FACTORS INFLUENCING RETIREMENT PLANNING OF EMPLOYEES IN COMMERCIAL BANKS OF NEPAL

Submitted by

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RECOMMENDATION

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the SOMTU, Tribhuvan University, a Graduate Research Project (GRP) report submitted by Sabina Ghimire "Factors influencing Retirement Planning of employees in commercial banks of Nepal", in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Tribhuvan University.

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GRP Supervisor

Signature

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External Examiner

Signature

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GRC Chairman Signature

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Director, SOMTU

Date:

DECLARATION OF AUTHENTICITY

I, Sabina Ghimire, declare that this GRP is my own original work and that it has fully and specifically acknowledged wherever adapted from other sources. I also understand that if at any time it is shown that I have significantly misrepresented material presented to SOMTU, any credits awarded to me on the basis of that material may be revoked.

Signature:

Name: Sabina Ghimire

Date: 26th June, 2022

ACKNOWLEDGEMENTS

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ABBREVIATIONS

ANOVA	Analysis of Variance
AVE	Average Variance Extracted
CFA	Confirmatory Factor Analysis
CR	Composite Reliability
DB	Defined Benefit
DC	Defined Contribution
EPF	Employee Provident Fund
FAM	Family Education
FUT	Future Orientation
LCH	Life Cycle Hypothesis
LIT	Financial Literacy
MAT	Materialism
NPR	Nepalese Rupees
PLAN	Propensity to Plan
PLS	Partial Least Squares
RET	Retirement Planning
SAV	Saving Attitude
SEM	Structural Equation Modeling
SPSS	Statistical Package for Social Science
TPB	Theory of Planned Behavior
UNDP	United Nations Development Program
VIF	Variance Inflation

EXECUTIVE SUMMARY

Working people in Nepal are still mostly unaware of the need of putting aside money for retirement this especially stands true for the younger generation. Basically millennial and the generation after them considers retirement preparation to be a hardship because it necessitates planning that tends to last long enough. This might be the result of ambiguity and a lack of considerations about future hazards such as inflation, critical disease, and other factors may contribute to this behavior. Keeping in mind such noteworthy trends the basic purpose of this research is to examine the behavior of individuals when it comes to retirement planning. Similarly, it also aims to find out the existing relationship between various factors and retirement planning behavior.

The study's primary goal is to determine the factor(s) that influence retirement planning behavior. The study uses the planned behavior theory also followed by theory related to time perspective as a foundation for analyzing data. It considers the primary data from a sample of 362 employees of commercial bank and process those data using the structural equation modeling technique in search of some meaningful findings. This research is based on primary data collection. Questionnaire were distributed on printed form as well as through emails, and social media. The sampling technique that has been adopted in this research is purposive and referral sampling technique. Moreover, the analysis is based on PLS-SEM by the process of structural modeling and path analysis, and measurement model.

The findings suggests that among the five factors taken under study family education and future orientation has significant and positive relationship with retirement planning behavior among employees of commercial bank whereas materialism, propensity to plan and financial literacy has positive but insignificant relationship with retirement planning behavior.

Since family education and future orientation are the most influential and significant factors in retirement planning government should focus more on these aspects to help individual realize and adopt retirement planning practices in individuals.

CHAPTER I

INTRODUCTION

1.1   Background of the Study

Retirement planning is one of the prominent aspect of financial planning. According to the latest census of Nepal, as of now the population distribution based on age is highest in the age group 15-64yrs of age i.e. 65.36 percentage. Retirement planning of such active age group affects the money management of individual, organization and the country as a whole.

Likewise, the UNDP survey found that the number of people those aged 60 and above has risen dramatically, basically on every country of the world. According to the study, the number of elderly persons in less developed regions increased by 60 percent on average in 2015, which is believed to spike in the increased rate to seventy one percent in the days to come in after additional 15 years. This increase is definitely the result of increase in life span of citizens that has been recorded in almost every region of the world (UNDP, 2015). As an outcome, the rising number of elderly citizens, along with a large increase in life expectancy in most developing countries, has created issues, particularly in terms of retirement demands. These problems could lead to a financial crisis and social hazards in the future with deterioration in people's physical health and overall quality of life (UNDP, 2015). As a result, now is the most important time to research financial planning, particularly retirement planning, as well as the impact of numerous factors on the same, particularly in developing nations like Nepal.

Retirement is defined as the point at which a person leaves his or her job permanently. The retiree will not receive any official income throughout their retirement after leaving the workplace. Savings, social support, and pensions are the main sources of income in retirement, according to Bosworth & Bruke (2012). As a result, adequate retirement planning during the earlier stages of life is critical in order to improve people's post-retirement lives. Effective retirement planning includes making a note of spending and income during the retirement period and retirement savings. Weak

retirement planning increases the chance of retirees experiencing financial hardship in later years. Inadequate retirement planning would result in insufficient income.

Many researchers have discovered that various behavioral factors directly contributes to poor personal retirement planning. However, we only have a fragmentary understanding of the elements that influence personal retirement planning. In reality, the underlying influence of doing the behavior is thought to be behavioral characteristics (Ajzen, 1985). Various studies have found that the impact of behavioral components on an individual's propensity to engage in a certain deed determines the likelihood of that deed occurring (Sharma, Chrisman, & Chua, 2003). On the other hand, Poudyal (2019) claims that financial management techniques, saving behavior, financial knowledge and literacy, and attitude toward retirement helps to develop retirement planning behavior of private sector employees. On the other hand gender, income, and education level, are all significant predictors of retirement confidence among Nepalese in the private sector.

Based on a broad body of literature, this study analyses five major variables: financial literacy, family education, propensity to plan, materialism, and future orientation. Furthermore, the theory of planned behavior and future time perspective theory would support the association between these characteristics namely, financial literacy, family education, and tendency to plan, materialism, and future orientation and retirement planning behavior through saving attitude. Hence, one of the most important economic concerns that will confront global society in the future decades is how to support retirement incomes for an expanding number of retirees. In this study, analysis of important psychological determinants of crucial retirement planning behaviors using data from Nepalese private bank employees.

1.2   Statement of Problem

According to Grossbard & Pereira (2010), many people may not have enough means to preserve their financial independence during retirement. Individuals are sensitive to the dynamic environment since the private sector has emerged as the largest employer, driven by market-based resource allocation and essentially no pension plans. Because the majority of Nepal's workforce is employed in the private sector, they are not protected by the government's pension system. The non-public and

organized sectors have essentially no government-sponsored social security, leaving them vulnerable. As a result, it's critical to figure out what influences employees' retirement confidence in private companies. Employees' saving and investing plans should also be examined to see how they are preparing for life after retirement. Basically when there has been the study of factors effecting retirement planning it generally focused on only psychological factors but this study will focused on various other factors.

This study also aims to draw attention from the fact that very limited number of published studies have examined the behavioral as well as other factors affecting retirement planning, especially in the Nepalese context and therefore, can be of great value for behavior research arena. This study will be undertaken and directed to investigate the answer of the following questions:

1. What is the role of various factors on retirement planning behavior of employees of commercial banks of Nepal?
2. Is there association between various family education, future orientation, propensity to plan, materialism and financial literacy with retirement planning behavior?
3. Is saving attitude a mediating agent between family education, future orientation, propensity to plan, materialism and financial literacy and retirement planning behavior?

1.3   Research Objectives

The general objective of the study is to explore various factors that effects retirement planning behavior of employees of commercial banks of Nepal.

The specific objectives of the study are:

1. To identify the various factors such as family education, propensity to plan, future orientation, materialism and financial literacy that effect retirement planning behavior.
2. To examine the effect of various factors on retirement planning of employees of commercial banks of Nepal.

3.   To determine the mediating role of saving attitude between various factors and retirement planning behavior of employees of commercial banks of Nepal.

1.4   Definition of Terms

The definition of various terms related to the study has been discussed thoroughly.

Retirement Planning

Retirement is a stage in life when a person decides to leave his or her job permanently. According to Gutierrez & Hershey (2015) study, retirement planning is the process of acquiring knowledge and setting goals for the latter time so that post retirement behaviors can be implemented to achieve those goals. Retirement planning can be limited in scope that just includes financial planning or might have broader perspective encompassing various different aspects of life planning.

Family Education

Children's financial behavior in maturity may or may not be influenced by their parents' money management skills. Various researches done in this regard has shown that parent and their offsprings relationship is consistent with past financial study (Kimiyagahlam, Safari & Mansori, 2019) i.e. children tend to get affected by their parents financial behavior. Perrone, Sullivan, Pratt, & Margaryan, (2004) in their research found out that while parents neglect to build their children's ability to delay gratification then their offspring's will have financial difficulties in the future .

Future Orientation

The future time perspective is a way of determining how much of an individual's focus is on the future (Howlett, Kees, & Kem, 2008). Rabinovich, Morton, and Postmes (2010) discovered that people's opinions regarding a certain conduct are influenced by their future temporal perspective.

4

Materialism

Materialism is defined as "the importance a consumer attaches to worldly possessions" (Belk, 1984). Furthermore, materialism has a connotation that emphasizes the necessity of consumption rather than saving.(Belk, 1985).

Propensity to plan

Fundamentally, propensity to plan refers to a person's innate desire to plan. In personal finance and economics, the inclination to plan has been defined as a set of beliefs that determine how a household tackles the issue of financial planning (Ameriks, Caplin, & Leahy, 2003; Ameriks, Caplin, Leahy, & Tyler 2007). Individual variances in the propensity to plan refer to individual differences in attitudes and abilities that handle diversions or impose limits.(Khwaja, Silverman, Sloan, & Wang 2007).

Financial Literacy

Lusardi (2008a, 2008b) defines financial literacy as, "Knowledge of basic financial concepts, such as the working of interest compounding, the difference between nominal and real values, and the basics of risk diversification"

Saving Attitude

According to Ajzen (2005), attitude is a person's judgments of whether something, someone, an institution, an event, or a behavior is positive or bad. Fishbein & Ajzen (1973), Theory of Reasoned Action describes attitude as a belief that determines how a person behaves. Someone who believes that taking action will benefit him will be more likely to do so, and vice versa. Individuals with a positive financial attitude can influence their future attitudes toward financial planning and management

1.5   Research Hypothesis

Webley & Nyhus (2006) discovered that elders behavior had a greater impact on their offspring's attitudes than their own actions. They discovered that parental action and attitude had only a minimal impact on their offspring's financial behavior. While the

impact of parental financial socialization grows with maturity, so does the tendency to save (Bucciol & Veronesi, 2014).Hence it is hypothesized as:

H1: There is a significant association between family education and retirement planning.

Rabinovich, Morton, & Postmes (2010) discovered that people's opinions regarding a certain conduct are influenced by their future temporal perspective. Individuals who believe the future is closer are more likely to save and plan.

In a similar spirit, Jacobs-Lawson & Hershey (2005) observed that those with a relatively considerable time perspective are more likely to set goals and, as a result, are better at developing a retirement strategy. Therefore, current study proposes that:

H2: There is a significant association between future orientation and retirement planning.

Financial literacy is typically regarded as specialized type of skill that pertains to how consumers efficiently cope with respective connected financial issue, or a human with a focus on personal finance (Alba & Hutchinson, 1987).

Numerous studies have connected financial knowledge to a number of financial practices, including budgeting, accumulation of wealth, and assets choices. (Bernheim, 1995, 1998; Lusardi & Mitchell, 2011). New study by Adams & Rau, (2011) contradicts previous findings on the effects of financial literacy. Fernandes, Lynch, and Netemeyer (2014) ,conducted a analysis of the association between financial knowledge, education, and financial habits using 168 papers from 201 prior investigations. Thus, the current research posits that:

H3: There is a significant association between financial literacy and retirement planning.

Materialistic people, according to Garoarsdottir and Dittmar (2012), have poor money management abilities and a larger proclivity for obsessive buying and spending. Indeed, materialism has a connotation that emphasizes the necessity of focusing more on consumption than saving. According to Hershey & Mowen (2000), materialism and financial readiness have an indirect relationship. Hence, the study posits that:

H4: There is a significant association between materialism and retirement planning.

