

## CHAPTER 5 CONCLUSION AND RECOMENDATIONS

### 5.1 Introduction

This chapter gives the reader a complete knowledge of the research overview and study summary. The goal of this chapter is to provide a summary, discussion of the results, contribution of the study, recommendation for the future research, and a conclusion.

### 5.2 Overview of Study

The purpose of this research is to identify the factor that effect retirement planning among employees in Palembang, Indonesia. In addition, there 2 research questions that will be highlighted in this paper, whether financial literacy and employees readiness have a significant relationship to retirement planning. In this study, two hypotheses will be related with the variable produced in this study for further testing of the retirement planning.

The data collection method used in this study is a questionnaire. A structure close-ended question will be distributed to employees in Palembang, Indonesia to collect data. The questionnaire will be administered via Google Form. The form will be distributed via social media such as WhatsApp and Instagram. There were 60 respondent who filled out the questionnaire. Furthermore, the data was analyzed and assessed using the SPSS program. In addition, the collected data was analyzed and evaluated using the SPSS program. Analysis of the data findings of Chapter 4 revealed that only 1 hypotheses showed a statistically significant relationships with retirement planning in the regression test ( $\text{sig} < 0.01$ ). Based on table 5.1, it can be seen that only hypotheses 2 and 3 have a significant and positive correlation with retirement planning.

*Table 0.1 Summary of the Hypothesis Testing*

Hypothesis	Accepted (Sig>0.1) and (Sig >0.05)	Rejected (Sig>0.1) and (Sig >0.05)
<b>H<sub>1</sub></b> Financial literacy has an	✓	

positive effect on retirement planning		
<b>H<sub>2</sub></b> Employee's Readiness has an positive effect on retirement planning	✓	

### 5.3 Summary of Research Findings

#### 5.3.1 Financial Literacy has an Positive Effect on Retirement Planning

The first question of this research is follows “What is the effect towards financial literacy on retirement planning?”. Based on this research question, Hypothesis 1 (H<sub>1</sub>) was formulated to investigate the relationship between financial literacy on retirement planning among employee's in Palembang, Indonesia. After conducting the analysis, the research findings show that financial literacy is accepted and has significant effect with retirement planning. Financial literacy, which has a positive relation ship to retirement planning, means that employees in Palembang, Indonesia who plan to retire are more financially literate, and they recognise that diversification risk is closely connected with retirement planning.

This result is similar from research conducted by Almenberg et al. (2011), Swedish study, those who report having planned for retirement are more financially educated, they also discovered that knowing risk diversification is substantially connected with retirement planning.

#### 5.3.2 Employee's Readiness has an Positive Effect on Retirement Planning

The second question of this research is as follows “What is the relationship between employee's readiness on retirement planning among employee's in Palembang, Indonesia. Based on this research question, Hypothesis 2 (H<sub>2</sub>) is formulated to investigate the effect between employee's readiness and retirement planning employee's in Palembang, Indonesia. After conducting the analysis, the researcher findings show that employee's readiness is accepted and has a significant

effect with retirement planning. Employee's readiness, which has a positive relationship to retirement planning, means employees in Palembang, Indonesia are ready in readiness to carry out retirement planning for their future.

## **5.4 Contribution of Study**

### **5.4.1 Body of Knowledge**

This study differs materially from previous research paper on this matter, based on evaluations of various previous studies that have made several retirement planning studies. In this context, this study considers the significance of the relationship between financial literacy and employees readiness of retirement planning. This research enable forthcoming scholar to utilize it as a literature review and point of reference for their own relevant topics.

### **5.4.2 Theory**

This study aims to contribute to existing knowledge by investigating the effect of financial literacy and employees readiness on retirement planning. This study uses a planned behavior to determine the factors that effect retirement planning. Theory of planned behavior are expanded to provide better insights about the retirement planning.

The result of this study have improved and offered important contributions in the fields of accounting and finance, especially in the field of retirement planning for ready to planning for retirement. It is also expected to improve study findings on retirement planning.

### **5.4.3 Practical**

This research can provide employees in Palembang, Indonesia with insight and information about the factors that determine retirement planning, also the impact of financial literacy and employees readiness on the factors. Furthermore, it is hoped that by understanding the factors that influence retirement planning, also the effect of financial literacy and employees readiness of these factors, employees in Palembang, Indonesia be more prepared and aware of their old age with their own readiness, financial readiness and financial knowledge to prepare for their retirement.

### **5.5 Limitation**

This study has limitation due to the fact that the target respondent are employees, and employees who work are sometime hard or unable to fill out questionnaires, and there is limited time to collect respondents. It is difficult to get respondent according to the required target because time is very limited. Researchers only have less than 2 weeks to get as many respondents as possible. So that researchers only get 60 of respondents.

### **5.6 Future Research**

This study investigates the factors that effect retirement planning. This study only applies two independent variables in determining the result, futher studies can add more independent variable to the regression model. In addition, data was collected from 60 respondent. Future researchers are advised to collect data from a large sample for generalization, by adding independent variable and forming a new research model, considering that the model in this study can only explain the retirement planning variable of 30.1% and the rest is explained by other variables outside the proposed model.

### **5.7 Conclusion**

The purpose of this study is to investigate the effects of financial literacy and employee preparation on retirement planning among employees in Palembang, Indonesia. The Statistical Programme for Social Science (SPSS) was used to analyze the data in this study. The model provided in this study can explain 31.1% of the retirement planning variable, with the remainder explained by other variables. Thus, based on the findings of the analysis and discussion, the following conclusions are obtained.

Financial Literacy affect employees retirement planning in Palembang, Indonesia. Thus, the better financial literacy that employees have, the batter retirement planning will be carried out and they will not be easily fooled in modern time like today. Where individuals with good financial literacy will be right in making financial planning and will be more ready for retirement.

Employees readiness affect employees retirement planning in Palembang, Indonesia. Thus, the better employee readiness for retirement have, it will greatly

facilitate employees to make retirement planning, so that employees will be guaranteed their retirement in the future.