)
Marital Status	Single	101 (33.2)
	Married	203 (66.8)
Age (years)	Less than 30	135 (44.4)
	30 - 39	94 (30.9)
	40 and more	75 (24.7)

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Work Experience (years)	0 - 5	135 (44.4)
	6 - 10	65 (21.4)
	11 - 15	33 (10.8)
	16 - 20	31 (10.2)
	21 and more	40 (13.9)
Job Category	Support Staff	185 (60.9)
	Officer	119 (39.1)
Education	Certificates	101 (33.2)
	Diploma	62 (20.4)
	Bachelor	111 (36.5)
	Masters and PhD	30 (9.8)
Respondent's Monthly Income	RM3,000 and less	190 (62.5)
	RM3,001 - RM6,000	102 (33.6)
	RM6,001 - RM9,000	12 (3.9)
Monthly Household Income	RM3,000 and less	120 (39.5)
	RM3,001 - RM6,000	90 (29.6)
	RM6,001 - RM9,000	66 (21.7)
	RM9,001 and more	28 (9.2)
Dependent	Less than 5 persons	185 (61.5)
	5 persons and more	119 (38.5)

Since those aged less than 30 years and working experience less than five years are almost half of the respondents (44%), it is justifiable that almost two-third (62.5%) of them obtained monthly income of less than RM3,000. Furthermore, this may be contributed by the level of occupation. It is found that those working as officers are slightly more than two-third (39.1%) of them however a higher percentage (46.1%) of respondents possessed a bachelor degree. This reflected that despite having a bachelor degree, they are found to be hired as non-officers (5%).

Compared with the household income of respondents (39.5%), almost double of the respondents (62.5%) earned monthly income less than RM3,000. This shows that more than one-third of the respondents who lived in urban areas are struggling with

their finances. More than one-third of the respondents (38.5%) have high number of dependents of more than five. It has been known that urban residents earning this much of monthly income is just enough for a small family in Malaysia which falls under the urban-poor category.

### **Descriptive of the Variables**

#### ***Islamic Financial Planning Literacy***

Responses towards subjective literacy on Islamic financial planning are displayed in Table 3. Majority of the respondents (66.4%) clarified that they are able to differentiate between Islamic and conventional financial planning concept. While only half of the respondents (52.0%) declared that they have knowledge on Islamic financial planning concept or able to use the knowledge on Islamic financial planning in daily financial activities. The lowest response (21.7%) is when they are asked about their ability to explain Islamic financial planning concept when requested to do so. In terms of having a clear understanding regarding the Islamic financial planning concept, only a quarter of them (25.3%) agree to this statement. These results revealed their low confident in Islamic financial planning capability.

Table 3: Subjective Literacy on Islamic Financial Planning

<b>Statements</b>	<b>Yes (%)</b>
Have knowledge on Islamic financial planning concept.	158 (52.0)
Have a clear understanding regarding the Islamic financial planning concept.	77 (25.3)
Use the knowledge on Islamic financial planning in daily financial activities.	155 (51.0)
Able to differentiate between Islamic and conventional financial planning concept.	202 (66.4)
Able to explain Islamic financial planning concept when requested to do so.	66 (21.7)

Summing the responses gives a range of 0 to 5 with 0 as the lowest score for subjective literacy on Islamic financial planning and 5 as the highest score. The mean score of 2.16 for Islamic financial planning literacy is slightly below the mid-score of 2.5. This low score of subjective literacy reflects that they perceived themselves as having low knowledge regarding Islamic financial planning aspects.

#### ***Factors for Islamic Financial Planning (IFP) Behaviour***

The potential factors as stated in the Theory of Planned Behaviour which are Islamic financial planning attitude, Islamic financial planning subjective norms and perceived Islamic financial planning control are measured indirectly as explained in the methodology. Thus, the descriptive statistics presented in Table 4 displays the overall

statistics for each of the factors. With the same range of scores, IFP attitude displays highest mean score of 61.26 followed by IFP subjective norms (mean = 32.94) and perceived IFP control (mean = 14.16). Thus, even though all the scores are in the upper border of the score range, there is higher attitude towards Islamic financial planning as compared to subjective norms nor perceived behavioural control in the Islamic financial planning context. Perceived behavioural control in this context is the lowest which shows that the control the respondents perceived in doing financial planning is the least as compared to them perceiving social pressure to perform the behaviour or having positive attitude towards financial planning.

