EXPLORING THE INFLUENCE FROM FINANCIAL KNOWLEDGE FOR RETIREMENT AND RETIREMENT SELF-EFFICACY ON LIFE SATISFACTION THROUGH THE MEDIATOR - RETIREMENT READINESS AMONG WORKING ADULTS IN CHINA

Tian Lan[A], See-Nie Lee[B]

ARTICLE INFO	ABSTRACT
	Objective: The main purpose of this study is to explore the influences of Financial Knowledge for Retirement and Retirement Self-efficacy on Life Satisfaction, with a specific focus on the mediating role of Retirement Readiness among working adults in China. **Theoretical Framework:** The study is grounded in the context of China's aging population and slowing economic growth, highlighting the increasing importance of Retirement Readiness. It posits that Financial Knowledge for Retirement and Retirement Self-efficacy are key determinants of Retirement Readiness, which in turn impacts Life Satisfaction. **Method:** Utilizing a quantitative research methodology, data were collected from a stratified sample of working adults in China, covering diverse age groups, regions, and occupational backgrounds. **Results and Discussion:** The findings confirm all five proposed hypotheses, demonstrating that both Financial Knowledge for Retirement and Retirement Self-efficacy have a statistically significant impact on Retirement Readiness. Retirement Readiness, in turn, has a statistically significant influence on Life Satisfaction. This suggests that enhancing financial knowledge and self-efficacy in retirement planning can improve Retirement Readiness and, consequently, Life Satisfaction among working adults in China. **Research Implications:** The study highlights the importance of financial education and tailored guidance for retirement planning. It suggests that working adults, policymakers, educators, financial advisors, and researchers should focus on improving Financial Knowledge for Retirement and Retirement Self-efficacy to help individuals better prepare for retirement. **Originality/Value:** This study provides a comprehensive investigation into the determinants of Life Satisfaction among working adults in China, with a particular emphasis on the mediating role of Retirement Readiness.

[A] PhD in Management. SEGi University. Petaling Jaya, Selangor, Malaysia.
E-mail: SUKD2301457@segi4u.my Orcid: https://orcid.org/0009-0004-5642-6067
[B] Doctor of Business Administration. SEGi University. Petaling Jaya, Selangor, Malaysia.
E-mail: leeseenie@segi.edu.my Orcid: https://orcid.org/0009-0008-4438-8584

Intern. Journal of Profess. Bus. Review. |Miami, v. 9 | n. 6| p. 01-20 | e04725 | 2024.

1

EXPLORANDO A INFLUÊNCIA DO CONHECIMENTO FINANCEIRO PARA A APOSENTADORIA E DA AUTOEFICÁCIA PARA A APOSENTADORIA NA SATISFAÇÃO COM A VIDA POR MEIO DO MEDIADOR - PRONTIDÃO PARA A APOSENTADORIA ENTRE ADULTOS QUE TRABALHAM NA CHINA

RESUMO

Objetivo: O principal objetivo deste estudo é explorar as influências do Conhecimento Financeiro para a Aposentadoria e da Autoeficácia na Aposentadoria sobre a Satisfação com a Vida, com um foco específico no papel mediador da Preparação para a Aposentadoria entre os adultos trabalhadores na China.

Referencial Teórico: O estudo está fundamentado no contexto do envelhecimento da população da China e do crescimento econômico em desaceleração, destacando a crescente importância da Preparação para a Aposentadoria. Ele postula que o Conhecimento Financeiro para a Aposentadoria e a Autoeficácia na Aposentadoria são determinantes-chave da Preparação para a Aposentadoria, que por sua vez impacta a Satisfação com a Vida.

Método: Utilizando uma metodologia de pesquisa quantitativa, foram coletados dados de uma amostra estratificada de adultos trabalhadores na China, abrangendo diversos grupos etários, regiões e contextos ocupacionais.

Resultados e Discussão: Os resultados confirmam todas as cinco hipóteses propostas, demonstrando que tanto o Conhecimento Financeiro para a Aposentadoria quanto a Autoeficácia na Aposentadoria têm um impacto estatisticamente significativo na Preparação para a Aposentadoria.