Most human conduct is modeled as planned and under the influence of conscious intentions in influential models of human behavior (Ajzen & Fishbein, 1980). Self-control is improved by making plans, according to research (Gollwitzer & Oettingen, 2007). A research done by Sniehotta, Scholz, & Schwarzer(2005) also emphasized on the role of self-control. It will assist the individual in becoming more organized and well-prepared prior to tackling a job (Kreitler & Kreitler, 1987). A research by Khwaja, Silverman, Sloan, and Wang (2007) investigated the impact of abilities to plan on several processes of making a decision. Thus, current study posits that:

H5: There is a significant association between propensity to plan and retirement planning.

According to Prisoner's Dilemma game by Fishbein's (1967) the idea, a person's behavior is determined by their behavioral purpose. Also which is determined by their attitude toward the act and his beliefs about the expectations of the other participant, which can be termed as a social normative beliefs. Kimiyagahlam, Safari & Mansori, (2019) also discovered a substantial mediation link between saving attitudes and various characteristics when it comes to retirement planning. Hence, the proposed research hypothesis are:

H6: Saving attitude significantly mediates the association between family education and retirement planning.

H7: Saving attitude significantly mediates the association between future orientation and retirement planning.

H8: Saving attitude significantly mediates the association between financial literacy and retirement planning.

H9: Saving attitude significantly mediates the association between materialism and retirement planning.

H10: Saving attitude significantly mediates the association between propensity to plan and retirement planning.

1.6   Significance of the Study

A phase in a person's life when he or she ceases to e employed full-time is known as retirement. To avoid the possibility of an individual's collected assets not being able to meet the long unforeseen, uncertain occurrences that occur during retirement life, and hence unable to enjoy financial well-being, planning for retirement becomes necessary. When a person has sufficient understanding of analyzing his or her financial objectives, present financial situation, predicted cash flow, and capacity to design a thorough retirement roadmap, retirement planning becomes simple. This knowledge will aid individuals in calculating the amount of savings required for retirement and investing those funds in appropriate financial instruments to achieve targeted returns and provide financial security in the post-retirement period, which begins when they reach sixty years of age and have completed certain service period which is thirty years as per the requirement by Civil Service Act of 2049. Government of Nepal has different type of monetary provisions such as pension and gratuity but nevertheless due to inflation and increasing demands of basic human needs especially during retirement such as better health service, post retirement refreshments it is always necessary to plan for retirement from early stages of life. Therefore, this study aids for better understanding of factors associated with retirement planning and necessary reforms to be done regarding the same by the government, institutions and at individual level as well.

1.7   Limitation of the Study

Numerous limitations of the study are mentioned below:

  I.   The study is based on primary data. So, the limitations of primary data may be inherent in the study.

  II.   Data is collected from certain number of employees only i.e. 362 employees of private banks due to various response and non-response errors. Therefore, the results obtained from the study may/maynot be generalized with the employees of all over Nepal.

  III.   The study used a structured questionnaire survey method. As a result, sampling and non-sampling errors may occur in the study.

IV.   The retirement planning behavior of the individual are on the basis of the data reported by employees themselves so the data may contain some short of the biases.

V.   There are limited number of variables taken under study therefore the findings might not be relevant in all contexts.

1.8   Organization of the Study

The present thesis comprises three main sections with five chapters:

- Preliminary section
- Body section
- Supplementary section

The Preliminary Section consists of title page, certification, and declaration of authenticity, acknowledgment, and table of contents, list of tables included in the report, list of figures, abbreviations, and executive summary. The Body section further consists of five chapters. Introduction; Related Literature and Conceptual Framework; Research Methods; Results and Analysis; Discussion, Conclusion and Implications. The final section of the report contains References and Appendix.

The first chapter includes the introduction of the study that explains the background of the study. It further includes statement of the research problem, the purpose of the study, research objectives, rationale of the research report, the significance of the study, limitations of the study, and structure of this report. The second chapter compromises the literature review and theoretical framework and conceptual framework of the study. A literature review consists of a review of empirical studies, research articles, and thesis or dissertations which also presents an overall scenario of the study that relates to the objectives of the study.

The third chapter is the research methods that explains the tools and techniques used in the study. This chapter deals with research design, sample size and population, source of data, data collection techniques, and data analysis. It also deals with the reliability of research tools and techniques and ethical considerations of the study.

The fourth chapter describes the analysis and results of the study. It represents the analysis of quantitative data using statistical tools that defines the various tables and figures intended to answer the objectives and research questions of the research. Finally, the last chapter deals with the discussion, conclusion, and application scope of the study. The study report is formatted based on the APA 6th edition.

CHAPTER II

RELATED LITERATURE AND THEORETICAL FRAMEWORK

2.1   Literature Review

Personal retirement planning is not mandatory for everyone, it is everyone's personal option for financial planning for future. And hence, numerous people aren't ready to retire (Ng, Tay, Tan, & Lim, 2011). This is usually seen in active aged population as they are highly dedicated on making money and enjoy present they sort of tend to lack proper planning for future especially after retirement. The majority of people assume that retirement planning is required when they are nearing retirement and is too early to consider their old age. Even if they start saving for retirement now, it will be insufficient (Martin, Guillemette, & Browning, 2016).

According to the Hypothesis regarding one's life cycle , sensible persons make economic decisions in order to maximize utility while limiting consumption for their overall life span (Ando & Modigliani, 1963). This is also in line with the normative life cycle model's consumption smoothing assumption (Ando & Modigliani, 1963).

Few individuals plan for retirement, and even fewer believe they are doing so properly (Fernandes, Lynch, & Netemeyer, 2014). When making a retirement plan, there is the need a lot of information. It has been established that knowledge related to finances and retirement plan are linked (Bucher-Koenen & Lusardi, 2011). Similarly, A study also discovered association between financial literacy and retirement planning (Sekita, 2011). In studies, certain personality traits (such as future orientation and predisposition for planning) have been associated to saving and planning (Bearden & Haws, 2012; Yang & Devaney, 2011). Also, Friedman & Scholnick, (2014) discovered the relationship between future orientation with saving and planning behaviors. Over 40% of successful planners utilize official resources like retirement calculators, seminars, or financial counselors, whereas simple planners are more likely to use informal approaches like conversing with near and dear ones. Grable & Joo (1999)

Moorthi et.al. (2012) recognized how demographic and psychological factors influence retirement planning behavior. The authors took into account three

demographic variables: age, education, and income. The authors end their study by claiming that demographic characteristics, educational attainment, and income have a substantial impact on retirement behavior. Individual retirement behavior is also influenced by psychological factors such as goal clarity, attitude toward retirement, and potential goal conflict.

Pant (2013), on the other hand, based his research on female faculty members at Banasthali University in Rajasthan in which married women are found to be more conscious of retirement planning and have done more for retirement than women who are yet not married, and they are medium risk takers who prefer to put money into less dangerous areas.

Kimiyaghalam et al. (2019) investigated Malaysian financial retirement planning and found out employees in the private sector do not have adequate savings for retirement, forcing them to work beyond retirement.

Author	Content	Research Context	Result
Dauda et. al. (2017)	Retirement Planning Behaviour	Direct predictors of retirement planning behavior	-Retirement planning behavior is strongly influenced by one's attitude toward retirement planning and subjective norms.
Rameli, Marimuthu (2018)	Retirement Planning Behaviour	Attitude towards retirement in saving intentions and retirement planning behavior	Saving attitude as a mediator between attitude and retirement planning behavior
Kimiyaghalam et. al. (2017)	Retirement planning Behaviour	Parents influence on retirement planning in Malaysia	-Parents play a significant role in retirement planning of their children -Saving attitude mediates the relationship
Rokhman (2021)	Retirement planning behavior	Effect of financial literacy and future orientation towards financial planning behavior	- Financial literacy, future orientation, and saving attitudes all influence retirement planning behavior in a favorable and meaningful way. - In the link between Future Orientation and Retirement Planning Behavior, Saving Attitude has a partial mediation role.

Afza & Patil (2020)	Retirement Planning Behaviour	Relevance of Investor Behaviour in Retirement Planning	-A strong link exists between the act of saving and a personal retirement plan, as well as a pattern of saving. - A strong link exists between the act of saving and a personal retirement plan, as well as a pattern of saving.
Hershey and Mowen (2005)	Retirement saving Behaviour	Influence of future time perspective, financial knowledge, and financial risk tolerance on retirement saving behaviors	-Aggressive retirement saving profiles are connected with higher levels of future time perspective, understanding of financial planning for retirement, and financial risk tolerance.
Hershey & Mowen (2000)	Pre-retirement Planning	Psychological Determinants of Financial Preparedness for retirement.	-Financial knowledge and personality traits were both important predictors of pre-retirement planning.
Mohidin et. al (2013)	Retirement Planning Behavior	Relationship Between Attitude and Retirement Planning Behavior	-There was a substantial favorable association between retirement planning behavior and money management, investment planning, and estate planning.
Nga & Yeoh (2018)	Retirement Planning behavior	An Exploratory Model on Retirement saving behavior: A Malaysian study	-Financial knowledge, quality of financial advisers, perception of health, and social influence has significant effect on retirement saving behavior -Financial knowledge is discovered to be a mediating factor in the association between financial adviser quality and retirement savings behavior.
Moorthi et. al.(2012)	Retirement Planning Behaviour	A study on the retirement planning behaviour of working individuals of Malaysia	-Age, educational level and income level are significant variables in retirement planning behaviour - Retirement planning behavior is significantly influenced by one's attitude toward retirement and the clarity of one's retirement goals.
Kimiyaghalam, et.al(2017)	Retirement Planning Behaviour	Influential Behavioral factors on retirement planning.	-Individual's planned behavior and future orientation has direct relationship with retirement planning behavior.

Afza & Patil (2020)	Retirement Planning	Relevance of Investor Behaviour in Retirement Planning	-There is a strong link between saving and personal retirement plans and saving patterns.
			-'Planned Behavior' and 'Financial Prudence' have an impact on'retirement savings.
Joo & Grable (2005)	Retirement Planning	Employee Education and the Likelihood of Having a Retirement Savings Program	- Better levels of education, higher income, a smaller household size, and positive financial attitudes are all associated with having a retirement savings plan.
			- Individuals who receive financial knowledge at work are better to have a savings plan.
			-Having a retirement savings plan was associated with a higher level of retirement confidence.
Tomar et. al.(2021)	Retirement Planning Behaviour	Psychological Determinants of retirement financial planning behaviour	-A positive relationship between future time perspective, retirement goal orientation, and social group support, which is controlled by financial knowledge, and retirement planning behavior.
			- Having a retirement funds plan was associated with a higher level of retirement confidence.
			- Having a long-term view and knowing what you want to do when you retire are also helpful.
Hauff et. al. (2020)	Retirement Behaviour	Retirement Financial Behaviour	-Fact-based and subjective financial literacy have a significant impact on three stages of life time regarding people's retirement conduct that is plan, save, and invest.
Aza & Patil (2018)	Retirement Planning Behaviour	Is retirement planning a priority for individuals? A study in Bengaluru City	-There is a strong association between saving and having a personal retirement plan and a saving routine.
			-The act of saving, saving pattern, and personal retirement plan all have a moderate link with saving.
			-Behavioral considerations have an impact on one's personal retirement financial strategy.

