



**1<sup>st</sup> INTERNATIONAL CONFERENCE ON  
ISLAMIC WEALTH MANAGEMENT AND  
FINANCIAL PLANNING**

**SASANA KIJANG, BANK NEGARA  
MALAYSIA, KUALA LUMPUR  
11 – 12 JUNE 2014**

**COMPREHENSIVE WORKPLACE FINANCIAL EDUCATION PROGRAMME  
DEVELOPMENT FOR EMPLOYEES: RESULTS FROM A  
FOCUS GROUP STUDY**

**Zurina Shafii  
Ainulashikin Marzuki  
Rosdi Abu**

# Outline

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# Introduction

- The Consumer & Financial Literacy Taskforce (2004) highlighted the **need of workplace financial education**
  - Easy access to personal finance,
  - marketing strategy of targeting government servants and
  - product innovations
- Instances of **bankruptcy cases** has triggered Malaysian government to suggest ways in improving financial literacy levels from an **early age to adulthood** (Marican et al., 2012).
- Financial wellness among Malaysian workers indicated that education, financial literacy, financial behaviors and financial stress level had a direct effect on financial wellness. (Delafrouz and Paim, 2011).



# Introduction

- In Malaysia, a **gap on workplace financial education exists** as the current financial education initiatives surrounds the financial education to the public initiated by Bank Negara Malaysia through its Credit Counseling and Debt Management Agency (AKPK).
- This study has the fundamental aim to understand the **state of financial education in the workplace** by surveying the stakeholders view on the **current initiatives** of workplace financial education currently adopted and the **desired scope** of workplace financial education in Malaysia.



# Objective

- This paper studies to examine the stakeholders' opinion on the desired scope of coverage appropriate for workplace financial education in Malaysia.



# Literature Review



- Needs for financial education programme emerged because of **low levels of financial literacy** in all OECD countries. (OECD, 2003)
- In 2008, the OECD launched the International Gateway for Financial Education (IGFE) to serve as the first global clearing house on financial education.
- Financial education becomes an important agenda for employers to improve companies performance & well being of employees (Garman *et al.* 1999)



# Literature Review– cont'd



- Financial literacy as the competency to undertake rational, informed judgments pertaining to money management. (Worthington, 2006)
- Braunstein & Welch (2002) advocates that financial literacy deficiencies such as lack of workplace financial education and not knowing proper tools in making sound financial decision could lead to hick-ups in money management & affects propensity for long term savings objective for house purchase and retirement



# Literature Review– cont'd



- In U.S, employers provide financial education training to increase financial wellness of the employees as well as to improve the employee's job productivity
- This in turn increases organizational productivity
- Malaysia government has started its financial education programmes through its agency, Bank Negara Malaysia (through AKPK) and Securities Commission (through SIDC)





# Method and Data

- The focus group members are financial planners heading their financial planning training companies.
- The service providers
  - Hijrah Wealth Advisory,
  - Banyan Tree Money Academy,
  - Al-Falah Consulting,
  - AFIQ Training & Advisory and
  - Malaysian Financial Planning Council.
- The session was held in Nilai Springs Resort Hotel, Nilai on 13<sup>th</sup> June 2013.



# Analysis and Discussion

- The experts agree that **the content for workplace financial education** for government servants should focus fundamental areas of liquidity and debt management, retirement planning, risk management and investment.
- The experts also suggested that financial education to government should **start as early as when the employees first join in the service**.



# Analysis and Discussion– cont'd

- The results implicate that the proposed content could be further developed to suit the financial education needs for government servants with further studies needed to **operationalise the introduction of training modules to the government servants.**
- The discussions are centred on the workplace financial education training need from the **perspective of financial planners.**



# Analysis and Discussion– cont'd

- From the view of counselling agency and insolvency department, the representative felt that the area of **liquidity and debt management is vital to be taught.**
- This is because lack of proper liquidity and debt management will resort to the employees becoming bankrupt.
- This in turn will ruin the financial future of the employees. Other stakeholders in the focus group agreed with their view.



# Analysis and Discussion-cont'd

The participants collectively agreed that these areas are less critical, **to be included in the workplace financial education module:**

- Pengurusan risiko (risk management)
- Pelaburan (investment)
- Pengurusan cukai dan zakat (tax and zakat planning)
- Pengurusan harta pusaka (estate management)



# Conclusion

- The objective of this paper to explore the content of workplace financial education was achieved by getting **input from training providers** of such services.
- The experts agree that the content for workplace financial education for government servants should focus fundamental areas of liquidity and debt management, retirement planning, risk management and investment.