Implicações da Pesquisa: O estudo destaca a importância da educação financeira e da orientação personalizada para o planejamento da aposentadoria. Sugere que o foco seja melhorar o Conhecimento Financeiro para a Aposentadoria e a Autoeficácia na Aposentadoria para ajudar as pessoas a se prepararem melhor para a aposentadoria.

Originalidade/Valor: Este estudo oferece uma investigação abrangente sobre os determinantes da satisfação com a vida entre os adultos que trabalham na China, com ênfase especial na função mediadora da prontidão para a aposentadoria.

Palavras-chave: Prontidão para a Aposentadoria, Satisfação com a Vida, Autoeficácia, Adultos que Trabalham, Conhecimento Financeiro.

EXPLORACIÓN DE LA INFLUENCIA DE LOS CONOCIMIENTOS FINANCIEROS PARA LA JUBILACIÓN Y LA AUTOEFICACIA PARA LA JUBILACIÓN EN LA SATISFACCIÓN VITAL A TRAVÉS DEL MEDIADOR - LA PREPARACIÓN PARA LA JUBILACIÓN ENTRE LOS ADULTOS QUE TRABAJAN EN CHINA

RESUMEN

Objetivo: El objetivo principal de este estudio es explorar las influencias de los conocimientos financieros para la jubilación y la autoeficacia para la jubilación en la satisfacción vital, con un enfoque específico en el papel mediador de la preparación para la jubilación entre los adultos que trabajan en China.

Marco Teórico: El estudio se enmarca en el contexto del envejecimiento de la población china y la ralentización del crecimiento económico, lo que pone de relieve la creciente importancia de la preparación para la jubilación.

Método: Utilizando una metodología de investigación cuantitativa, se recogieron datos de una muestra estratificada de adultos trabajadores en China, que abarcaba diversos grupos de edad, regiones y entornos profesionales.

Resultados y Discusión: Los resultados confirman las cinco hipótesis, demostrando que el conocimiento financiero y la autoeficacia para la jubilación impactan significativamente en la preparación para la jubilación, y esta a su vez influye en la satisfacción vital.

Implicaciones de la investigación: El estudio subraya la importancia de la educación financiera y la orientación personalizada para planificar la jubilación. Sugiere centrarse en mejorar los conocimientos financieros para la jubilación y la autoeficacia para la jubilación a fin de ayudar a las personas a prepararse mejor para la jubilación.

Originalidad/Valor: Este estudio ofrece una investigación exhaustiva de los factores determinantes de la satisfacción vital entre los adultos que trabajan en China, haciendo especial hincapié en el papel mediador de la preparación para la jubilación.

Palabras clave: Preparación para la Jubilación, Satisfacción Vital, Autoeficacia, Adultos Trabajadores, Conocimientos Financieros.

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

2

1 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

In 1960s, China has experienced its sharp fertility period and reduced natural death. China's aggregate population boosted expeditiously nearly 3 percent annually in 1960s, drawing parallels with the time between 1851 to 1953, the aggregate population of China had only increased 0.3 percent per year. Facing issues of a rapid rising of population and complex internal and external social and economic challenges, China's average fertility rate per female decreased from six to three from 1970 to 1979 (Banister, 1998). During the year 1997, China launched its famous 'One-Child Policy', which was designed to control its population growth and create more well-educated generations who were expected to support China's development in the next few decades (Fong, 2004). The Yong Generation in China has minor population, it implies that the young generation faces more challenges and issues on their current lives and future retirement lives, owing to the burden of supporting retired aging people. By the year of 2050, it is expected to reach the peak of the eldest structure of population in China. During that time, 1.44 billion people will over 60, accounting for 11 percent of the amount population of China. Additionally, the population of older individuals is not only substantial, but it also experiences a significant yearly increase of 3.20 percent, which is approximately five times higher than the average annual population growth rate of 0.66 percent. By 2010, China's aging population is anticipated to surpass 1.74 billion, and it is projected to exceed 3 billion by 2026 and 4 billion by 2041. Consequently, the aging population in China will surpass the current combined populations of Italy, Japan, France, Germany and UK (Dong & Ding, 2009).