Shariff & Isah (2019)	Retirement Planning	An exploratory study was conducted to determine the factors that influence people's attitudes toward retirement savings.	-Income patterns, attitudes toward retirement, and future expectations all have a substantial impact on adult Malaysians' retirement savings behavior.
Joo& Pauwel(2002)	Retirement Planning	Factors Affecting Workers' Retirement Confidence: A Gender Perspective	- Working males showed higher levels of retirement confidence than working women because they were young, had higher literacy, higher income, positive financial conduct and habits, were risk takers, got workplace financial education, and had low consumption.
Afthanorhan et. al. (2020)	Retirement Planning behaviour	Constructing the Retirement Planning Behavior Model for Youth to Achieve Long-Term Well-Being	-Financial literacy, saving attitudes, social influence, and goal clarity shows that all connections have a strong and beneficial relationship with retirement planning - The relationships were moderated by all moderator factors (gender, age, status, income, and education).
Hershey et. al. (2008)	Retirement Planning Behaviour	Psychological Foundations of Financial Planning for Retirement	- Psychological indicators are proposed to moderate the association between demographic variables and saving habits which were long - term time orientation, retirement goal precision, and self-appraised financial knowledge.
Palaci et al.(2017)	Retirement Planning	Financial cognitions in older adults: parental socialization predicts retirement financial planning	Parental financial socialization directly and indirectly influences Financial planning for retirement. Financial literacy, decisions about Financial planning for retirement and financial management mediated the relation between parental financial knowledge and planning for retirement.

Accordingly, Robertson-Rose (2019), in his exploratory research done using 25 qualitative interviews investigated the impact of parents' retirement saving methods on their adult offspring. It involves parents urging their grown children to save for

their post-employment years, as well as children seeking guidance on state pensions and portfolio selection from their parents. Its two main findings are that parents' retirement preparedness has an influence on their child's retirement decisions and that financial conditioning in the home continues throughout life.Similarly, Nga & Yeoh (2018), in the study used a multidisciplinary approach to investigate the retirement savings behavior of 160 Malaysians, looking at financial knowledge, financial adviser quality, health perception, and social impact as determinants of behavior. The association between the quality of financial advisers and retirement savings behavior is found to be mediated by financial knowledge.

Furthermore, Tomar, Kent Baker, Kumar, and Hoffmann (2021) looked at how the combination of a cognitive attribute, financial literacy, as well as retirement goal orientation, future cognitive style, outlook toward retirement, risk appetite, and social network assistance, influences women's retirement planning behavior. This article's findings revealed a positive association between retirement planning activity and future time, retirement goal orientation, and social support group, which is moderated by financial literacy. Perspective on the future and clarity on retirement objectives also mediates the relationship.

Similarly, Hajam (2020) conducted research on how saving attitudes affect family retirement planning as a result of the impact of future orientation and financial literacy. Families from Surabaya were utilized as the study's sample, and it was discovered that focus on future and financial literacy have a positive impact on family retirement planning and is mediated by saving attitudes.

Furthermore, a study involving 155 Nigerian workers found that attitudes regarding retirement planning and subjective norms are strongly linked to retirement planning behavior. (Dauda, 2017) Rameli & Marimuthu (2018), made an addition to the field by theorizing the function of intention to save as a mediating variable between attitude towards retirement and conduct of retirement plan. According to the theory of planned behavior, behavioral intention is the most accurate predictor of conduct. As a result, the higher the desire to do a behavior, the higher probability the behavior will occur which is congruent with the research's findings as well.

Rokhman (2021) conducted a study in which 198 people from three distinct locations were chosen as participants. According to the findings, Financial Literacy, Saving Attitudes, and Future Orientation had a positive effect on Retirement Planning Behavior. Future Orientation has a positive and significant effect on saving attitudes and retirement planning behavior, whereas Financial Literacy has no effect on retirement planning, according to the study. While saving attitude plays a minimal role in the relationship between Future Orientation and Retirement Planning Behavior, it does not play a role in the relationship between Financial Literacy and Retirement Planning Behavior.

Payne, Yogarson, & Dew (2013) investigated whether materialist and family that are inclined towards specific religion adoption processes were associated to retirement preparedness financial conduct through financial issues or capacity in 334 married couples in New York. Materialism and financial stress, religion and need determination, and financial strain and retirement savings were all discovered to be direct linkages in the study. The study also identified the indirect links between consumerism and financial distress when saving for retirement.

Similarly, Hauff, Carlander, Garling, and Nicolini (2020) examined survey data from 551 Swedish adults in which both objective and subjective financial literacy have a significant impact on people's retirement behavior which comprises plan, savings, and capital management. It also came to the conclusion that policies fostering literacy are important at different phases of life.

Nevertheless, numerous research has been conducted in the field of financial planning especially retirement planning which aids in better understanding of trends and tradition in retirement planning behavior around the globe.

2.2   Research Gap

Various studies has shown the behavioral planning step has received less attention in the field of retirement planning literature. Existing research on retirement planning behavior has primarily been on economic, financial, demographic and psychological variables. While the article aware us that public defense, identity, and consciousness planning domains are determinants of retirement planning behavior, As a result, the

current study bridged the gap in information by using variables from planned behavior's theory as direct determinants of retirement planning behavior. —from the base article folder –retirement predictors

2.3   Review of Related Theories

Theory of Planned Behavior

The theory of planned behavior (TPB) is based on three criteria that have been shown to accurately know the intention to engage in a specific behavior (Ajzen & Fishbein, 2004). The variables are attitude toward the conduct, beliefs of control over behavior performance, and one's perceptions of social pressure in terms of important people' attitudes and behaviors (subjectivity or societal norms) (perceived behavioral control). Various metrics are used to measure these constructs directly. Therefore, the motive of this analysis is on the factors that influence intention. Although both intent and perceived control predict current outcomes of the activity in question, this research focuses on the precursors of intention especially on the respect of behaviour.
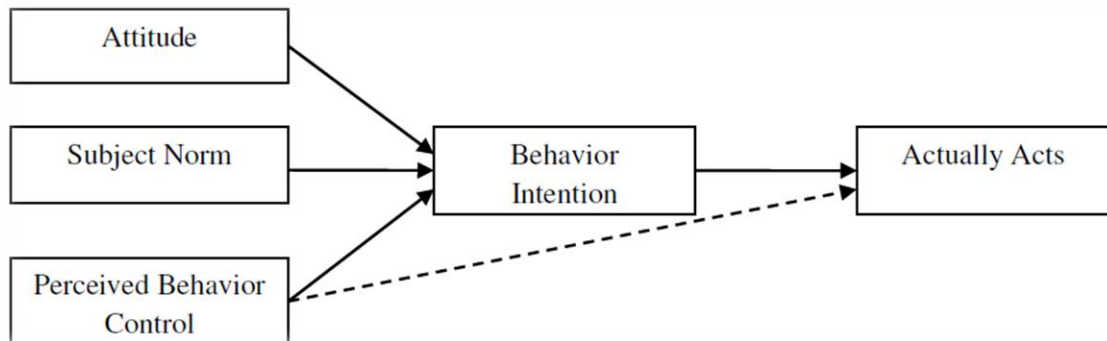
Figure 1: Theory of Planned Behavior
Source: Ajzen (2006)

Financial illiteracy in the related to retirement planning is widespread in population of the United States, according to a study by Lusardi & Mitchell (2006), notably among demographic   groups   such   as   the women   who   are   less   educated and less educated marginalized people. Similarly, Lusardi (2008) finds that more than fifty percent of old-aged workers have no understanding what kind of pension they have and that the huge number of workers are unaware of the benefits that falls under the provision of social security requirements. A lack of knowledge of basic financial

concepts is linked to a lack of retirement planning in this case and wealth. Lusardi and Mitchell (2007a) emphasize the importance of retirement planning by finding that planners get close to retirement with significantly more money and financial knowledge than non-planners. Lusardi and Mitchell (2008), focusing on gender issues, show that women of higher age have much low financial literacy than the general people. According to Clark, d'Ambrosio, McDermed, and Sawant (2003) in their study said that a large number of individuals updated their aim and planned to change their saving and investing after attending a financial education seminar. Additionally, according to Stawski, Hershey, and Jacobs-Lawson (2007), having a clear retirement plan is a predictive factor of planning practices, which predicts savings inclinations. Furthermore, both personality traits and financial expertise are strong determinants of pre-retirement planning, according to Hershey and Mowen (2000).

Jacobs-Lawson, Hershey, and Neukam analyze future time perspective as a surface level personal trait (2004). Females tend to spend less time planning about retirement than men, emphasizing the need for specialized retirement programs geared to the needs of working men and women. Pension provision are also positively associated to the future plan, according to Deaves, Theodore Veit, Bhandari, and Cheney (2007).

According to Bhandari and Deaves (2008), young, literate, better earning males with a inclination towards future planning magnifies the impact of the key demographic variablescomponents. Consumer assessments and intents about retirement fund investments can be influenced by self-regulatory state, future orientation, and financial knowledge, according to Howlett, Kees, and Kemp (2008). According to the statistics, consumers with a greater level of future perspective are better with retirement planning behavior.

Deaves et al. (2007) found that a good planner are better able to tolerate risk in a study that related propensity to plan with risk tolerance. Risk taking is also positively associated with income and adversely associated with age.The author also found that persons with a stronger tendency to plan are more risk tolerant in a study that related propensity to plan with risk tolerance. With a few exceptions, females are more risk-averse than males, according to Speelman, Clark-Murphy, and Gerrans (2007). Using data from five European countries, Badunenko, Barasinska, and Schafer (2009)

investigated gender inequalities by accounting for investors' self-perceived readiness to assume financial burden. Only a portion of the gender stereotype is confirmed by the findings. Women were discovered to be less likely than men to own risky financial assets.

Future Time Perspective Theory

The temporal perspective, which separates human experience into past, present, and future, is a crucial feature of the psychological structure that emerges from the cognitive procedure (Mischel, Shoda, & Rodriguez, 1989). The impacts of time on individual activities are, in fact, the central premise of time perspective theory. As per the research done by Andriessen, Phalet, & Lens, (2006), the future time perspective theory explains an individual's intellectual ability to assess both significant and short consequences of assigning a task in the far future.

2.4 Conceptual Framework

Theory of planned behavior and time perspective theory will be two major theories behind theoretical framework of this study. The notion of planned behavior is a follow-up to the theory of rational behavior (Ajzen, 1991). This theory attempts to detect and comprehend social actions. According to the planned behavior hypothesis, three elements influence an individual's intention: their positive or negative attitude toward actual conduct, normative beliefs, and perceived behavioral controls. Behavioral intention, on the other hand, shapes a person's actions.

Theory of Future Time Perspective: This theory emphasizes on the impacts of time on individual activities are, in fact, the central premise of time perspective theory.
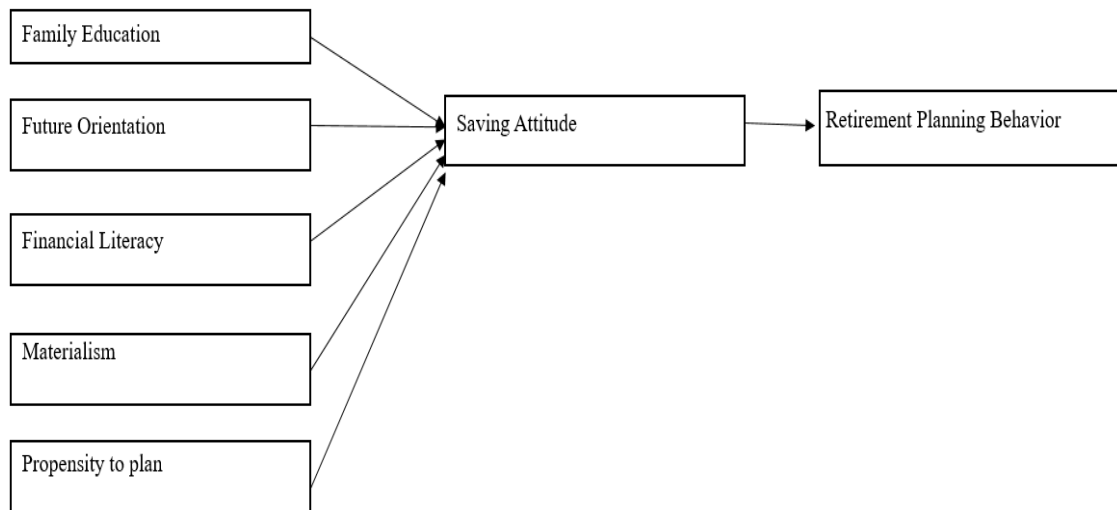
Figure 2: Theoretical Framework

Figure 1 shows that theoretical framework that will be used in the study, based on the hypothesized research model by Kimiyagahlam, Safari & Mansori (2019)

CHAPTER III

RESEARCH METHODS

This chapter will introduce the research design employed to address the propositions of thesis through the review of existing literature on the related topic. It shows the overall research design that has been adopted by the researcher. It also includes the sample size, population, sources of data, data collection techniques, data analysis and its interpretation.