Table 4: Descriptive Statistics for the Islamic Financial Planning Factors

	IFP Attitude	IFP Subjective Norms	Perceived IFP Control
Mean	61.26	32.94	14.16
Standard Deviation	24.57	19.18	12.59
Minimum	-10.00	-50.00	-26.00
Maximum	84.00	84.00	56.00
Range of Score	-84 to 84	-84 to 84	-84 to 84

#### ***Islamic Financial Planning Intention***

As the intention to involve in Islamic financial planning is measured directly, Table 5 displays the descriptive of the items used to measure it. High mean scores for all the items are found that are 6.34 to 6.39 which are near to 7 as the highest score. The respondents intend to do Islamic financial planning in view of having a good life in the afterlife.

Summing the scores for the three items representing the intention gives a range of -9 to 9 and the overall mean score for this construct is 7.10. This mean score reflects that the intention to involve in Islamic financial planning is very high. Though with low perceived literacy on Islamic financial planning, they are very determined to involve in Islamic financial planning. This may due to their religious belief of the afterlife which require them to commit to the Syariah Law.

Table 5: Islamic Financial Planning Intention

	Islamic Financial Planning Intention	Mean (1 to 7)	S.D.
31	I hope for the <i>akhirat</i> success by performing Syariah-based financial planning.	6.37	.917
35	I want to achieve success at <i>akhirat</i> by performing Syariah-based financial planning.	6.34	.965
37	I intent to obtain success at <i>akhirat</i> by performing Islamic financial planning.	6.39	.938

**Islamic Financial Planning Behaviour**

Table 6 displays various components of Islamic financial planning. The responses for all components are higher than the mid-point for scores of 1 to 4 which ranges from 2.73 to 3.40. The highest mean score among the components is on planning for monthly expenses while the lowest mean score is for estate distribution planning. The second highest mean is for credit planning followed by zakat and retirement planning. These results show that most respondents focus more on the short-term planning rather than long-term planning moreover for distribution of wealth after their death. Retirement planning as one of the long-term planning is still considered by the respondents in planning financially even though it falls at the fourth position.

Among the low responses are on planning to purchase transportations and education planning in terms of the financial needs. Nowadays, there are many offers to purchase cars or motorcycles with zero downpayment. Though there exists such situation of not requiring any upfront payment, individuals have to bear in mind that it comes with a cost. By planning for these purchases, the cost on credit can be reduced. Respondents also are found not to bother much on the education financial needs of their children. High dependency on government financial assistance are reflected in the education aspect especially with the availability of PTPTN loan. The total scores for this construct are computed resulted in a range from 11 to 44 with an overall mean of 34.0. The high overall mean value revealed high involvement among the respondents in various aspects of Islamic financial planning.

Table 6: Islamic Financial Planning Behaviour

No.	Statement	Mean (1-4)	S.D.
1	Planning savings for financial emergencies.	3.12	.818
2	Planning for my child/children's educational financial needs.	2.99	.968
3	Planning for automobile purchase.	2.95	.939
4	Planning for house purchase.	3.08	.927
5	Planning before applying for any credit/loan.	3.32	.788
6	Planning for zakat management.	3.15	.835
7	Planning for takaful protection.	3.06	.842
8	Planning for retirement.	3.14	.863
9	Planning for distribution of estates.	2.73	.976
10	Planning for monthly expenses.	3.40	.682
11	Planning for investment.	3.09	.801

**Islamic Financial Planning Intention as a Mediator**

Prior to determining the possibility of Islamic financial planning intention to act as a mediator between the factors in the Theory of Planned Behaviour and the related behaviour, an alternate hypothesis is developed based on the theory. The theory proposed three factors namely attitude, subjective norms and perceived behavioural control to indirectly influence behaviour by having intention as a mediator. It also proposed perceived behavioural control to be directly influencing behaviour apart from the direct influence by intention. In the context of Islamic financial planning, the hypothesis developed is as follows:

**H<sub>a</sub> :** Islamic financial planning intention is a significant mediator in the influence of attitude, subjective norms and perceived behavioural control on the behaviour of Islamic financial planning.

The analyses followed the three conditions required to test mediation as stated by James and Brett (1984). In order to ascertain intention as the mediator, the three factors should be significantly influencing the Islamic financial planning behaviour in the first regression model without the intention variable (Condition 1). Table 7 displays the results for the Islamic financial planning behaviour with education and Islamic financial planning literacy as the control variables. Education ( $t = 2.441$ ;  $p = .015$ ) and Islamic financial planning literacy ( $t = 3.356$ ;  $p = .001$ ) give positive and significant influences on the behaviour. With these significant influences, there is a need to include the variables as control variables.