This means that it is imperative for working adults in China to be well-prepared for retirement, as this is closely tied to their potential for achieving Life Satisfaction. However, there's limited research on the determinants of Retirement Readiness for this demographic. This presents a gap in knowledge: on one side, we aim to understand the Retirement Readiness of China's working adults, but on the other, we are unfamiliar with its determinants. This study plans to introduce two independent variables, specifically Financial Knowledge for Retirement (FK) and Retirement Self-efficacy (RSE). These will impact a dependent variable, Life Satisfaction (LF), through a mediating variable, Retirement Readiness (RR).

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

3

1.2 PROBLEM STATEMENT

While China indeed has a relatively comprehensive social endowment insurance, its coverage is still not broadly enough. This is specifically evident in the imbalance in the social endowment insurance between urban and rural residents, and between formal and temporary workers. For those engaging in temporary work or in rural areas who haven't contributed to the pension system for over 15 years, they can't receive a pension after reaching retirement age (Yuan, 2022; Bairoliya et al., 2022; Wang & Timonen, 2021). On the other hand, since China's pension fund was invested in the stock market for its benefit for future substantial growth, however, with the decline of the stock prices, it ultimately led to a significant reduction in China's pension fund. Therefore, a large funding gap emerged (Shen et al., 2020; Sun et al., 2018). This point puts pressure on pension payouts. In light of China's national conditions, the main pressures for Chinese working adults face in Retirement Readiness are the aging population, the need for a broader pension security coverage, and the deficit from investing the pension fund in stock markets. The current situation is that China will gradually postpone the retirement age to address these pressures (Ren et al., 2018; Hu et al., 2023). Therefore, for China's working adults, they face more challenges for their Retirement Readiness. To achieve Life Satisfaction, it refers to their knowledge, skills, clear retirement goals, and financial discipline. However, there's not enough research on the extent to which those factors effect on the independent variable - Life Satisfaction through the mediator – Retirement Readiness especially for the working people in China. However, due to space and time constraints, only two dependent variables are selected for this study, i.e., Financial Knowledge for Retirement and Retirement Self-efficacy.

1.3 RESEARCH QUESTIONS

RQ1: What role does Financial Knowledge for Retirement play in influencing Retirement Readiness?

RQ2: What role does Retirement Self-efficacy play in influencing Retirement Readiness?

RQ3: What role does Retirement Readiness play in influencing Life Satisfaction?

RQ4: What role does Retirement Readiness play in mediating the relationship between Financial Knowledge for Retirement and Life Satisfaction?

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

4

RQ5: What role does Retirement Readiness play in mediating the relationship between Retirement Self-efficacy and Life Satisfaction?

1.4 RESEARCH OBJECTIVES

RO1: To probe and analyze the influence of Financial Knowledge for Retirement on Retirement Readiness.

RO2: To assess and determine the impact of Retirement Self-efficacy on Retirement Readiness.

RO4: To explore the mediating role of Retirement Readiness in the relationship between Financial Knowledge for Retirement and Life Satisfaction.

RO5: To explore the mediating role of Retirement Readiness in the relationship between Retirement Self-efficacy and Life Satisfaction.

1.5 SIGNIFICANCE OF THE RESEARCH

While there is considerable research on LS determinants, there's limited comprehensive study delving into the mediating role of RR, especially within the Chinese context. As China experiences rapid socio-economic changes, an aging population, and shifts in traditional values, understanding the dynamics of LS becomes imperative. This research bridges this gap, providing nuanced insights specific to working adults in China. The findings from this study can guide policymakers in tailoring retirement policies that not only ensure financial stability for retirees but also contribute to their overall LS. By doing the research, Chinese working individuals can be better informed about the factors that may affect their own satisfaction levels. This, in turn, can empower them to make proactive decisions related to their RR. Furthermore, with many countries facing challenges related to RR due to an aging population, insights from China can provide comparative data.