It deals with reliability, validity and testing of hypothesis. Basically, it shows the overall basic outline of methods and techniques used in the study.

3.1 Research Design

Research designs are broadly divided into quantitative studies and qualitative studies. Each design has a specific role, and each has both advantages and disadvantages (Mellis, 2020).

Different research designs address different research questions. Therefore, before selecting a research design for study, researcher must know what types of research questions and research objectives are set. The research design provides a template for performing a study and defines the type of awareness that is generated (Cook & Cook, 2016).

The hypotheses were investigated using positivism, experimental epistemology, and experiment indicates, with the primary data gathered through a survey. The study has used quantitative research methods under correlational research design.

3.2 Population and Sample

As of mid-July 2020, commercial banks employed 40,938 people in which the three public banks employ 6,300 people, whereas the private bank employs 34,638 people. From this we can know that the three public banks still operate 15.39 percent of the total number of persons hired in the commercial banking business as per Bank supervision report 2019/20 published by Nepal Rastra Bank.

The cross sectional study is based on Kathmandu and has focused only on private bank employees. The recent number of population working in commercial banks of Kathmandu isn't calculated and is unknown. As a result, the rule of thumb described by Roscoe (1975) is used to find the right sample size of a population that is not known. The study has taken 362 respondents as a sample, who are working as an employee of private banks in Kathmandu. The sampling technique was purposive sampling followed by referral sampling. Also referral sampling technique was used to amplify the reach as the researcher had constraints regarding travel restrictions during the time of data collection. Among the total responses, 100 were based on purposive sampling, and the remaining 262 were results of referral sampling.

3.3   Instrumentation

Questionnaire Design

The measurement items of the constructs is drawn from extant literatures (Kimiyagahlam, Safari & Mansori, 2019), thereby ensuring adequate validity. In order to make data true and reliable, pilot testing will be done. Five percent of the sample size was taken to check the reliability and validity of the questionnaire. This helped researcher to make changes if required in questionnaires. Cronbach's alpha is used to test reliability of the primary data. It is used to measure the consistency of the scales of respective variables used in the study. It ranges from 0 to 1 where Cronbach alpha 1 represents a perfect reliability of variables used while 0 indicates that the variables used are not reliable. It is considered that alpha should be at least 0.6 to be reliable. In case of validity, researcher can use face validity where other people are asked whether or not measure seems to be getting at the concept.

A total of five latent variables were considered, with a total of 56 items. Each of the items was measured using a five point Likert scale based on the seven levels of agreement of respondents on the statements. The respondents rated each construct items on a 5-point Likert scale in which 1 signified Strongly Disagree and 5 signified Strongly Agree. The mid-value of 3 indicated a neutral response. The questionnaires were derived from various article in which Retirement planning (MacFarland, Marconi & Utkus, 2003; Noone et al, 2010; Petkoska &Earl,2009; Van Rooij et al, 2011), Saving attitude (Brandsatter,2005), Family education(Webley & Nyhus,2006;

Sherraden et.al., 2013; Shim et. al.,2010), Materialism (Benmoyal & Mochis 2010; Richins & Dawson, 1992) Propensity to plan (Lynch, Netemeyer, Spiller, and Zammit,2010). Future Orientation (Jacobs-Lawson & Hershey,2005)) and Financial Literacy (Van Rooij et.al.,2011).

Pilot Study/Testing

Pilot Test was carried out to examine the effectiveness of the statements used in the construct as well as to test the validity and reliability of the research instruments used to measure Retirement planning behaviour. Before the final questionnaire was distributed, a pilot study was done on 50 respondents to measure the reliability of the questionnaire also to establish the feasibility of the study. The result of the pilot test showed that all the constructs in the study have Cronbach's Alpha above 0.70 and AVE above 0.5 which indicated that, the constructs to be used in the research are valid and reliable.

Data Scale Measurement

Statistics would not be possible without the concept of measurement, and statistics would not be possible without it (Weisburd & Britt, 2007). Likert invented the Likert scale in 1932 to quantify respondents' attitudes or 30 viewpoints (Brown, 2011). A five-point Likert scale has been employed in this research investigation as well. The five-point scale used for this research is from strongly agree, agree, neutral, disagree to strongly disagree.

3.4 Data Collection

Primary method of data collection was used in the study from self-administered questionnaire where individual rated the items provided on the Likert scale. The questionnaire were designed as Google Form format and distributed online. The questionnaire was distributed to the individual, where they needed to fill the information about their gender, age, education level, income and rate the items in the questionnaire. Due to the legal age of contractual ability, the age restrictions were set at 16 years old and up. Aside from that, the study did not impose any restrictions on gender, religion, ethnicity or race was levied in the study.

The questionnaire was prepared in Google form and forwarded to the individual using platform through e-mail and some of the responses were also collected through manual field visit.

Questionnaires were initially distributed to 100 target respondents in Kathmandu under purposive sampling and to additional 262 respondents via referral sampling with the help of target respondents.

Data was collected through a set of questionnaire that will contain a total of 56 items (Annex 1) under the respective constructs, measured through 5 point Likert scale.

3.5   Data analysis

Using Structural Equation Modeling (SEM) in Smart PLS software, a analytic approach of two steps (Anderson & Gerbing, 1988) was used to examine construct validity and validate the provided hypothesis. Firstly, descriptive analysis was used to present the demographic variables along with respondents' responses of each item. Then, the measurement model was examined to ensure that it had convergent validity as well as discriminant validity. Composite reliability with a minimum threshold of 0.70 and AVE with a minimum threshold of 0.50 have been specified for convergent validity. Whereas, in the case of discriminant validity, each construct's square root AVE must be greater than its correlation with just another construct, and every item loads greatest on its related construct, according to the Fornell-Larcker criterion. Thirdly, correlation analysis was done to examine the degree of relationship among the study variables, followed by the regression analysis where path coefficients of the latent variables in the conceptual framework were calculated in order to test the proposed hypotheses

CHAPTER IV

RESULT AND ANALYSIS

Here analysis of the result is carried out in accordance to the objectives. All the hypothesis are tested through the structural model and are discussed in detail. Appropriate statistical tools are used for the analysis of the data collected from the individual. The measurement model has been tested using Smart PLS 3 and hypotheses that were formulated in the initial phase for this research study were tested and analyzed using IBM SPSS Statistics 24.

4.1   Demographic Profile of the Respondents

Table 4. 1

Demographic Profile of Respondents

Demographic variables	Frequency	Percent
Education		
SLC Completed	0	0
+2 level	28	10.7
Bachelor's Degree	91	34.7
Master's' Degree	143	54.6
PhD	0	0
Monthly Income		
NPR 15,000-25,000	64	24.4
NPR 26,000-35,000	53	20.2
NPR 36,000-45,000	57	21.8
NPR 46,000-55,000	24	9.2
NPR 55,000 and above	64	24.4
Gender		
Male	139	53.1
Female	123	46.9
Marital Status		
Married	103	39.3
Unmarried	159	60.7
Total	262	100.0

Table 4.1 exhibits the demographic composition of the respondent based on their education, monthly income, gender and marital status.

Out of 362 respondents, 53.1 percent are male, 46.9 percent are female respondents. It can be observed that the response of males is slightly higher in comparison to females with the help of which we can state that the findings of the study is more relevant with male population. Similarly, in the case of marital status, there is the ultimate domination of unmarried respondents with the share of 60.7 percentage and married respondents are only 39.3 percent.

Apart from gender and marital status the demographic factors included in the research was education level of the respondents and their monthly income. The education level of the respondents ranged from intermediate level to Masters Level and above. Total of 28 respondents amounting to 10.7 percent of the total respondents plus two passed. In addition to that, 91 respondents were from Bachelors level, they accounted for 34.7% of the respondents. And the remaining 143 respondents were from Masters Level or above and these category respondents made 54.6% of total respondents. Here, monthly income of the respondents ranged from NPR 15,000 to NPR 55,000 and above among which the 24.4 percent of the respondents had the earning of NPR 15,000 to NPR 25,000 whereas respondents with earnings of NPR 55,000 and above were also found to be the same i.e. 24.4 percent. Lastly, the respondents with earnings of NPR 26,000 to NPR 35,000, NPR 36,000 to NPR 45,000 and NPR 46,000 to NPR 55,000 were 20.2, 21.8 and 9.2 percent respectively.

4.2   Descriptive Statistics of the responses

Each section's mean and standard deviation are listed in the table below. Table 4.2 shows that the standard deviation of answers was quite low (less than one), indicating that respondents had nearly identical opinions about the questionnaire instrument.

Table 4.2

Descriptive Statistics of the responses

Variables	Mean	Std. Deviation
Family Education	3.52	.784
Future Orientation	3.55	.772
Financial Literacy	0.85	.262
Materialism	2.67	.900
Propensity to Plan	2.32	.756
Saving Attitude	3.18	.922
Retirement Planning	3.65	.910

The mean and standard deviation for the study variables are explained by descriptive statistics of answers. The mean depicts the average responder scores on the questions, whereas the standard deviation depicts the size of the difference from the average of the issues posed in the research questionnaires.

Table 4.2 exhibits that the mean value of responses ranges from 0.85 to 3.65. Here, the respondents are found to be slightly agreeing upon Retirement planning with the statement that measured the standard deviation of 0.910 which means that some of the respondents have slightly disagreed and some have agreed with the statements. Similarly, the most of the responses shows a slight inclination towards the agreement with the statements, presented in the questionnaire. However, it can be seen that respondents have slight disagreement towards the statement associated with financial literacy, propensity to plan and materialism, with the mean value of 0.85, 2.67 and 2.32 respectively with standard deviation of 0.262, 0.9 and 0.756 respectively in the responses.

4.3   Correlation between Variables

Pearson's correlation coefficient (r) is a measure of the intensity of the association between the dependent and independent variables. The coefficient's range is -1 to +1. -1 denotes a perfectly negative relationship, +1 denotes a perfectly positive relationship, and 0 denotes no relationship at all. To summarize, the higher the linear association, the closer the values are to -1 or +1. (Zikmund, Babin, Carr, & Griffin, 2010).

Table 4.3

Correlation between Variables

	FAM	FUT	LIT	MAT	PLAN	RET	SAV
Family Education	1.000						
Future Orientation	0.534	1.000					
Financial Literacy	0.058	0.039	1.000				
Materialism	0.025	-0.001	0.072	1.000			
Propensity to Plan	0.094	0.045	-0.133	-0.125	1.000		
Retirement Planning	0.688	0.741	0.021	0.052	0.075	1.000	
Saving Attitude	0.622	0.663	0.076	0.092	0.164	0.655	1.000

** Correlation is significant at the 0.05 level of significance (2-tailed)

The table above provides the correlation between the variables used in the study at 0.05 level of significance (2-tailed). Here we can see that Family Education (FAM) share higher correlation with retirement planning (r= 0.688) which show positive correlation of family education with retirement planning. Likewise, FAM has correlation value of r= 0.622 with saving attitude which reflect that, FAM also has positive relation with saving attitude. There is higher correlation of FUT with retirement planning. Again, FUT has a correlation value of 0.741 with retirement planning and similarly has the correlation value of 0.663 with saving attitude, this shows that future orientation has positive relation with retirement planning and saving attitude and also is highly impacted by them. Similarly, the correlation coefficient of Financial literacy (LIT), Materialism (MAT) and Propensity to Plan (PLAN) is very low which is 0.021, 0.052 and 0.075 respectively this represents insignificant relation of these variables with retirement planning.

