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FACTORS INFLUENCING GRADUATE'S INTENTION TO REPAY EDUCATIONAL DEBT

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ABSTRACT

This study examines the relationships between graduates' intention to repay educational debt and their attitude, parental influence, financial literacy, and financial behaviours. This study employs quantitative methods, and data was collected using a Google Form. The self-administered online survey received 258 responses in total. According to the findings, attitude, parental influence, and financial literacy all have a significant positive relationship with the intention to repay the loan. The financial behaviour has no discernible relationship to repaying the educational loan. According to the findings, the Theory of Reasoned Action was significantly associated with loan repayment. The study has limitations, and more research is needed to fully understand this phenomenon.

***JEL classification**: H63.*
***Keywords**: Attitude, educational debt, financial behaviour, parental influence, Malaysia.*

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1. INTRODUCTION

The National Higher Education Fund Corporation's (NHEFC) education loan appears to be a never-ending point of controversy about whether it is a boon or a curse for Malaysian students. Educational loan is one of the alternative of the agencies in Malaysia in order to help the students (Zakaria et al., 2020). The NHEFC education loan is one of the opportunities for most Malaysian students to obtain funds to pursue their tertiary education. Even though the money is a loan, it appears to be the main source of funding for students to live comfortably both on and off campus. Over the past ten years or more, the Malaysian higher education sector has expanded significantly (Ismail et al., 2011). Enrolment in both public and private institutions has increased year after year, indicating that the trend is gaining pace. Furthermore, a growth in enrolment predicted an increase in the number of borrowers of student loans.

The concept of student loans was invented by Gabriel Betancourt (Salmi, 2003). He is a Colombian youth who aspired to attend university in the late 1940s and convinced

the management of the company where he worked to lend him money to pay for his education abroad. Prior to World War II, student loans were not entirely unheard. Gabriel Betancourt pioneered the concept of student loans when he successfully persuaded the Colombian government and helped to establish the Colombian Student Loan Institute, ICETEX, in 1950. This is the very first institution of its kind in Latin America and the entire world.

Hitherto, most countries around the world have their own education loan institutions including Malaysia. In Malaysia, the most dominant institution for the student to get a loan is from National Higher Education Fund Corporation (NHEFC) (Ahmad et al., 2019). According to (Hamid, 2021), various agencies, including the Public Service Department (JPA), Majlis Amanah Rakyat (MARA), Yayasan Tunku Abdul Rahman (YTAR), Petronas, Telekom Malaysia, Tenaga Nasional, and Khazanah Nasional, have provided financial assistance to ensure access to tertiary education. The NHEFC, on the other hand, is the most important source of funding for new university students. The NHEFC has granted loans to over 2.5 million borrowers, with a total disbursement of approximately RM64.8 billion in 2021 (Bernama, 2021). From this number, we can see that 539,284 people haven't paid back their loans yet, and 705,648 people make inconsistent payments. Among the defaulters were 2,424,009 borrowers who had completed their studies and were required to repay loans totaling about RM24.6 billion.

Policy analysts often use Price's (2004) definition of student loan default, which is when a student owes more than 8% of their income, to predict how well a policy will work. Measuring the default payment enables a connection between repayment and non-payment (Flint, 1997). So, the amount of default can be used to predict the amount that will be returned with high accuracy. When people don't pay back their student loans, the federal government has to pay out a lot of money to make up for the lenders' losses. In the past few years, Malaysia has had a lot more problems with people not getting paid or not getting enough money. Despite the government's legal actions against non-paying borrowers, including barring them from leaving the country and placing them on the Central Credit Reference Information System's (CCRIS) blacklist, many continue to default on their debts. Notwithstanding, the number of defaulting debtors increases every year (Edward Wong et al., 2017). If this situation persists for an extended period of time, the organisation that offers student loans will run out of funds. It is critical to investigate the causes of the high default rate among educational loan borrowers in order to mitigate the challenges posed by non-repayment.