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

5

2 LITERATURE REVIEW

2.1 INTRODUCTION

The studies of Life Satisfaction and its determinants has gained considerable attention in social science research. Retirement Readiness, both financial and psychological, is increasingly becoming a focal point for research the Life Satisfaction of working adults (De los Santos et al., 2019; Ng et al., 2022; Jakit et al., 2023;). Some scholars point out that for elder adults, retirement marks the beginning of a new journey in life, rather than an end to life's value. Actively preparing for retirement is of great significance for achieving Life Satisfaction (Ang et al., 2023). Post-retirement life occupies a large proportion of one's life, even up to one-quarter of one's lifespan. Therefore, living a fulfilling retirement life plays a crucial role in Life Satisfaction. (Bordia et al., 2020). From a personal finance perspective, some scholars have found that Financial Knowledge for Retirement (also referred to as financial literacy in some literature) has a significant impact on retirement preparation (Larisa et al., 2021; Akben-Selcuk & Aydin, 2021; Young et al., 2017). Some other scholars have studied the impact on Retirement Readiness from psychological perspectives, such as self-efficacy. They place greater emphasis on the impact of psychological factors rather than financial knowledge (Hoffmann & Plotkina, 2021; Topa & Pra, 2018). Some studies on Retirement Readiness in developed countries have found that those with more Financial Knowledge for Retirement are able to plan more easily for retirement. Among these individuals with more knowledge and preparation, the largest proportion is found in the older generations in the United States, a rate that is higher than that of the younger generation and also higher than that found in the United Kingdom and Australia (Jackson & Hohman, 2019). However, in some developing countries, some researchers have even found a negative correlation between Life Satisfaction and wealth management capabilities in Uganda (Nansubuga, 2018). However, the majority of scholars believe that good self-efficacy and Financial Knowledge for Retirement have a statistically significant impact on Retirement Readiness (Asebedo et al., 2019; Guptan et al., 2021). They have found that self-efficacy can greatly reduce pre-retirement anxiety, thereby making it easier to achieve Life Satisfaction after retirement (Ujoatuonu, 2023). Therefore, some gaps emerge: what specific roles do Financial Knowledge for Retirement and Retirement Self-efficacy play in affecting Life Satisfaction through the mediating variable of Retirement Readiness? Is this influence statistically significant or not? Addressing these gaps, there remains debate among scholars.

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

6

Therefore, this study employs quantitative methods to investigate these issues and resolve these gaps in the situation of working adults in China.

2.2 DEPENDENT VARIABLE

Only one dependent variable, namely Life Satisfaction, will be introduced. Life satisfaction pertains to the degree to which individuals perceive their lives as satisfying, purposeful, and in accordance with their own standards of well-being and joy. It includes physical and mental health, and also includes the impact of savings, pensions, investments, and other financial resources on retirees' sense of security and their ability to maintain a desired lifestyle. The opportunities for and engagement in leisure activities, hobbies, and travel can significantly influence satisfaction levels. The comfort, safety, and location of a retiree's living situation, as well as their ability to maintain independence, are important factors. Differences in Life Satisfaction among retirees, however, can vary based on their occupational backgrounds, socioeconomic statuses, and demographic aspects such as culture, gender, and age (Chen et al., 2020; Sørensen, 2014). Some scholars have studied samples from developed countries like Sweden, and they found that the Life Satisfaction of retirees is greatly related to whether they retired abruptly or gradually. Those who retired suddenly often find it difficult to achieve higher Life Satisfaction (Hansson et al., 2018). Some scholars studying samples from developed countries, such as Belgium and Australia, have found that many individuals experience a decline in Life Satisfaction after retirement. However, upon further analysis, they hypothesized that this decrease might be due to the difficulties these individuals were already facing, such as job stress and other pressures, possibly related to a hasty or forced decision to retire. Therefore, they emphasize that good Retirement Readiness may be crucial for Life Satisfaction after retirement (Olds et al., 2018). In research conducted in some developing countries, such as China, scholars have studied the Life Satisfaction of individuals with high-ranking positions after retirement. They found that these individuals did not experience a decrease in Life Satisfaction due to the loss of power after retirement. On the contrary, their Life Satisfaction post-retirement was positive significantly correlated with their high status before retirement. This might be associated with their ability to have more social resources before retiring, allowing them to be well-prepared for Retirement Readiness (He et al., 2021).