4.4 Measurement Model

The measurement model explores the link between the latent variables and its measures. To put it another way, measurement models link the latent variable to its respective measures or the observed variables to the unobserved variables. Confirmatory Factor Analysis (CFA) has been used in a study to evaluate the measurement model. CFA is used to create and modify measurement instruments, as

well as to evaluate construct validity, approach effects, and component invariance across time and subgroups.

4.4.1 Construct Reliability and Convergent Validity Analysis

Reliability is the extent to which we can rely on the source of the data. High quality reliability test are required for the data that is being considered for the purpose of the study (Tavakol & Dennick, 2011). Calculating Cronbach's alpha has become the common practice in research when multiple items are loaded for the measurement of the construct (Tavakol & Dennick, 2011). Consistency is the main measure of reliability. Cronbach's Alpha is a measure of item internal consistency that shows how closely a group of items are related to one another. To assure data reliability, Cronbach's alpha must be greater than 0.7 (Hair Jr, Hult, Ringle, & Sarstedt, 2016). According to Fornell & Larcker (1981), composite reliability is the degree of the construct's internal consistency, construct having CR above 0.7 are more likely to have the consistency. Convergent validity measure if two variables are related or not, which according to the theory seems to be related.

Convergent validity for the constructs are measured using two criteria as prescribed by (Fornell & Larcker, 1981). The first criterion is to calculate Average Variance Extracted (AVE), according to Hair, Risher, Sarstedt, & Ringle (2019), the AVE above value of 0.50 is considered acceptable. The second criteria is to calculate all the loading of the items to its constructs, according to, Barclay, Higgins, & Thompson (1995), the value of the external loading or the outer loading must be above 0.70 to be accepted.

In the current research, various items from several latent variables i.e. Family Education (FAM2, FAM5), Future Orientation (FUT2, FUT6), Financial Literacy (LIT3, LIT4), Materialism (MAT7, MAT8) and Retirement Planning(RET1, RET2, RET6, RET7, RET9, RET10) They were deleted because their outer loading was less than 0.50 and their AVE was inadequate. These variables' AVE, Composite Reliability, and Cronbach's Alpha increased when these items were removed. Table 4.4, 4.5, 4.6, 4.7 and 4.8 shows the validity and reliability of variables taken under this study.

Table 4.4

Cronbach's Alpha

Construct	Number of items	Cronbach's Alpha(α)
Family Education	4	0.700
Future Orientation	5	0.701
Financial Literacy	5	0.795
Materialism	8	0.885
Propensity to Plan	5	0.869
Retirement Planning	9	0.947
Saving Attitude	6	0.885

In the Table 4.4, Cronbach's alpha of all ten variables are greater than 0.7 which is above the acceptable range for defining the reliability or internal consistency of the items. Hence, the data can be considered reliable for the study.

Table 4.5

Composite Reliability

Construct	Composite Reliability	Average Variance Extracted (AVE)
Family Education	0.802	0.504
Future Orientation	0.808	0.513
Financial Literacy	0.847	0.526
Materialism	0.903	0.611
Propensity to Plan	0.898	0.641
Retirement Planning	0.955	0.703
Saving Attitude	0.912	0.635

The above table reflected composite reliability and Average Variance Extracted of all the constructs included in the research for the purpose of the study. All the construct above have Composite Reliability (CR) values above 0.80 which is well above the required value for the composite reliability and Average Variance Extracted (AVE) values for all the constructs are well above the required value of 0.50 for the convergent validity. So, we can say that the items or indicators selected for the purpose with an intention to reflect the unobserved variables are truly reflecting the unobserved variables.

Table 4.6

Outer Loadings

Construct	Items	FAM	FUT	LIT	MAT	PLAN	RET	SAV
Family Education	FAM1	0.799						
	FAM3	0.713						
	FAM4	0.578						
	FAM6	0.783						
Future Orientation	FUT1		0.764					
	FUT3		0.615					
	FUT4		0.751					
	FUT5		0.745					
Financial Literacy	LIT1			0.801				
	LIT2			0.678				
	LIT5			0.699				
	LIT6			0.722				
	LIT7			0.760				
Materialism	MAT1				0.717			
	MAT2				0.558			
	MAT3				0.797			
	MAT4				0.862			
	MAT5				0.891			
	MAT6				0.770			
Propensity to Plan	PLAN1					0.810		
	PLAN2					0.824		
	PLAN3					0.813		
	PLAN4					0.664		
	PLAN5					0.880		
Saving Attitude	SAV1						0.776	
	SAV2						0.737	
	SAV3						0.804	
	SAV4						0.822	
	SAV5						0.833	
	SAV6						0.804	
Retirement Planning	RET3							0.843
	RET4							0.804
	RET5							0.852
	RET8							0.855
	RET11							0.848
	RET12							0.808
	RET13							0.892
	RET14							0.844
	RET15							0.793

Table 4.6 shows that all the variables are valid and can be used in the research as they have the value of outer loading/external loading greater than minimum required value.

4.5 Discriminant Validity

Discriminant validity (DV) is measured to ensure that there was no correlation between the constructs and they are distinct from each other and they measure unique aspect.

According to Fornell & Larcker (1981), the AVE values for each concept should be larger than cross correlations for improved discriminant validity.

Table 4.7

Discriminant Validity (Fornell–Larcker approach)

Constructs	FAM	FUT	LIT	MAT	PLAN	RET	SAV
Family Education	**0.710**						
Future Orientation	0.534	**0.716**					
Financial Literacy	0.058	0.039	**0.726**				
Materialism	0.025	-0.001	0.072	**0.781**			
Propensity to Plan	0.094	0.045	-0.133	-0.125	**0.801**		
Retirement Planning	0.688	0.741	0.021	0.052	0.075	**0.838**	
Saving Attitude	0.622	0.663	0.076	0.092	0.164	0.655	**0.797**

The Fornell-Larcker Criterion is shown in Table 4.7, which indicates the correlation between constructs. On the diagonal of this table are the square roots of the AVE. In a given model, a construct should share greater variability with indicators than with other constructs. As a result, the AVE's square root is higher than the correlation between that construct and the rest of the model's constructs (Fornell & Larcker, 1981; Henseler, Ringle, & Sarstedt, 2015). As a result, it can be concluded that all of the constructs are genuine and can be employed in study.

However, Henseler, Ringle, & Sarstedt (2015) also argues that cross-loading and Fornell-Larcker approach are not sufficient to measure lack of discriminant validity, so they recommend to use heterotrait–monotrait ratio (HTMT) scale to effectively measure discriminant validity in variance based SEM. The threshold acceptable is 0.90 for similar constructs.

Table 4.8

Discriminant validity — Heterotrait–Monotrait Ratio (HTMT) approach.

Constructs	FAM	FUT	LIT	MAT	PLAN	RET	SAV
Family Education							
Future Orientation	0.799						
Financial Literacy	0.103	0.156					
Materialism	0.070	0.091	0.079				
Propensity to Plan	0.104	0.112	0.210	0.183			
Retirement Planning	0.883	0.949	0.062	0.074	0.075		
Saving Attitude	0.730	0.818	0.079	0.097	0.156	0.705	

Table 4.8 shows that the HTMT values of all the constructs. The threshold of HTMT is arguable, most of the publications of Henseler et al and Hair et al. recommend value should be below 0.9. However, HTMT ratio must be less than 1.00 (Henseler, Ringle, & Sarstedt, 2015). Here all the values are less than 0.90 which enables verifying that there is no discriminant validity issues in the data.
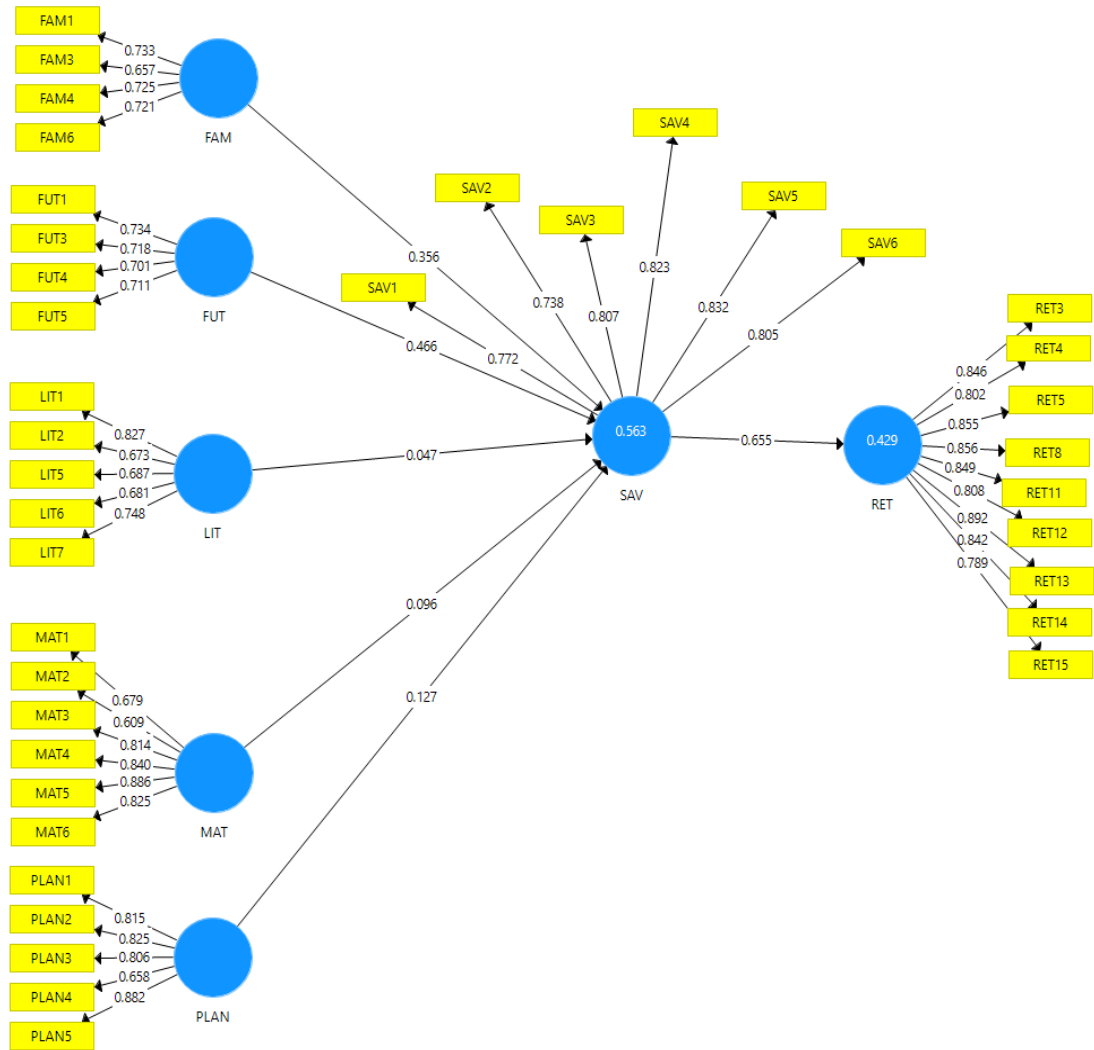
Figure 2: Measurement Model

The study's measuring model is depicted in Figure 2. It reflects models that link the hidden variable to its indicators, whether implicit or explicit. Here, it can be observed that the all the observed variable reflects the latent variable (where r>0.6). However, the observed variable of r less than 0.6 were deleted and hence the above result was observed.

4.5   Structural Model

Structural Equation Model (SEM) is the method to demonstrate if any relation prevail between the constructs used in research based on their covariance matrix (Hu Z. , Ding, Li, Chen, & Yang, 2019). Empirical analysis and the t-value of the path coefficients were used to evaluate the structural model. Hair Jr, Hult, Ringle, & Sarstedt (2016), have suggested Structural Model key criteria for assessment are R^2 values, effect size (f^2) and predictive relevance (Q^2). Since the reliability and validity test were in accordance to their respective criteria, here the test on relationship between the exogenous and endogenous variables are to be done.