(Farhanah et al., 2019; Ahmad Harith et al., 2018; Zainal & Ismail, 2012) have looked at how attitude, awareness, media roles, and human interactions affect whether or not someone plans to pay back their student loan. According to the author's knowledge, no prior study has established a combination of attitude, parental influence, financial literacy, and financial behaviour in relation to the intention to repay an educational loan. This study is needed to learn more about how Malaysian graduates plan to pay back their student loans. Subsequently, the primary purpose of this study is to analyse the factors that influence Malaysian graduates' intentions to repay educational debt. The remainder of this paper consists of a literature review, methodology, findings, and conclusions.

2. LITERATURE REVIEW

2.1 Islamic view on debt repayment

Debt, from the Arabic word *dayn*, is derived from the root of *din*, which means submissiveness or disgrace. Ayn in Islamic Jurisprudence refers to debt, financial liability, or monetary obligation (Saad & Syed Jaafar Alhabshi, 2019). Taking on debt is not discouraged in Islam. We can take on the debt only if we need it. According to Saad and Syed Jaafar Alhabshi (2019), debt should be used or taken for the *Daruriyyat* situation, where if a person does not take the debt, it will cause harm to him. However, borrowing money to use *hajiyyat* and *tahsiniyyat* is still permissible but discouraged. This is because in Islam, if we take on debt, then it is a must for Muslims to repay the debt. Numerous hadiths state the obligation to repay debts.

يُغْفَرُ لِلشَّهِيدِ كُلُّ ذَنْبٍ إِلاَّ الدَّيْنَ

"All the sins of a *Shahid* (martyr) are forgiven except debt." (*Sahih Muslim*)

From the hadith, it means that if someone becomes Shahid, all the sins that he has done in the world will be forgiven except the sin of not paying for his debt during his life. That shows that debt repayment is very important in Islam. Education debt is one of the first big loans for students or young intellectuals. This is because they need to use the money to pay off their debt. But once the students take on the debt, they must realise that they must repay the loans after they graduate.

2.2 Intention to repay educational debt

The intention is defined as a person's desire to try, do, or plan to use towards performing a behaviour (Mamman et al., 2016). While Fishbein and Ajzen (1975), describe behavioural intention as the probability of a person doing the action or behaviour. This means that intention can be predicted well by an individual's actual behaviour (Kurland, 1995).

According to Ahmad Harith et al. (2018), students will be more likely to repay their debt if and only if they have a positive attitude toward loan payback. According to Chong's (2021) research, education level, collateral, and monthly budgeting all have significant links with loan payback. According to a recent study by Balmuth et al. (2021), parents or family members will be affected before and during the repayment procedure. According to a study conducted in Massachusetts, students with less financial literacy are more likely to disregard loan repayment, implying that knowledge influences the intention to repay educational debt (Artavanis & Karra, 2020). This suggests that parents have the greatest influence on their children's willingness to repay their college debt.

2.3 Attitude

According to Ajzen (2012), attitude can also be translated as a one -dimensional tendency to evaluate psychological objects with some degree of like or dislike. Attitude can also be defined as a mental state, whether conscious or unconscious, a value, belief, or feeling, and a predisposition to behaviour or action (Altmann, 2008). The Theory of Reasoned Action can be used to analyse the significance of attitude and behaviour (Srivastava & Dhamija, 2021). In this section, we will be discussing how the attitude of the education loan borrower could affect their intention to repay their loans.

The data collected from 417 students in India shows that students' attitudes provide a positive depiction of loan repayment (Kaur & Arora, 2019). Most of the respondents

intend to repay their debt due to the awareness of their responsibilities to repay the debt (Farhanah et al., 2019). The positive relationship between attitude and repayment was also supported by Boonroungrut and Huang (2020). They stated that the saving attitude from the Saving Behaviour Scale showed the strongest significant relationship to repaying the loan. A study of morality treatment in debt repayment in Indonesia shows a decreasing 4.4 per cent of non-repayment borrowers after sending the text message "non-repayment of debts by someone able is an injustice" to the debtors (Bursztyn et al., 2019). In other research about attitudes toward debt, there is also a link between attitude and credit card repayment (Zainudin et al., 2019).

In contrast, a study by Zainal and Ismail (2012) stated that attitude and debt repayment did not have a significant relationship. This is because the debtor did not make the repayment of the education loan their priority or obligation. The delay in debt repayment was derived from the attitude of borrowers who did not pay attention to or investigate the terms and conditions stated in the contracts.