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

7

2.3 INDEPENDENT VARIABLES

Financial Knowledge for Retirement encompasses a range of topics such as understanding of pension systems, personal savings, investment strategies, risk management, and the impact of inflation and economic changes on retirement funds. It's important because it affects how individuals plan for their post-work years and their confidence in managing financial resources to maintain a desired lifestyle. In some developed countries, scholars have found that Financial Knowledge for Retirement is positive significantly correlated with the accumulation of wealth before retirement. People with a good background in financial knowledge can better understand the implications behind increasingly complex financial products. They can also distinguish between short-term and long-term benefits, thus making good preparations in personal finance for their future Retirement Readiness (Hastings & Mitchell, 2020; Hauff et al., 2020; Kalmi & Ruuskanen, 2018). Scholars have also found that in developed countries like the United States, millennials who are just entering the workforce have less financial knowledge compared to their predecessors and are more inclined towards short-term financial behavior rather than long-term financial planning (Kim, 2019). Some scholars have found that in some developing countries, such as China, the level of financial knowledge among the people is still not high enough. Their research indicates that among the urban population samples they selected in China, half of the respondents lacked basic financial literacy and were unable to understand simple financial Ideas such as compounding interest and the impact of inflation (Niu, 2020). In other developing countries, such as Ghana, scholars have also identified similar issues. They found that respondents lack basic financial knowledge, a situation that is particularly common among the younger and older generations, low-income individuals, and female. In contrast, middle-aged male with higher incomes tends to have better Financial Knowledge for Retirement (Sarpong-Kumankoma, 2023).

Self-efficacy pertains to a person's conviction in his or her capacity to proficiently execute behaviors essential for achieving specific performance objectives. It embodies a sense of assurance in one's aptitude to exert control over their own behaviors, motivation and interpersonal situations. (Bandura, 1997). In the context of this study, Retirement self-efficacy pertains to a person's level of confidence in his or her aptitude to successfully engage in activities such as saving for retirement, making wise investments, and making well-informed financial choices. Scholars in some developed countries have conducted a significant amount of meaningful research on Retirement Self-efficacy. A study focusing on working adults in

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

8

Spain has found that an individual's Retirement Self-efficacy is positive significantly correlated with the social resources they can access. When they are unable to obtain specific social resources, they exhibit noticeable anxiety (Topa & Valero, 2017). Scholars in some developing countries also have conducted a lot of meaningful research on Retirement Self-efficacy. Among them, some Indian scholars have found a discriminant equation that can estimate an individual's Retirement Readiness based on their Retirement Self-efficacy (Peter et al., 2021).

2.4 MEDIATING VARIABLE

Retirement Readiness is about ensuring that an individual is prepared across all these dimensions to enter a new phase of life that is not only financially sustainable but also fulfilling and enriching in terms of health, social connections, and personal happiness. Retirement Readiness is usually studied as a mediator between various factors (like financial knowledge, socio-economic status, health, etc.) and Life Satisfaction. In some studies, which are focusing on developed countries, such as a comparative study on the United States, the United Kingdom, and Australia, scholars found that older individuals nearing retirement have better Retirement Readiness than the younger generation who are just entering the workforce. The overall Retirement Readiness of Americans was found to be better than that of the British and Australians (Jackson & Hohman, 2019). A research on developing countries, such as Turkey, has discovered that individuals who hold a more pessimistic outlook regarding future economic conditions tend to actively strive for better Retirement Readiness. However, they often believe that their efforts towards Retirement Readiness are insufficient, which ironically contrasts with the reality (Akben-Selcuk & Aydin, 2021). Another study in the Philippines found that people's psychological Retirement Readiness is derived from a sense of well-being in various aspects, with a sense of happiness related to wealth playing a decisive role (De los Santos et al., 2019).

2.5 HYPOTHESES DEVELOPMENT

H1: The relationship between Financial Knowledge for Retirement and Retirement Readiness is statistically significant.