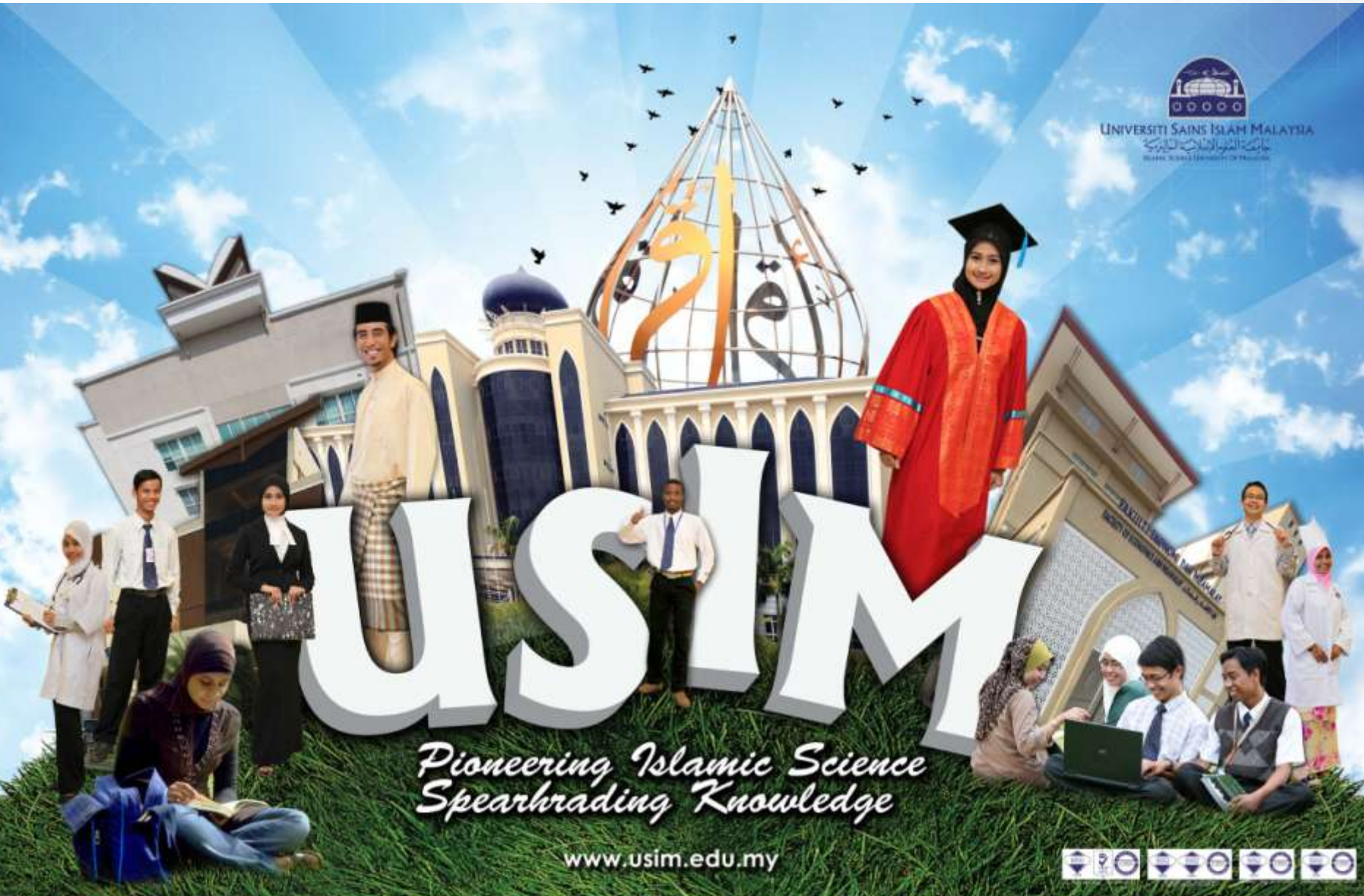
# Conclusion-cont'd

- Having learnt from the experience of the training providers, the proposed content could be further developed to suit the financial education needs for government servants.
- Education providers, SRO such as MFPC and higher education providers will need to **act together as a lobby group** to convince the decision makers to implement the education initiatives.





# Thank You



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