Based on past research about the relationship between attitude and intention to repay the debt, the researcher has found that not only a good attitude but a bad attitude can also affect debt repayment. A positive attitude of borrowers, such as knowing their obligation to pay the debt, paying more attention to the contract's details, and being aware of the penalties that will be imposed for non-payment of debts, will lead to a positive effect on the intention to repay the loan, especially education debt.

H1: There is a significant relationship between attitude and the graduates' intention to repay the educational debt.

2.4 Parental influence

In the Theory of Reasoned Action, parental influence is classified as a subjective norm (TRA). Parenting behaviours like monitoring, attention, physical punishment, and reasoning can influence their child into two domains which support and control (Hardie, 2022). Parental influence is a parent's attitude or conduct that can influence their children's attitudes (Nebor & N, 1986). Parental influence is important in debt repayment patterns (Srivastava & Dhamija, 2021). According to Hardie (2022), parental influence can have a direct impact towards the adolescent development and behaviour of their children. Direct influence means that the parents control or make decisions for their children. In contrast, indirect influence means that the children's attitude or behaviour is impacted, or they mimic their parent's behaviour.

A study of the mediation effects of the educational loan repayment model indicated that parents are the strongest mediated individuals between the student's attitude and the awareness of loan repayment difficulties presented by the media (Farhanah et al., 2019). The parental influence based on parental behaviour has a negative impact on young adults' debt management (Tang, 2016). This explains how parents can impact their children's debt management, although it can be a beneficial or negative influence depending on the parents' knowledge, attitude, and behaviour.

Frequent reminders from parents to their children to return their education loans could encourage their children to do so as soon as possible. However, a poor attitude, behaviour, or lack of understanding regarding debt repayment on the part of the parents might have a negative impact on their children. Parents should have a positive attitude toward debt repayment to have a beneficial effect on their children's desire to repay debt.

H2: There is a significant relationship between parental influence and the graduates'

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intention to repay their educational debt

2.5 Financial literacy

Financial literacy is defined as the knowledge that is specific to finances or how a person uses his or her knowledge to influence his or her financial actions (Zait & Bertea, 2014). Kimiyaghalam and Safari (2015) stated that financial literacy can be divided into four parts, which are knowledge, ability in finance management, skill in decision making and confidence for future financial planning. Financial literacy plays a crucial role in debt management because a lack of financial literacy is the main reason for debt problems (Idris et al., 2016).

Based on the previous study, it shows that subjective knowledge of financial literacy has a strong relationship with financial well-being (Riitsalu & Murakas, 2019). A study that has been done to determine the debt patterns among participants shows that the highest percentage of the respondents know about the interest on loans, and they understand that the longer the loans stay outstanding, the higher the cost that they need to pay (Rahim et al., 2020). Based on a study of young Americans, it shows that mathematics and financial education can improve repayment behaviour (Brown et al., 2016). This is also supported by a study in Ghana that shows that there is a significant relationship between financial literacy and debt repayment behaviour (Baidoo et al., 2020). Shafik and Wan Ahmad (2020) found that Malaysian Muslim undergraduates stated that it is crucial to give financial literacy to students using the measurement of Islamic based.

A study in Kenya shows a negative relationship between debt literacy and the probability of the respondent delaying their repayment (Wanjiku & Muturi, 2017). That means a person with good debt literacy will have a higher intention to repay the debt. A study in Massachusetts demonstrated that students that have lower financial literacy will tend to neglect loan repayment (Artavanis & Karra, 2020). A study in Laos stated that financial literacy has a direct effect on financial inclusion and saving but is not specific to debt repayment (Morgan & Long, 2020). In a study of financial literacy between males and females in Japan, they found that financial literacy among males is better than among females. Still, females have higher financial attitudes and behaviours than males (Kadoya & Rahim Khan, 2020).

By referring to the results of previous studies, most of these studies have only focused on the impact of literacy before taking on debt. There is still a lack of studies which prove the strong effect of financial literacy on the intention of students to repay their education loans.

H3: There is a significant relationship between financial literacy and the graduates' intention to repay their educational debt

2.6 Financial behaviour

Financial behaviour is defined as the habits, practices, or attitudes of a person toward his or her financial management. Financial behaviour can be identified by how someone manages his or her savings, budgeting, cash flow, debt, investment, and other financial resources (Hasibuan et al., 2018). While based on Adiputra and Patricia (2019) stated that financial management behaviour is the ability of a person to do the planning, budgeting, checking, managing, controlling, searching, and storing of funds every day.