H2: Retirement Self-efficacy is statistically significant in influencing Retirement Readiness among.

H3: Retirement Readiness is statistically significant in influencing Life Satisfaction.

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

9

H4: Retirement Readiness mediates the statistically significant relationship between Financial Knowledge for Retirement and Life Satisfaction.

H5: Retirement Readiness mediates the statistically significant relationship between Retirement Self-efficacy and Life Satisfaction.

3 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This is a quantitative study, using the Subjective Well-Being Theory (Diener, 1984). This theory provides a framework to understand how LS, as a component of overall well-being, is influenced by personal and environmental factors. In the questionnaire design, 7-point Likert scales are employed to measure the variables.

3.2 RESEARCH FRAMEWORK

This study consists of four variables. Firstly, there are two independent variables, which are FK and RSE, one mediating variable, namely RR, and one independent variable, which is LS. This study primarily investigates how much the two independent variables affect the independent variable through the mediating variable and whether this effect is statistically significant or not.

Figure 1

Research Framework

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

10
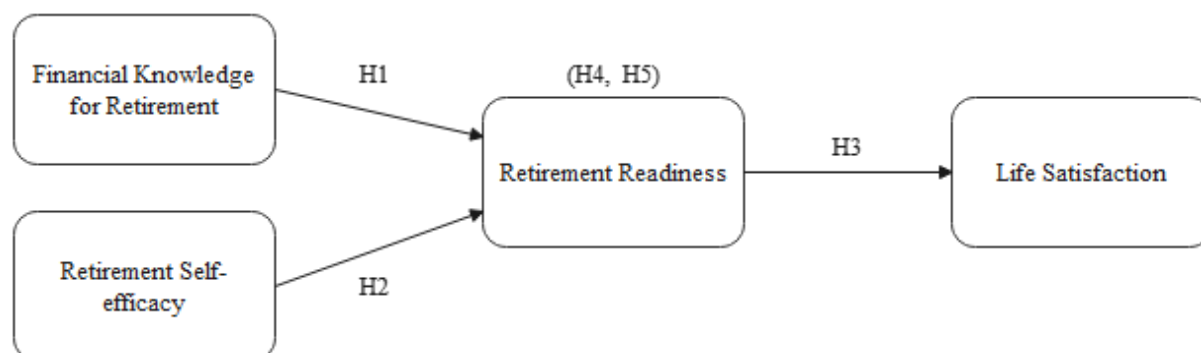
3.3 RESEARCH DESIGN

This study adopts a quantitative research method. A stratified sampling method was used, and these samples come from working adults of different ages, regions and backgrounds, and equal gender ratio. The design of the questionnaire comprehensively considers various factors, including ethical considerations. All respondents voluntarily participated in this survey and were willing to use their responses for the purposes of this study. The questionnaire is structured into four sections. The initial section focuses on the independent variable, namely FK, which consists of 6 items. The scale ranges from 'very knowledgeable' to 'not knowledgeable at all'. The second part concerns the independent variable - RSE, also with 6 items, assessing the respondents' information and knowledge preparedness in various aspects of retirement finances. The third part is about the mediating variable - RR, composed of 4 items, with a scale ranging from 'knowing how to prepare' to 'completely ready'. The fourth part addresses the dependent variable - LS, which consists of 5 items, reflecting a scale from 'close to an ideal life' to 'no regrets in this life, would choose the same in the next life'.

3.4 POPULATION AND SAMPLING

This study encompasses a population of working adults, encompassing individuals from diverse age groups, professions, and geographic locations. To ensure the representation of various subgroups within the population, a stratified sampling method was employed. Due to my study and work experience in the eastern, central, and western regions of China, and due to my profession, which allows me to interact with working adults of various ages and backgrounds, I was able to distribute 30 questionnaires to these individuals. First, I filtered out the non-working individuals from my 862 WeChat friends, and then categorize the remaining individuals into different strata based on their background, age, region, and gender (such as the stratum of 'middle-aged men with high income in the eastern region', 'young women with low income in the western region', and etc.). After that, I drew an equal number of samples from each stratum to accumulate a total of 30 samples, and send electronic questionnaires link to those selected samples.