Referring to Table 7, the Islamic financial planning behaviour model controlled for education and Islamic financial planning literacy, revealed that the three factors namely IFP attitude ( $t = 2.133$ ,  $p = .034$ ) IFP subjective norms ( $t = 2.213$ ,  $p = .028$ ) and perceived IFP control ( $t = 2.446$ ,  $p = .015$ ) positively and significantly influenced the Islamic financial planning behaviour. Hence the first condition is fulfilled. These results is consistent with Xiao and Wu' study (2006). Similarly, Kennedy and Wated (2011) also found perceived behavioural control as a significant predictor of reported credit card debt however with a negative influence.

Table 7: Regression for Islamic Financial Planning (IFP) Behaviour

Variables	B	Beta	t	Sig.	Tolerance	VIF
Constant	19.609		7.550	.000		
Education	.565	.165	3.046**	.003	.910	1.099
IFP Literacy	.975	.250	4.669**	.000	.928	1.077
IFP Attitude	.033	.121	2.133*	.034	.827	1.209
IFP Subjective Norms	.045	.127	2.213*	.028	.810	1.234
Perceived IFP Control	.071	.133	2.446*	.015	.908	1.102

\* significant at  $p \leq 0.05$  \*\* significant at  $p \leq 0.01$

The second condition states that the factors must be significant on the intention as a dependent variable. This is proved by the output in Table 8 which displays the results from the regression model having intention as the dependent variable. Islamic financial planning attitude ( $t = 11.541$ ,  $p = .000$ ) and Islamic financial planning subjective norms ( $t = 5.486$ ,  $p = .000$ ) are found to exhibit significant influence on Islamic financial planning behaviour whilst perceived Islamic financial planning control ( $t = .455$ ,  $p = .649$ ) did not significantly influence the related behaviour. Thus, the second condition is fulfilled for only two of the factors excluding perceived IFP control. This findings are in line with the Theory of Planned Behaviour by Ajzen (2005) which stated that there are direct influence between attitude and subjective norms on the intention. The Islamic financial planning intention model is valid ( $F = 55.421$ ;  $p=.000$ ) with an R square value of 0.482 where the model is able to explain 48.2 percent of the variance in the Islamic financial planning intention.

In addition, the theory posits that perceived behavioural control has a direct influence on the behaviour instead of intention. Considering the significant influence of perceived behavioural control on behaviour in condition 1 and the insignificant influence on intention, it is confirmed that perceived behavioural control had a direct influence on Islamic financial planning behaviour.

Table 8: Regression for Islamic Financial Planning (IFP) Intention

	<b>Variables</b>	<b>B</b>	<b>Beta</b>	<b>t</b>	<b>Sig.</b>	<b>Tolerance</b>	<b>VIF</b>
1	Constant	119.483		1.047	.296		
	Education	20.168	.137	2.441*	.015	.983	1.017
	IFP Literacy	31.501	.189	3.356**	.001	.983	1.017
2	Constant	-134.067		-1.493	.136		
	Education	4.012	.027	.626	.532	.910	1.099
	IFP Literacy	13.899	.083	1.927	.055	.928	1.077
	IFP Attitude	6.227	.529	11.541*	.000	.827	1.209
	IFP Subjective Norms	3.832	.254	5.486**	.000	.810	1.234
	Perceived IFP Control	.457	.020	.455	.649	.908	1.102

\* significant at  $p \leq 0.05$  \*\* significant at  $p \leq 0.01$

When introducing intention in the regression model, the third condition requires the significant influence of the three factors would change to insignificant while intention is significantly influencing behaviour. Table 9 displays the results of the regression model to determine the third condition having the same control variables of education and Islamic financial planning literacy. The two factors that are found

previously to be significantly influencing behaviour which are attitude ( $t = .231$ ,  $p < .818$ ) and subjective norms ( $t = 1.281$ ,  $p < .201$ ) exhibited non-significant influence on behaviour in the model having intention. The Islamic financial planning intention ( $t = 2.812$ ,  $p < .005$ ) at the same time is found to be significantly influencing behaviour. Thus, the results confirmed that Islamic financial planning intention acted as a mediator for the influence of attitude and subjective norms on Islamic financial planning behaviour.