Potrich and Vieira (2018) found that a person with good planning behaviours like expenses, saving and budgeting from their monthly income and debt could have a high

impact on an individual's well-being achievement. While Adzis et al. (2017) also stated that they found a significant relationship between money management skills and the debt level of Malaysian young adults. Abraham et al. (2018) highlighted that loan repayment plans were derived from the debtor's behaviour. (Brown et al., 2016) stated that financial education will lead to better financial behaviour and can improve the repayment behaviour among student debtors.

But a study by Prihartono and Asandimitra (2018) shows that financial education or knowledge did not have a direct effect on financial behaviour for debt management. Financial behaviour also consists of two parts, which are ethical behaviour and unethical behaviour. A study by Zainal and Ismail (2012) shows that 12 per cent of 186 respondents who are graduate students showed unethical behaviour, which is that they did not want to pay their educational loans. Maybe our education loan institution did not apply strict conditions towards the debtors.

Based on the argument, it shows that financial behaviour can have an impact on debt repayment, especially among students. The available data is limited, and still, a lack of previous studies has focused on the relationship between financial behaviour and the intention of educational loan repayment. This ambiguity has sparked research into the role of financial behaviour in influencing and predicting consumer behaviour.

H4: There is a significant relationship between financial behaviour and the graduates' intention to repay their educational debt

3. METHODOLOGY

3.1 Research framework

Figure 1 depicts the study's theoretical framework. This theoretical framework was created using an extended model of the Theory of Reasoned Action in tandem with financial literacy and financial behaviour. Having these two extra variables helps better predict educational debt repayment intentions among Malaysian graduates.

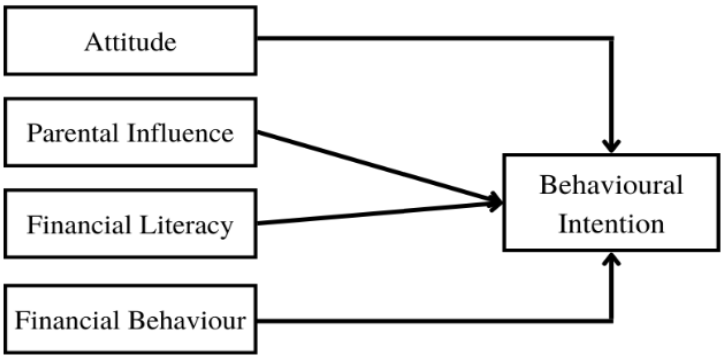

Figure 1: Theoretical framework.

3.2 Research design

The research approach used in this study is the deductive approach. The deductive approach starts with a few axioms, which are simple true statements about how the world works (Nisbet et al., 2018). According to Saunders and Lewis (2019), there are a few

terms that will be applied using this approach, which is:

- The generalisation is from general to specific
- The findings can be generalised to the research settings or context in which the theory is applied
- Data is collected to test hypotheses related to the existing theory
- Theory is falsified or verified

The target population consists of those who have graduated with education loans, generally known as debtors, whether from public or private universities and colleges. The target age group is from 18 to 37 years old. Most National Higher Education Fund Corporation (NHEFC) borrowers are expected to participate in this study. This is because NHEFC is the primary institution through which students can obtain a loan or fund to meet their educational expenses.

The sampling technique used for the study is convenience sampling, which is used in this research. According to Andrade (2021), a convenience sample is drawn from a source that is conveniently accessible to the researcher. This means the respondent is not compelled to complete the questionnaire. The respondent has volunteered to participate in this study. The respondents must meet two criteria: they must have borrowed an educational loan and be between 18 and 35. The surveys are distributed via an online platform, and respondents can answer the questions whenever and wherever is convenient.