4.6   Collinearity Assessment

Collinearity is the prime issue in the research, so the issue of the collinearity should be removed to proceed with the research process. The value of VIF should be with the range so that the issue of collinearity is eliminated.

Table 4.9

Variance Inflation (VIF)

Construct	Items	VIF
Family Education	FAM1	1.420
	FAM3	1.424
	FAM4	1.105
	FAM6	1.567
Future Orientation	FUT1	1.395
	FUT3	1.170
	FUT4	1.421
	FUT5	1.342
Financial Literacy	LIT1	1.606
	LIT2	1.321
	LIT5	1.645
	LIT6	2.013
	LIT7	1.815

	MAT1	1.696
	MAT2	1.728
	MAT3	2.202
Materialism	MAT4	2.314
	MAT5	2.354
	MAT6	2.080
	PLAN1	2.238
	PLAN2	2.358
Propensity to Plan	PLAN3	1.950
	PLAN4	1.660
	PLAN5	1.901
	RET11	3.188
	RET12	2.572
	RET13	4.629
	RET14	3.428
Retirement Planning	RET15	2.275
	RET3	3.134
	RET4	2.644
	RET5	3.275
	RET8	3.132
	SAV1	1.712
	SAV2	1.772
	SAV3	2.084
Saving Attitude	SAV4	2.375
	SAV5	2.327
	SAV6	2.122

The table above show all the VIF value of the items of all the constructs. Here all the items of the constructs included in the research have VIF value less than the threshold value of 5 so all the items of the constructs were retained for the research purpose.

4.7   Coefficient of Determination (R^2)

The explanatory power of exogenous variables on endogenous variables is measured by the coefficient of determination. It was used to determine the predictive power of the independent variable on the dependent variable, or how much volatility can independent factors be able to determine in case of dependent factors..

Table 4.10

Coefficient of determination

Construct	R Square	R Square Adjusted
Retirement Planning (RET)	0.739	0.733
Saving Attitude (SAV)	0.496	0.486

The table above shows the R-Square (R^2) value of the dependent variables included in the research. The results were as following:

- The coefficient of determination of the variable Retirement Planning (RET) was 0.739 means that the variables making up RET (Family Education, Future Orientation, Propensity to Plan, Materialism and Financial Literacy) explained 73.9% of changes in ITU and remaining 26.1% of changes were explained by the variables not considered and outside the study.
- The coefficient of determination of the variable Saving Attitude (SAV) was 0.496 means that the variables making up SAV (Family Education, Future Orientation, propensity to Plan, Materialism and Financial Literacy) explained 49.6% of changes in SAV and remaining 50.4% were explained by the variables outside and not considered in the study.

4.8   Effect Size: F-square (F^2) and Predictive Relevance (Q^2)

Another way to measure the accuracy of the structural model is to calculate F-square and Q-square. F-square provides the sample effect or effect size index, which measures the impact that the population or sample on all the variables included in the research.

According to Cohen (1988), values higher than 0.02 indicate small, 0.15 indicates medium and value higher than 0.35 indicates larger F^2 effect sizes of sample on the variables.

Table 4.11

F-square Values

F square	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
FAM -> RET	0.389	6.097	0.000
FAM -> SAV	0.294	4.616	0.000
FUT -> RET	0.475	7.412	0.000
FUT -> SAV	0.462	7.933	0.000
LIT -> RET	-0.026	0.609	0.543
LIT -> SAV	0.050	0.919	0.358
MAT -> RET	0.038	0.981	0.326
MAT -> SAV	0.088	1.436	0.151
PLAN -> RET	0.006	0.197	0.844
PLAN -> SAV	0.142	2.969	0.003
SAV -> RET	0.129	2.200	0.028

Q^2 measures the predictive relevance of the model under study. The capacity of the model to predict the things is indicated by the Q^2 value. According to Sarstedt, Ringle, & Hair (2017), value of Q^2 above zero provides greater predictive relevance. The value of Q^2 is measured using blindfolding in PLS.

Table 4.12

Q-square values

Construct	SSO	SSE	Q² (=1-SSE/SSO)
FAM	1048.000	1048.000	
FUT	1048.000	1048.000	
LIT	1310.000	1310.000	
MAT	1572.000	1572.000	
PLAN	1310.000	1310.000	
RET	2358.000	1664.514	0.294
SAV	1572.000	1030.648	0.344

Table 4.12 exhibits the value of Q^2 calculated through the blindfolding process. Here, the value of Q^2 is 0.294 for RET and 0.344 for SAV which are way above the required threshold of zero. So, it is clear from the above calculation that there is substantial predictive relevance in the model.

4.9   Path Coefficient and Hypothesis Testing

Path coefficient refers to the hypothesized relationship that may prevail between the variables in the research. Its value may range from +1 to -1. If the value is positive, it indicates the positive relation among the variables and vice versa. The hypothesized relation is checked with the help of p-value, for a relation to be significant the p-value should be less than 0.05 at the 5% level of significance (Hair Jr, Hult, Ringle, & Sarstedt, 2016). Apart from p-values, the hypothesis is deemed significance if the t-stat is greater than 1.96 at 5% level of significance (Hair Jr, Hult, Ringle, & Sarstedt, 2016). Process of bootstrapping is used to measure the significance of hypothesized model. It is non–parametric test as, PLS-SEM do not consider the normality of the data. Total of 5000 bootstrapping samples are recommended (Hair Jr, Hult, Ringle, & Sarstedt, 2016). Similarly, Hair, Ringle, & Sarstedt, (2011) recommends the same. The figure of the structural model and path analysis is provided below with all the output and the values from the model. The output contain values t-stat values, R^2 values and the reflection of the relation between the variables contained in the research.
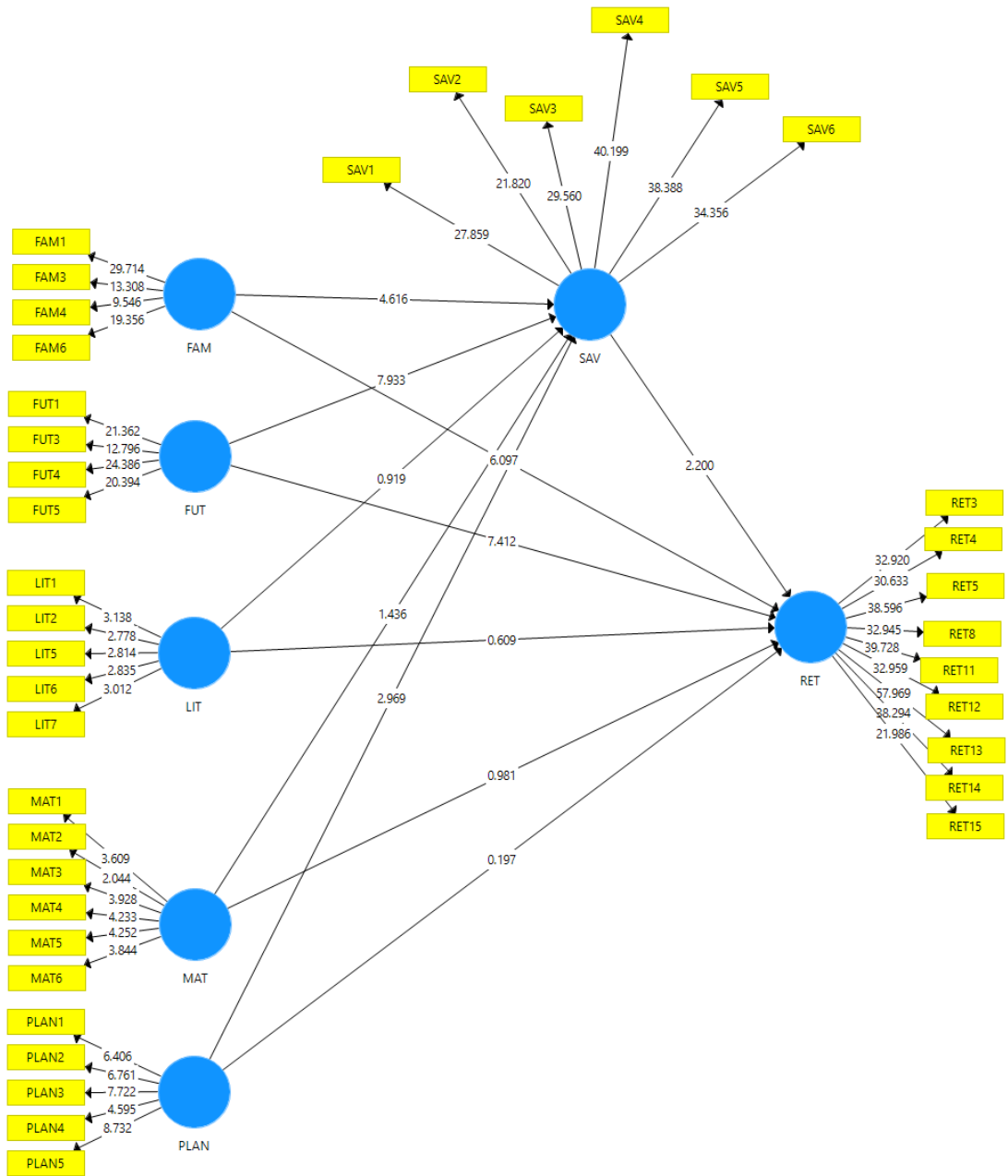
Figure 4: Structural Model and Path Analysis

Table 4.13

Total Effects

Hypothesis	Relationship	Original Sample (O)	Standard Deviation (STDEV)	T Statistic	P Values	Results
H₁	FAM -> RET	0.427	0.062	6.862	0.000	Supported
	FAM -> SAV	0.294	0.064	4.616	0.000	
H₂	FUT -> RET	0.535	0.060	8.847	0.000	Supported
	FUT -> SAV	0.462	0.058	7.933	0.000	
H₃	LIT -> RET	-0.020	0.041	0.481	0.630	Not Supported
	LIT -> SAV	0.050	0.054	0.919	0.358	
H₄	MAT -> RET	0.049	0.041	1.219	0.223	Not Supported
	MAT -> SAV	0.088	0.062	1.436	0.151	
H₅	PLAN -> RET	0.024	0.033	0.749	0.454	Not Supported
	PLAN -> SAV	0.142	0.048	2.969	0.003	
	SAV -> RET	0.129	0.058	2.200	0.028	

Table 4.13 provides the path analysis of the hypothesis included in the research from H1 to H5. The result from the path analysis showed that the hypothesis H1 and H2 was supported, whereas H3, H4 and H5 was not supported as per the findings of the study. The path showing from Family Education to Retirement Planning (FAM->RET) is positive and significant (β =0.427, *t-stat*=6.862 and *p-value*<0.05), thus hypothesis H1 is supported. Similarly, the path analysis showed that hypothesis H2 (FUT ->RET) is also supported, the relation between Future orientation and Retirement is also positive and significant (β =0.535, *t-stat*=8.847 and *p-value*< 0.05) at the confidence level of 5%.

On the other hand, Hypothesis 3, 4 and 5 (H3, H4 and H5) was not supported in the study showing not significant relation between Financial literacy, Materialism and Propensity to plan with Retirement planning (β =-0.020, 0.049 and 0.024, *t-stat*=0.481, 1.219 and 0.749 and *p-value*> 0.05) at the confidence level of 5%.

