

Retirement Savings Behavior: The Extended Interactive Theory of Planned Behaviour Among Malaysian Civil Servants

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Abstract:

Malaysian civil servants face several interconnected challenges in building adequate retirement savings. These include individual financial behaviour, inconsistent policy frameworks, rising living costs, limited financial literacy, poverty, and broader fiscal constraints. Addressing these issues is essential for designing policies that support effective saving practices. Inadequate retirement savings threaten post-retirement financial security, particularly amid an ageing population and ongoing reliance on pension schemes. However, limited empirical evidence exists on the financial and policy-related factors that shape civil servants' retirement saving decisions. This study examines the retirement saving behaviour of Malaysian civil servants using an extended Interactive Theory of Planned Behaviour (ITPB). It also integrates tax incentives from a behavioural economics perspective and tests whether perceptions of government policies moderate these relationships, based on rational choice theory. The study applies a quantitative, cross-sectional design and uses an online survey to collect data from 275 permanent civil servants (Grades 9–15) with income tax records. Data were analysed using SPSS (Version 29) and SmartPLS (Version 4.0). The results indicate that attitude and tax incentives are positively related to retirement saving behaviour, while subjective norms show no significant association. Perceived behavioural control does not moderate the relationship between attitude or subjective norms and saving behaviour. Similarly, perceptions of government policies do not moderate these relationships. The findings highlight the influence of financial incentives on saving behaviour and suggest that policy perceptions play a limited moderating role. Future studies should use longitudinal or experimental designs to explore causal relationships and evaluate the long-term effects of policy reforms and financial education on retirement planning.

Keywords:

Interactive theory of planned behaviour, Malaysian civil servants, moderating role, perceived government policy, retirement savings behavior, tax incentives.