

Abstract

Though a large potential market exists, the demand for retirement plans in Sri Lanka is low despite the absence of monthly pensions in the private sector. The current study aims to investigate the effects of financial self-efficacy, job involvement, and social group support on financial planning for retirement among employees in Sri Lankan private sector financial institutions, while studying the possible moderating effects gender and age may have on each of the exogenous - endogenous variable relationships identified. The study adopts a positivist stance and employs a deductive approach. The study attempts to determine whether financial self-efficacy, job involvement, and social group support are significant factors that should be taken into account as components of capacity, willingness, and opportunity to save for retirement, respectively. The study's theoretical underpinning lies in the Capacity-Willingness-Opportunity (CWO) model. It also investigates if the effects of the exogenous variables on the endogenous variable would be strengthened or weakened depending on whether a person is male or female or falls into a particular age group. The study uses a structured self-administered questionnaire to perform a survey of 376 private sector employees in Sri Lankan financial organizations. PLS-SEM conducted through SmartPLS software is used to analyze the data that was thus gathered. The study's findings show that among private sector employees of financial institutions in Sri Lanka, social group support and financial self-efficacy have a significant and positive impact on financial planning for retirement, whereas job involvement had no significant effect. In addition, albeit not significantly different from men, women have greater effects of financial self-efficacy, job involvement, and social group support on financial planning for retirement. When one is in a greater age category, it is discovered that the influence of financial self-efficacy on financial planning for retirement is substantially greater. By examining additional variables under each of the CWO model's aspects, the current study adds to the body of prior research and broadens the usefulness and applicability of the model. The current study identifies previously under-researched elements that affect retirement planning among workers in the private sector. It educates interested businesses on how to address the issues in order to create new, more alluring pension plans. By gaining a knowledge of people's perspectives and aiding them in developing plans, the study also contributes to governmental policy decision-making with reference to the management of an aging population and the dependence ratio.

Keywords: Financial planning for retirement, Financial self-efficacy, Job involvement, Social group support, CWO model