Table 4.14

Specific Indirect Effects

Hypothesis	Relationship	Original Sample	Standard Deviation (STDEV)	T Statistic	P Values	Results
H6	FAM -> SAV -> RET	0.038	0.019	2.035	0.042	Supported
H7	FUT -> SAV -> RET	0.059	0.028	2.105	0.035	Supported
H8	LIT -> SAV -> RET	0.006	0.008	0.799	0.424	Not Supported
H9	MAT -> SAV -> RET	0.011	0.010	1.103	0.270	Not Supported
H10	PLAN -> SAV -> RET	0.018	0.011	1.672	0.095	Not Supported

Table 4.14 provides the path analysis of the hypothesis included in the research from H_6 to H_{10} which tests the mediating effect of saving attitude of independent variable with dependent variable. The result from the path analysis showed that the hypothesis H_6 and H_7 was supported, whereas H8, H9 and H10 was not supported as per the findings of the study. The path showing from Family Education to Retirement Planning with mediating variable saving attitude (FAM->SAV->RET) is positive and significant ($\beta =0.038$, *t-stat*=2.035 and *p-value*<0.05), thus hypothesis H_6 is supported. Similarly, the path analysis showed that hypothesis H_7 (FUT ->SAV->RET) is also supported, the relation between Future orientation and Retirement with mediating variable saving attitude is also positive and significant ($\beta =0.059$, t-stat=2.105 and p-value< 0.05) at the confidence level of 5%.

On the other hand, Hypothesis 8, 9 and 10 (H8, H_9 and H_{10}) was not supported in the study showing not significant relation between Financial literacy, Materialism and Propensity to plan with Retirement planning which has saving attitude as mediating variable($\beta =0.006$, 0.011 and 0.018, t-stat=0.799, 1.103 and 1.672 and p-value> 0.05) at the confidence level of 5%.

Major Findings

The major findings of this research are as follows:

- The research was conducted among the private bank employees, where from total of 262 respondents, 139 respondents were male which accounted for 53.1% of total respondents. In the other hand, total of 123 respondents were female which accounted for 46.9%. Here, there is the dominance of the male among the private bank employees and the findings of the study is more relevant to the male perspective.

- Similarly, in case of education there's dominance of respondents who are in Masters Level comprising of 54.6 percent of the respondents. Unmarried respondents comprised of 60.7 percent of the respondents and the average monthly income of maximum respondents were found to be NPR 15,000 to 25,000 and also NPR 55,000 or above comprising of equal share i.e. 24.4 percent of the respondents. Therefore, the results are more relatable with the same category of people.

- With the increase in educational qualification of people are more concerned about their retirement and plan for it as the respondents are maximum from the category of Masters Level with number of respondents 143 people with 54.6 percent of share in the category.

- The mean scale of Retirement Planning is 3.65 with standard deviation of 0.910 which suggests that average respondents slightly agree up to the the idea of Retirement Planning, which means that respondents are concerned about their retirement and take it as vital issue during their financial planning.

- The mean score is the highest for financial planning and future orientation which value of 3.52 and 3.55 with standard deviation of 0.784 and 0.772 respectively which depicts average respondents slightly agree up to these aspects of retirement planning behavior and that they are highly influenced by these factors for retirement planning behavior.

- However, it can be seen that respondents have slight disagreement towards the statement associated with financial literacy, propensity to

plan and materialism, with the mean value of 0.85, 2.67 and 2.32 respectively with standard deviation of 0.262, 0.9 and 0.756 respectively in the responses. Hence, these variables are least responsible for retirement planning behavior of private bank's employees.

- Here, H1 was supported (FAM->RET, β =0.427, *p-value*<0.05). This indicates the significant positive relation of Family education on retirement planning behavior of private bank's employees.

- H2 was also supported (FUT -> RET, β= 0.535, p<0.05) suggesting a significant positive influence of Future Orientation on Retirement planning behavior. It can be said that the private bank employees consider that future orientation also drives the retirement planning behavior.

- The path analysis showed that hypothesis H3 (LIT ->RET) could not be supported as the β =-0.02 and *p-value*>0.05, this indicated that the Financial literacy has negative but insignificant relation with Retirement planning behavior of the employees.

- The results from path analysis couldn't support H5 and H6 (MAT -> RET and PLAN->RET) as the β= 0.049 and 0.024 respectively with p-value >0.05. This indicated that the influence of Materialism and propensity to plan on Retirement planning behavior of employees is positive but not significant.

- Furthermore, from the above analysis of path through specific indirect effects, we can state that the path showing from Family Education to Retirement Planning with mediating variable saving attitude (FAM->SAV->RET) is positive and significant (β =0.038, *t-stat*=2.035 and *p-value*<0.05), thus hypothesis H_6 is supported. In addition to that, the path analysis showed that hypothesis H_7 (FUT ->SAV->RET) is also supported, the relation between Future orientation and Retirement with mediating variable saving attitude is also positive and significant (β =0.059, *t-stat*=2.105 and *p-value*< 0.05) at the confidence level of 5%. Noteworthy, we can imply that saving attitude partially mediates the

relationship between Family education and future orientation with retirement planning.

- Hypothesis 8, 9 and 10 (H8, H9 and H10) was not supported in the study showing positive but not significant relation between Financial literacy, Materialism and Propensity to plan with Retirement planning which has saving attitude as mediating variable(β =0.006, 0.011 and 0.018, *t-stat*=0.799, 1.103 and 1.672 and *p-value*> 0.05) at the confidence level of 5%. For that reason, consequently saving attitude doesn't mediates the relationship between propensity to plan, Materialism and financial literacy with retirement planning.

CHAPTER V

CONCLUSION AND DISCUSSION

This chapter discusses the findings and results that have been obtained in the research study. This section also compares the findings with the previous studies and discusses on the similarities and differences in the findings. Based on the findings and discussion, conclusions and implications of the research are drawn.

5.1   Discussion

Using data from 362 respondents, the objective of the study was to identify the factors that influences the retirement planning behavior of employees of commercial banks of Kathmandu. The goal of this research is to make an addition of value to the little literature on retirement planning behavior in Kathmandu by examining various factors that may influence the retirement planning behavior of Nepalese commercial bank workers.

Afthanorhan et. al. (2020), Onduko et. al (2015), All connections are substantially and favorably connected with retirement planning, as evidenced by financial knowledge, saving attitudes, social influence, and goal clarity which is different from the current findings of the study. Financial knowledge has received a lot of attention as a way to enhance people's financial conduct, and having high level of financial awareness has often related to constructive financial behaviors (Allgood & Walstad, 2013) Similar was the findings of other researches carried out.(Henager & Cude, 2016; Friedline & West, 2016).

However, the current study's findings support survey findings from Bernheim (1995), Hogarth and Hilgerth (2002), and Moore (2003), which found that the majority of respondents do not understand basic financial concepts. Even though our six financial literacy questions are much simpler and addressed to individuals who could have been anticipated to be more ultimate savvy, given lifelong exposure to financial contracts, .they demonstrate a comparable lack of knowledge. Lack of financial expertise and literacy can have serious implications.

Similarly, Kimiyaghalam et al. (2017) discovered that a child's saving attitude significantly influences the association between parental influence and retirement planning behavior which is similar to present findings of the study which shows that saving attitude mediates the relationship between family education and conduct regarding retirement plan. On the other hand, saving Attitude plays a partly moderating function in the link between Future perspective and Retirement Planning Behavior (Rokhman,2021), which matches the current study's findings.

Notwithstanding this, previous research on financial behavior based on the theory of planned behavior (TPB), such as retirement savings (Croy, Gerrans, & Speelman, 2010), savings habits (Loibl, Kraybill, & DeMay, 2011), and saving and finance behavioural patterns (Shim, Serido, & Tang, 2012), has demonstrated that attitude does influence actual intent. According to Croy et al. (2010), the study revealed that attitudes have resulted in a wide range of behavioral intents when using the TPB. As a result, TPB's discoveries have been validated as a powerful model for predicting behavioral intentions, and it has been discovered that TPB's variables have extraordinarily powerful precursors of intention in the area of retirement savings with additional contribution and change in investment strategy.

Moreover, Loibl et al. (2011) claim that the strongest link is between attitude and intention. TPB characteristics namely actual intent to save, saving attitude, subjective norm, and perceived behavioral control all had a significant link with saving practices, according to the findings. Additionally, the TPB model demonstrates that a youth's attitude toward saving is the most significant indicator of his behavioral intention, according to Shim et al. (2012).

According to DeVaney, Gorham, Bechman, & Haldeman (1995), the literacy of a finances is directly associated to the decision to save and invest for retirement, which in turn affects retirement planning behavior, which contradicts the current study findings.

In the literature, there is a scarcity of direct studies that explain saving attitudes as mediating variable toward retirement planning and retirement planning behavior. Griffin et al. (2012), on the other hand, found a substantial link between the variables

of theory of planned behavior and retirement planning. It was found that workers' attitudes regarding retirement had a beneficial impact on their retirement preparation.

On the other hand, parental affects and social factors have a considerable impact on retirement planning objective clarity, according to Hershey, Henkens, and van Dalen (2010). People with families who have accumulated wealth may have a greater income, and so their income can predict their saving contribution. (1991, Lunt & Livingstone).

The parental roles on financial planning and saving practices among employees from America and Netherlands was studied by Hershey et al. (2010) in a cross-cultural study. The findings suggested that early financial lessons imparted by parents could help children develop a longer future time perspective when they enter adulthood which is consistent with the findings of present study also. Grinstein-Weiss, Spader, Yeo, Key, and Freeze (2012) emphasized about importance of elders in influencing their offspring's financial abilities in the future.

In addition to that, according to Hershey and Dew (2014), there is an indirect link between materialism and retirement planning. It appears that the link between materialism and retirement savings happens with respect to financial strain. Payne, Yorgason & Dew (2013), found in their research that there is indirect relationship between materialism and saving for retirement also appears with respect to financial strain.

Belk (1985) discovered that a materialistic mindset was associated with a preference for consuming over conserving in order to acquire belongings. Samwick (2006) discovered that impatient family members were more likely to prioritize short-term spending, leading to a later start to retirement savings. The proclivity to spend now has been corelated to less future savings (Troisi et al. 2006). Similarly, short term spending occurs also because of financial aggressive expansion (Huhmann & McQuitty 2009). On the other hand, Watson (2003) im his research stated that materialistic mindset is the result of increased purchasing and loan habits (Watson, 2003). Materialistic mindset and a greater awareness of financial concerns are dependent (Dean et. al., 2007).   To put it another way, a desire to consume tends

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to have a family context and is often related with spending choices that are often anti-saving.

The study done by Khwaja, Silverman, Sloan, and Wang (2007), demonstrated that having planning skills for a specific activity does not cover all aspects of decision making. To put it another way, the ability to plan is not an all-purpose skill.

Furthermore, the article showed qualified evidence of a favorable association between planning proclivity and financial prosperity. Furthermore, a proclivity to plan is important and beneficial to one's financial efficiency (Ali, Rahman, & Baker, 2015; Xiao & O'Neil, 2015).In contrast to these findings, this study concluded that propensity to plan is insignificant with retirement planning behavior which might be because working individuals are more inclined towards saving and planning for short term financial planning behavior (Lee & Kim ,2016) which is also congruent with the findings by Allgood & Walstad (2013) in their study i.e short term planning is more in trend than rather than long term financial behaviors.

However, Hershey and Mowen(2000) ,found out that increasing one's future orientation will influence financial preparedness including retirement planning. Similarly, in this study future time perspective emerged as a predictor of planning. Considering that various study has connected a high future time perspective to an individual's capability to engage in and intentional action, such as financial planning for retirement, the finding by Hershey & Mowen, (2000) is unexpected. Such findings has also been supported by Jacobs-Lawson & Hershey, (2005). On the other hand, Rabinovich, Morton, and Postmes (2010) found that people's opinions toward a certain behavior can be influenced by their future time perspective, which contradicts the findings of this study. According to the findings we can say that Future orientation doesn't have a significant relationship with retirement planning which is consistent with the results of Petkoska and Earl (2009) that depicted that future time perspective was not a predictor of any kind of planning domains.

The result of the recent findings can be better understood with the research done by Zimbardo and Boyd (1999). People with a higher future time perspective, according to studies, are focused with reaching future goals, often at the expense of current pleasure.