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

11

3.5 INSTRUMENTATION

The data analysis was conducted using SPSS27. The Normal Distribution Testing and Reliability Testing of the data were rigorously assessed. The Pearson Correlation analysis helped in examining the strength and direction of relationships between different variables. Furthermore, I utilized Multivariate Linear Regression as a statistical technique to evaluate the hypotheses and investigate the predictive connections between the independent and dependent variables.

4 DATA ANALYSIS

4.1 INTRODUCTION

710 data points were collected, and the standard deviation of the population was calculated using the STDEV.P formula in Excel. The data points with zero standard deviation were cleaned up, leaving 639 data points. Then, I deleted the independent variables that I do not want to be discussed in this article, and only kept the two independent variables FK and RSE, as well as the mediating variable RR and the development variable LS. Then I used SPSS to find the mean value of each variable. Then, I performed some Reliability Tests, measuring the internal consistency between items in scale. Next, I performed some Normality Tests, measuring whether the data followed a normal distribution. Then I performed some Pearson Correlation tests, calculating the correlation between each variable's mean and the other variable's mean. Then I performed some Multiple Linear Regression analyses.

4.2 RELIABILITY TEST

The reliability coefficient of a scale is generally considered acceptable when it is above 0.8. We can observe that the Cronbach's Alpha and Cronbach's Alpha Based on Standardized Items for all items in this study are above 0.8. This indicates a good level of reliability for the measurement scale, suggesting strong internal consistency of the scale and rational questionnaire design.

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

12

Table 1

Reliability Statistics

Item	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
RR	.823	.822	4
FK	.920	.919	6
RSE	.941	.941	6
LS	.904	.905	5

Source: SPSS 27.

Table 2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
RR1	14.28	16.946	.670	.767
RR2	14.40	16.382	.733	.736
RR3	14.54	17.287	.652	.775
RR4	14.15	19.191	.538	.824
FK2	23.21	49.781	.817	.898
FK3	22.86	51.308	.761	.906
FK4	22.87	51.884	.739	.909
FK5	22.99	51.456	.730	.910
FK6	23.04	49.211	.805	.900
FK2	23.21	49.781	.817	.898
RSE1	23.01	54.541	.831	.929
RSE2	23.11	55.145	.843	.928
RSE3	22.85	55.808	.800	.933
RSE4	22.97	55.324	.826	.930
RSE5	23.00	56.172	.781	.935
RSE6	23.05	54.228	.856	.926
LS1	18.96	29.835	.778	.879
LS2	19.16	29.736	.796	.876
LS3	18.83	29.838	.795	.876
LS4	18.77	31.471	.731	.890
LS5	19.23	29.629	.710	.896

Source: SPSS 27.

4.3 PEARSON CORRELATION

Through using of SPSS for calculating Pearson correlation coefficients, it was found that there is a strong positive correlation among the variables (all Pearson r>0.5, with correlation significant at 0.01 level, 2-taild). The correlation between RSE and FK is the strongest, with a coefficient of 0.911, while the correlation between RR and LS is weakest but still significant at 0.659.

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

13

Table 3

Correlations

		RR's Mean	FK's Mean	RSE's Mean	LS's Mean
RR's Mean	Pearson Correlation	1	.762**	.757**	.659**
	Sig. (2-tailed)		.000	.000	.000
	N	639	639	639	639
FK's Mean	Pearson Correlation	.762**	1	.911**	.724**
	Sig. (2-tailed)	.000		.000	.000
	N	639	639	639	639
RSE's Mean	Pearson Correlation	.757**	.911**	1	.740**
	Sig. (2-tailed)	.000	.000		.000
	N	639	639	639	639
LS's Mean	Pearson Correlation	.659**	.724**	.740**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	639	639	639	639

Source: SPSS 27.