3.3 Measurement

The measurement for this study was conducted by using questionnaires. The previous literature was used to establish and modify each theoretical model's latent construct measurements in the context of student loan repayment. The dependent variable for this study is the intention to repay the educational debt among young intellectuals. The latent construct elements, which included behavioural intention, attitude, parental influence, financial literacy, and financial behaviour, were adapted from previous studies (e.g., Fishbein & Ajzen, 1975; Ismail 2011; Farhanah et al 2019; Rahim et al. 2020; Adzis et al. 2017). The latent variables were measured using a 5-point Likert-type scale, where one represents strongly disagree, and five represents strongly agree (Pikkarainen et al., 2004).

3.4 Data collection

It took five weeks to acquire the data. The Google form received answers from 258 persons, all of whom are graduates with educational debt from their studies. A pilot test with thirty respondents was conducted before the distribution of the survey questionnaire. The sample frame was established for the pilot based on participants' knowledge, competency, and comprehension of education debt. The results of the pilot test revealed a few ambiguities, prompting the creation of a revised questionnaire. Respondents eventually agreed that the items were straightforward to grasp and that the questionnaire was useful for conducting the research.

4.0 DISCUSSION

4.1 Descriptive analysis

For the descriptive analysis, males make up 45.7 per cent of the total number of

respondents in this study, while females make up 54.3 per cent. The oldest respondent, aged 23 to 27, accounts for 61.6 per cent (152) of all respondents. With 25.1 per cent, the second most common age range is 28 to 32 years old (62 respondents). While the age groups 18-22 reported, 7.3 per cent and 33-37 reported 6.1 per cent, respectively. Bachelor's degree holders account for 66.8 per cent of all respondents. In terms of academic level, master's students made up 15.8 per cent of the total, while diploma and PhD students made up 14.6 per cent and 2.4 per cent, respectively. The government sector accounts for the largest proportion of total respondents, accounting for 43.7 per cent. Students enrolled full-time accounted for 36.8 per cent of all responses. 8.1 per cent work for themselves, while 11.3 per cent work in the private sector. The majority (56.3 per cent) of respondents earned between RM1,000 and RM3,000 per month. 22.3 per cent of respondents earn between RM3,001 and RM5,000 per month. 13.4 per cent of all respondents earned less than RM1,000 per month. Only 8.1 per cent of those polled earn more than RM5,000 per month.

The majority of respondents (62.8 per cent) are from public universities. While 36.8 per cent of those polled preferred a private university or college, the most dominant education loan institution, PTPTN, has the highest percentage, with 79.8 per cent. JPA came in second with 11.7 per cent, and MARA came in third with 6.1 per cent. Others representing education debt from Maybank, Bank Rakyat, corporations, and families were chosen by 2.4 per cent of respondents. Finally, 11.7 per cent of respondents borrowed RM15,000 or less for their total education loan. 143 respondents borrowed between RM15,001 and RM20,000, accounting for 7.9 per cent. 26.7 per cent of respondents said they borrowed between RM20,000 and RM25,000, and 3.6% said they borrowed RM25,000 or more.

Table 1: Descriptive statistics.

	Frequency	%
Gender		
Male	113	45.7
Female	134	54.3
Age		
18-22	18	7.3
23-27	152	61.5
28-32	62	25.1
33-37	15	6.1
Level of Education		
Diploma	36	14.6
Bachelor	165	66.8
Master	39	15.8
PhD	6	2.4
Others	1	0.4
Occupation		
Full time student	91	36.8
Government	108	43.7
Private sector	28	11.3
Self employed	20	8.1
Monthly Income		
RM1,000 and below	33	13.4
RM1,001- RM3,000	139	56.3
RM3,001-RM5,000	55	22.3
RM5,001 and above	20	8.1
Higher Learning Institution		

Public university	155	62.8
Private university / college	91	36.8
Others	1	0.4
Education Loan		
PTPTN	197	79.8
JPA	29	11.7
MARA	15	6.1
Others	6	2.4
Total Education Loan		
RM15,000 and below	29	11.7
RM15,001-RM20,000	143	57.9
RM20,0010RM25,000	66	26.7
RM25,001 and above	9	3.6

4.2 Analytical approach and measurement model

The measurement model was evaluated using internal reliability, discriminant validity, and convergent validity. Internal reliability was assessed using composite reliability and Cronbach's alpha, with 0.70 deemed an acceptable internal consistency indicator (Hair & Anderson, 2010).