Even though, the results from the analysis is quite different from most of the findings by other articles as mentioned above but the findings seems relevant to Nepalese context among the employees of commercial banks.

5.2   Conclusion

Retirement can be an enjoyable experience in one's life. A successful and pleasant retirement, on the other hand, does not just happen. It necessitates forethought and ongoing review. Throughout one's working years, it is critical to engage in primary retirement planning activities and to update the retirement plans on a regular basis. While it is never too late to begin smart financial planning, starting early can help you prevent many unwarranted and serious problems.

The study's two main goals were to look into the links between various factors and retirement planning, as well as to look into the role of saving attitude in mediating the relationship between proposed elements and retirement planning. Based on the notion of planned behavior and time perspective theory, a theoretical model was built to meet these goals. According to the findings, family education and future orientation have a considerable impact on retirement planning behavior, with saving attitude serving as a mediating variable. However, financial literacy, propensity to plan and materialism don't have direct influence on retirement planning behavior of employees of commercial banks of Kathmandu. On the other hand, when indirect effects of saving attitude were tested, it was found that saving attitude mediates the relationship between family education and retirement planning behavior likewise saving attitude also mediates the association of future orientation and retirement planning behavior whereas it doesn't mediate the relationship of materialism, propensity to plan and financial literacy with retirement planning behavior. In a nutshell, based on primary data collected from the employees of commercial bank and its analysis it can be said that future orientation has highest effect on retirement planning behavior of employees of commercial banks of Kathmandu followed by family education.

Although the findings cannot be generalized, they do shed light on the role of parents and individual future orientation in retirement planning behavior. The findings imply that an individual's attitude can influence their conduct. This study also found that parents' financial behavior had a significant influence over their children's attitudes

towards saving. Savings attitudes, in turn, has a significant role for retirement planning behavior. Based on which parents are believed to shape the saving habits of their children and should rightly do so. Similarly, those individual who are concerned about future rather than present or past are actively involved in retirement planning which provides with the idea that an individual should be taught at home, society, institution as well as by government authorities with proper provisions and prepare them for retirement planning in order to have comfortable retirement life.

Besides various important findings, this study also couldn't be executed without some limitations. For starters, this is a cross-sectional survey. As a result, it is unable to track changes in the variables over time, and the findings only catch a few evidences of Nepalese employees working in commercial banks in Nepal at a given point in time. Furthermore, due to the limitations in cost and also reachability to the population list, this study used a nonprobability sampling method; consequently, this limitation should be considered before judging the applicability of the findings. Third, because the survey was limited to employees who worked and lived in the Kathmandu Valley, it may not be indicative of the Nepalese community as a whole. The chosen criteria, on the other hand, were based on literature reviews in order to make the proposed framework more validated and complete by including additional variables for the better understanding of the scope of study.

5.3 Implications

There are basically two sides to retirement planning. The first is the government's role to assist retirees throughout their retirement by implementing various retirement schemes, some of which require a mandatory payment. Second, individuals must give a thought for their retirement lifeand hence start to save and invest in order to have a comfortable retirement life. This research focuses on individual retirement planning and the factors influencing retirement planning. Individuals who have not adequately planned for retirement in poor nations place a greater financial burden on society than those in well-to-do countries (Li, Montalto, & Geistfeld, 1996). People in the developing countries do have more economic pressure and extra financial burden for the age of their retirement (Yuh, Montalto, & Hanna, 1998).

5.3.1 Practical Implications

In this age where the number of senior citizens around the globe is ever increasing and is more alarming in case of developing countries like Nepal, it is geometrically increasing. The findings have a number of major implications for commercial banks' human resource policy and administration. As there is not any sort of pension benefits, commercial banks' must be helpful and proactive in their employees' retirement planning. Second, academics should understand the need of early retirement preparation. Individuals with positive attitudes and excellent financial planning could obtain adequate retirement income and relaxation. Third, incorporating individual variances in saving attitudes and retirement behavior into the remuneration system would assist human resources in developing more effective and motivating approaches to achieve high performance in any firm.

In terms of application, the findings show that parents must be conscious of the impact of their influence on their offspring's conduct. Educators in financial management should be encouraged to teach parents about own individual's money. They could make people aware about saving and investment essentials to assist elder generation in explaining financial matters to their children and letting them know and realize the benefits of personal finance. This engagement can assist parents in communicating with their offspring's and developing strong relationships. Parents may be more motivated to display excellent financial behaviors if they understand how their financial literacy may affect their children's future success. Parents should urge their children to save and include them in family's overall decisions from the very young age which focuses on both financial and non-financial matters.

Similarly, the role of future orientation is vital in retirement planning behavior as per the findings. For that matter individuals from a very young age should be taught to think, work and save for future. As it plays a crucial role, such curriculum should be exclusively included in course of study that helps individuals to plan for the future and parental guidance and education also aids for this. In addition to that government policies and regulations should be designed in such a way that encourages individual for longer term financial planning that emphasizes on retirement planning as well.

5.3.2 Implications for Future Research

This study aims to create some additional value to the retirement planning literature by looking at the impact of various different factors under study. This study's framework can be regarded significant and hence can be used as a base article for future research. The outcomes reveal a direct significant association between attitude and behavior, providing new insight into the complexities of general human behavior. As a result, the attitude-behavior model in the theory of planned behavior may provide a more comprehensive framework as well as additional research opportunities. The study extends the Theory of Planned Behaviour's relevance in finance research which has a direct link with behavior, which has been formerly confined. The Theory of Planned Behavior has primarily been applied to studies of the relationships between beliefs, attitudes, behavioral intentions, and behaviors in domains such as healthcare, marketing, engineering, and public relations, with some application in behavioral finance. By addressing this literature gap, this study extends our understanding on the influence of various factors on the retirement planning behavior among the employees of commercial banks in Kathmandu.

Furthermore, Ajzen (1991) and Conner and Armitage (1998) claimed that adding a few more parameters to the model would increase its prediction. This premise was used to study the mediation effect of attitude on elements outside of TPB, which has primarily been focused on financial literacy and materialism, as well as subjective norms. Although perspective on materialism, financial knowledge and subjective norms had no effect on retirement Planning. Saving attitude is also found to mediate the relationship between various internal and external factors with retirement planning behavior. As a result, the current study supports the notion that attitudes' mediation effects are important to consider when predicting behavioral intentions.

Measuring retirement planning behavior is one of the study's most notable findings. In the literature on planning behavior, there is no standard measurement for this behavior. The validity and reliability of the retirement planning behavior scale were found to be fine. Future research will be able to determine how retirement planning predicts retirement contentment, as well as which categories have the most influence. Financial advisers and planners, on the other hand, should define their particular

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market before offering their professional services in financial planning for retirement plans. Financial planners will be better able to predict how people will react to incentives if they are aware of an individual's behavioral variables.

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APPENDIX

Dear Sir/ Madam,

I am conducting an academic research titled " Factors Influencing Retirement Planning of employees of commercial banks of Kathmandu" as the requirement of the MBA degree from School of Management Tribhuvan University (SOMTU). This is just an academic survey therefore, kind participation is expected. I would also like to ensure you that your response will be anonymous and will be used for the stated purpose only. The return of the completed questionnaire will indicate your consent to participate in the survey. Your honest response to this questionnaire is highly appreciated.

Regards,

Sabina Ghimire

School of Management, TU

Tick the correct answer.

1. Demographic Variables

a. Gender

☐ Male   ☐ Female

b. Monthly income

☐ Nrs 15,000-25000   ☐ Nrs26000-35000   ☐ Nrs 36000-45000

☐ Nrs 46000-55000   ☐ Nrs 55000 and above

c. Education level

☐ +2 level

☐ Bachelor's Degree

☐ Master's Degree and above

d. Marital Status

☐ Married   Divorced   ☐

☐ Unmarried   Widowed   ☐

2. Rate the questions provided below accordingly to the scale from "Strongly Disagree" to "Strongly Agree".

Family Education

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. When you were a teen, your parents acted in a frugal manner when it came to money.					
2. Your parents used to talk to you about their personal financial decisions when you were a teenager.					
3. As a teenager, you picked up financial information from your parents' actions.					
4. When it comes to money management, I follow in my parents' footsteps in a similar position.					
5. When you were a teenager, your elders urged to save money.					
6. When you were a teenager, your parents had a regular savings plan in place.					

Future Orientation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. I save for future as recommended.					
2. I prefer thinking about how I will live in years to come.					
3. It's difficult to plan for the future.					
4. The future appears to me to be hazy and unpredictable.					
5. I've set long-term goals for myself and am trying to achieve them.					
6. I do not believe that things should be sacrificed now in order to solve future difficulties.					

Tick the correct answer:

Financial Literacy

1. Assume you have Rs.100 in a savings account with an annual interest rate of 2%. How much do you estimate you'll have in the account after 5 years if you don't withdraw anything during that time?

  -More than Nrs.102 ☐

  -Exactly 102 ☐

  -less than 102 ☐

  -Do not know ☐

  -Refusal ☐

2. Assume that the interest rate on your savings account is 1% per year and that inflation is 2% per year. How much would you be able to buy with the money in this account after a year?

-More than today ☐

-Exactly the same ☐

-Less than today ☐

-Do not know ☐

-Refusal ☐

3. Assume a friend receives Rs, 10,000 today, and his sibling receives Rs.10, 000 three years later. Who is better off as a result of the inheritance?

-The friend ☐

-His sibling ☐

-Do not know ☐

4. Which of the statements below is correct? What happens if someone invests in firm B's stock on the stock exchange?

-He owns a part of firm B ☐

-He has lent money to firm B ☐

-He is liable for firm B's debt ☐

-none of the above ☐

-do not know ☐

-refusal ☐

4. Generally, which asset displays the highest volatility over time

-Saving Account ☐

-Bonds ☐

-Stocks ☐

-Do not know ☐

-Refusal ☐

5. How does the risk of losing money change when an investor spreads his money across multiple assets??

-Increase ☐

-Decrease ☐

-Stays the same ☐

-Do not know ☐

Materialism

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Obtaining material possessions is one of life's most significant achievements.					
2. My possessions reveal a great deal of things I have accomplished in life.					
3. I enjoy owning items that make others take notice of me.					
4. Purchasing items gives me a great deal of joy.					
5. I think my life would be worth it if I had many material possessions.					
6. I like a great amount of comfort in my lifestyle.					
7. I am more influenced to the monetary value of other people's possessions.					
8. I have all that I require to live a happy life.					

Propensity to plan

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. For the following 1–2 years, I plan what I want to do with my money.					
2. 2. I plan ahead of time how I'll spend my money over the following few years.					
3. I consider the things I need to do in the next few years to stay on track with my financial goal.					

4. Examining my financial strategy for the next 1–2 years will offer me an idea of how I'll invest in the future.					
5. I feel at ease knowing I have a financial strategy for the next 1–2 years.					

Retirement Planning

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. I'm positive about financial prospects in life.					
2. It's too soon for me to start thinking about retirement.					
3. Saving money for retirement is worth it.					
4. I am well-versed in the financial concerns that retirees face.					
5. I set out time to plan and monitor my finances.					
6. I don't consider my retirement plans at all.					
7. I despise dealing with money and financial matters.					
8. When I think about retirement planning, I get anxious.					
9. I'm more concerned with my present than with retirement preparation.					
10. Retirement planning is a rigorous process.					
11. I attend various events related to retirement planning					
12. I am very much open about					

retirement planning with my family and friends.					
13. I am on track to accomplish all of financial objectives related to my retirement comforts.					
14. I've calculated how much money I'll need in retirement.					
15. I will have enough money saved by the time I retire to maintain the life's comforts.					

Saving Attitude

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. I save money to become more financially self-sufficient.					
2. Financial prudence is a vital characteristic.					
3. 3. It is necessary to save money and only spend money on indispensable items.					
4. It is critical to set aside money on a monthly basis.					
5. People that are good at saving are good in life as well.					
6. I feel that in order to have a comfortable retirement life, I should set up a portion of income on a regular basis.					