Table 9: Mediated Regression for Islamic Financial Planning (IFP) Behaviour

Variables	B	Beta	t	Sig.	Tolerance	VIF
Constant	20.233		7.851	.000		
Education	.547	.159	2.978**	.003	.909	1.100
IFP Literacy	.910	.234	4.382**	.000	.917	1.091
IFP Attitude	.004	.016	.231	.818	.571	1.750
IFP Subjective Norms	.027	.076	1.281	.201	.736	1.359
Perceived IFP Control	.069	.129	2.399*	.017	.907	1.102
IFP Intention	.005	.199	2.812**	.005	.518	1.930

\* significant at  $p \leq 0.05$

\*\* significant at  $p \leq 0.01$

For the perceived Islamic financial planning control, as the earlier result revealed no significant influence on intention, it is confirmed that Islamic financial planning intention did not act as a mediator between the influence of perceived Islamic financial planning control on Islamic financial planning behaviour. The result in Table 9 shows that perceived Islamic financial planning control ( $t = 2.399$ ,  $p < .017$ ) had a direct significant influence on its behaviour. This is parallel with the Theory of Planned Behaviour where it posits that perceived behavioural control and intention are the two variables that have direct influence on behaviour. The final model of Islamic financial planning is valid ( $F=14.459$ ;  $p=.0001$ ) and having an explained variance of 22.6 percent.

The Islamic financial planning attitude and subjective norms are found to influence the Islamic financial planning intention and later give an effect on the behaviour of financial planning. Those having positive attitude towards Islamic financial planning will increase the intention to financial plan according to Syariah and proceed with doing it. That goes the same for those having high subjective norms where there are bound to do as what others around them do. This group needs intention to enhance the influence to do Islamic financial planning.

As for perceived IFP control, this construct remains significant in its influence on the Islamic financial planning when compared with the earlier model without the intention construct. Islamic financial planning intention also is found to have significant

influence on Islamic financial planning. In this case, the intention does not act as a mediator between the influence of perceived Islamic financial planning control on the Islamic financial planning decision. The perceived Islamic financial planning control is not able to influence Islamic financial planning intention towards performing Islamic financial planning.

On the other hand, perceived Islamic financial planning control gives a direct effect on Islamic financial planning. Those that perceived themselves having a control on their behaviour in the Islamic financial planning context, they will continue to perform the activities even though without any intention. Montano and Kasprzyk (2002) stated that perceived behavioural control consists of internal (skill) and external (pressure). In the Islamic financial planning context, having the skill related to Islamic financial planning and having the environmental pressure from colleagues whereby even though they feel of not doing Islamic financial planning however due to the environmental pressure, they will be looking forward to involve in it. In this study, the respondents are Muslim workers and working among majority Muslim workers which create the environmental pressure to do Islamic financial planning.

As perceived behavioural control is argued by Ajzen as an accurate reflection of actual control (Ajzen, 1991), hence the Theory of Planned Behaviour contains two elements influencing behaviour directly that are intention and perceived behavioural control. In the Islamic financial planning context, this study is able to prove that it abides to this theory by having direct influence of perceived Islamic financial planning control on Islamic financial planning and without a mediation effect by Islamic financial planning intention.

### **Conclusion and Implication**

The analyses confirmed that the Islamic financial planning intention acted as a mediator between the influence of Islamic financial planning attitude and subjective norms on the Islamic financial planning behaviour. However it did not mediate the influence of perceived Islamic financial planning control on the Islamic financial planning behaviour. Nevertheless, this result is in line with the Theory of Planned Behaviour which posits that intention predict specific behaviour with the influence by attitude towards the behaviour and subjective norms. With that, there are two constructs directly influencing Islamic financial planning which are the Islamic financial planning intention and perceived Islamic financial planning control among the Muslim workers.

An individual perceiving that he or she has the knowledge or skill to do Islamic financial planning is crucial in the decision to involve in Islamic financial planning. In addition, being in a community or surrounded by Muslim workers also gives an urge to financial planned according to Syariah. In view of this, elevating the knowledge on Islamic financial planning is an important step that will lead to doing financial planning the Islamic way as they are already in a Muslim community. Employers should play a role in enhancing their employees' knowledge regarding Islamic financial planning apart from the financial institutions. Intervention program to increase the related literacy may be planned as an annual program in the department to sustain the involvement in Islamic financial planning among Muslim workers.

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