Convergent validity was determined by calculating the average variance extracted (AVE) with a minimum value of 0.50 and item loadings greater than 0.50 (Hair & Anderson, 2010; Fornell and Larcker,1981). Discriminant validity is the amount to which the measurements do not reflect other variables; it is demonstrated by low correlations between variables, which can be determined by comparing the average variance extracted from two or more independent samples (AVE). According to the formula developed by Fornell and Larcker (1981), the square root of each construct (AVE) must be greater than its correlation with all other constructs. Table 2 displays item loadings, Cronbach's alpha, composite reliability, and AVE. Cronbach's alpha values computed are higher than the required level of 0.70 (ranging from 0.820 to 0.861) indicating high internal reliability. Furthermore, computed loadings (ranging from 0.887 to 0.918) and AVE (ranging from 0.845 to 0.848) are greater than the threshold levels, satisfying the convergent validity criteria. Several modifications were made to the estimation of the measurement model due to adjustment concerns. According to Table 2, the squared correlations for each construct were smaller than the square root of the average variance retrieved, indicating that the constructs have a high level of validity.

Table 2: Measurement model.

	ATT	FB	FL	PI	AVE	CR	Alpha
AT1	0.752				0.663	0.887	0.831
AT2	0.775						
AT4	0.880						
AT5	0.843						
FB1		0.819			0.697	0.901	0.853
FB2		0.883					
FB4		0.884					
FB5		0.744					
FL1			0.794		0.645	0.900	0.861
FL2			0.710				
FL3			0.838				
FL4			0.851				
FL5			0.814				
PI1				0.922	0.848	0.918	0.820
PI5				0.919			

4.3 Structural model

Once the reliability and validity of the measures have been confirmed, path coefficients based on the results of a PLS structural model can be presented. The structural model evaluates the results using beta coefficients (β) and t-statistics for latent constructs. In this study, the findings indicated that three hypotheses are accepted at significant levels The R2 value in a structural model represents the value for endogenous and predicted latent variables. Furthermore, the R^2 number represents the variance explained by the model's other variables. R^2 of endogenous latent variables ranged from 0 to 1, with a higher value indicating a better path model estimate (Henseler et al., 2009). The R^2 results for this study were 0.26. Wong (2013) asserted that R^2 values of at least 0.25 are required for a marketing research study. Another nonparametric approach for estimating the precision of the PLS estimate is the bootstrap. In this study, the "bootstrapping option" was applied to determine the statistical significance of the path coefficients and to compute the t-values.

The value of the beta coefficient measures the strength of the relationship between the independent and dependent variables. It can represent both positive and negative significant relationships. According to Hair et al. (2013), t-statistics with a value of 1.64 or greater are considered significant. Table 3 shows the significance of the path coefficients. The t-value can be compared to the critical value derived from the standard normal distribution to see if the coefficients differ significantly from zero. According to the findings of this study, the most important factors influencing graduates' intention to repay their educational debt by contract are graduates' attitudes, parental influence, and financial literacy. The significant t-value of the hypothesised path between ATT and Intention is 2.021, which is greater than 1.96, according to the T statistics presented in Table 3.

The H1 component of ATT and Intention has statistical significance. The significant t-value of the hypothesised path between FB and intention is 0.11, less than 1.96. As a result, the H2 component of FB and Intention are statistically insignificant. The Significant t-value of the hypothesised path of FL and Intention is 2.832, which is above 2.57($\alpha = 0.01$; two-sided test). Therefore, the hypothesised path of FL and Intention is statistically significant. The significant t-value of the proposed path of PI and Intention is 2.361, which is greater than 1.96 ($\alpha = 0.01$; one-sided test). As a result, the proposed path of PI and intention is statistically significant. Of the four hypotheses tested for this study, three were found to be statistically significant.

Table 3: Coefficients.