4.4 MULTIPLE LINEAR REGRESSION

In performing Multiple Linear Regression, first, I performed a regression analysis to calculate the total effect between FK and LS. The total effect is 0.695, and it is statistically significant (p-value < 0.05). Then mediation analysis can be run. Second, I performed a regression analysis between the independent variable FK and the mediating variable RR, which is the path A1. Third, I conducted a regression analysis to examine the direct effect of FK and RR on LS, which examined the path B1 and C1. So, I got Path A1 = 0.730(0.025), B1 = 0.257(0.041), and C1 = 0.507(0.039). For all regression analyses, the p-value < 0.05. Then, I used Sobel Test to test if the indirect effect is statistically significant, the p-value < 0.05, therefore, the indirect effect between FK and LS through RR is statistically significant. The Unstandardized Coefficients B for A1 * B1 = 0.18761. Due to total effect between FK and LS is statistically significant. And direct effect is significant, and so did the indirect effect. Therefore, a partial mediation effect between FK and LS via RR has been proved. Just like the mediation analysis between FK and LS, I did the same between RSE and LS, and got results like these, the total effect between RSE and LS is 0.679. Path A2 = 0.693(0.024), B2 = 0.232(0.040), and direct effect C2 = 0.518(0.036). The indirect effect Unstandardized Coefficients B for A2 * B2 = 0.160776, All p-values < 0.05 (including Sobel Test p-value). Therefore, a partial mediation effect between RSE and LS via RR has been proved. Therefore, all the hypotheses from H1 to H5 are supported.

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

14

Table 4

Coefficients of the First Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.553	.126		12.304	.000
	FK's Mean	.695	.026	.724	26.477	.000

Source: SPSS27

Table 5

Coefficients of the Second Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.422	.118		12.030	.000
	FK's Mean	.730	.025	.762	29.719	.000

Source: SPSS27

Table 6

Coefficients of the Third Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.187	.136		8.742	.000
	FK's Mean	.507	.039	.528	12.874	.000
	RR's Mean	.257	.041	.257	6.259	.000

Source: SPSS27

Table 7

Coefficients of the Forth Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.623	.118		13.749	.000
	RSE's Mean	.679	.024	.740	27.797	.000

Source: SPSS27

Table 8

Coefficients of the Fifth Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.592	.115		13.891	.000
	RSE's Mean	.693	.024	.757	29.231	.000

Source: SPSS27

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

15

Table 9

Coefficients of the Sixth Linear Regression

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.254	.131		9.543	.000
	RSE's Mean	.518	.036	.565	14.218	.000
	RR's Mean	.232	.040	.232	5.829	.000

Source: SPSS27

5 SUMMARY AND CONCLUSION

5.1 SUMMARY

This thesis embarked on a journey to explore the determinants of LS among working adults in China, with a specific focus on understanding how FK and RSE influence LS through the mediator RR. Grounded in Diener's Subjective Well-Being Theory (1984). Through meticulous literature review, the thesis highlighted significant theories and previous research findings related to financial knowledge, retirement planning, self-efficacy, and LS. After comparing multiple literatures on developing and developed countries, this study found that in most cases, enhanced financial knowledge and self-efficacy in retirement planning could lead to better RR and, ultimately, higher LS. Adopting a quantitative research approach, the study utilized a stratified sampling method to collect data. This finding supports all the hypotheses statistically significant.

5.2 CONCLUSION

This study enhances the understanding of LS determinants among working adults in China, emphasizing the importance of RR. It shows that financial knowledge and self-efficacy in retirement planning are key to improving RR, and being well-prepared for retirement correlates with higher LS. The findings have significant implications for working adults, policymakers, educators, financial advisors, and researchers both in China and abroad. Working adults should seek financial education and retirement planning confidence. Policymakers and educators should promote access to financial literacy programs focused on retirement. Financial advisors should provide personalized, ethical guidance, while researchers should further investigate retirement planning across diverse populations. Due to the study's limitations in

Intern. Journal of Profess. Bus. Review. | Miami, v. 9 | n. 6 | p. 01-20 | e04725 | 2024

16

sample size and geographic concentration, caution is advised in generalizing the findings. Future research should include participants from various socio-economic backgrounds to achieve a more comprehensive understanding. In China, the findings highlight the need for ongoing financial education and psychological support to ensure a well-prepared and content retirement life.

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18

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20