	OS	SM	STDEV	T Statistics	P Values
Attitude	0.185	0.183	0.092	2.021	0.044*
Financial Behaviour	0.008	0.016	0.071	0.11	0.912
Financial Literacy	0.218	0.224	0.077	2.832	0.005**
Parental Influence	0.238	0.232	0.101	2.361	0.019**

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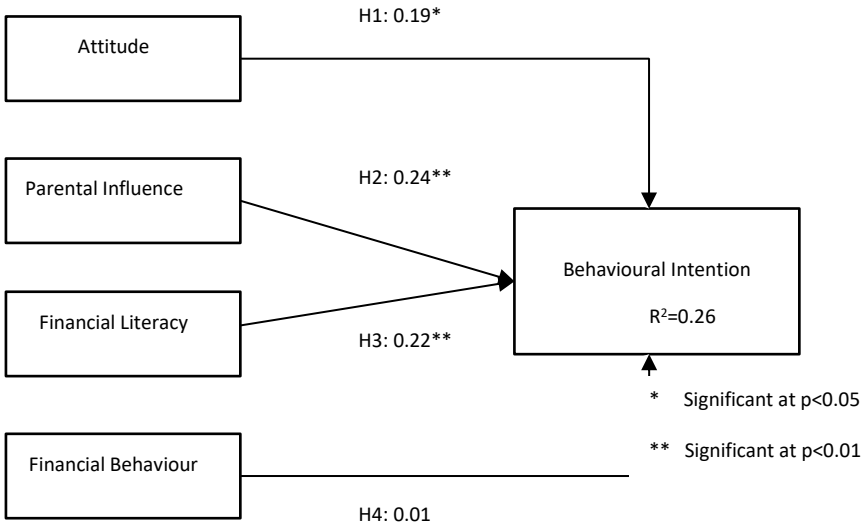

Figure 2: Structural model.

5. CONCLUDING REMARK

In this study, the debtor's attitudes were found to have a significant relationship with the intention to repay the educational debt. This finding is consistent with the previous study by Ismail et al. (2011), which found a significant correlation between the borrower's attitude and the intention to repay the debt. The attitude section of the questionnaire includes the question, "Repayment is my obligation." This study has demonstrated that the educational debtor understands their obligation after incurring the debt. They must repay the debt they borrowed because it is their responsibility. This is also supported by a study in literature reviews based on data collected from 417 students in India, which shows that students' attitudes toward loan repayment are positive (Kaur & Arora, 2019).

Parental influence also shows a significant relationship to repaying the education debt among young intellectuals. A previous study conducted through personal interviews stated that parents can give directly towards the debt (Xue & Xia Chao, 2015). In the same study, one of the answers from the interview is that their parents have taught them about financial budgeting since childhood because they know that education debt will be a burden to their children after graduation if they do not have good financial management skills. In this study, for the questionnaire on parental influence, there is a question about "My parents remind me to pay back the loan after I graduate to avoid problems in the future". The result of this study shows that parents can influence the intention of their children to repay their educational debt. This corresponds with the previous study, which according to Huat et al. (2010), the family's influence is the only independent variable that has a significant influence on the individual's financial management.

The intention to repay education debt is significantly related to financial literacy. This is consistent with the findings of previous studies by Idris et al. (2016), Riitsalu and Murakas (2019), and Rahim et al. (2020). Shafik and Wan Ahmad (2020) discovered the importance of financial literacy among Malaysian Muslim undergraduates. They stated that teaching students' financial literacy is critical. This demonstrates the importance of financial literacy in debt management and will result in a positive relationship with repaying education loans.

According to the findings of this study, there is no significant relationship between

financial behaviour and the intention to repay educational debt. This has resulted in the rejection of the hypothesis test, which was developed based on a literature review. Previous studies on financial behaviour and behavioural intention found mixed results. This study predicted a significant positive relationship between financial literacy and behavioural intention. The choice of a positive relationship is because this study refers to empirical evidence from Brazil (Potrich and Vieira 2018). They discovered that good planning behaviour, such as expenses, saving, and budgeting from monthly income and debt, could have a significant impact on an individual's well-being achievement.

Furthermore, Mudzingiri et al. (2018) from South Africa and Abraham et al. (2018) from the United States discovered a positive relationship between these variables. Geographical factors may influence people's behaviour based on religion and cultural beliefs. Surprisingly, this study found similar results to a previous study conducted in Malaysia by Zainal and Ismail (2012). The most significant finding of their research was that 13 per cent of 186 graduate students engaged in misconduct by refusing to repay their educational loans. According to the study, unclear debt management contributes to the reluctance to repay educational debt.

5.1 Implications (theoretical, methodological and managerial)

This study has successfully expanded the parsimonious TRA from a theoretical standpoint by including financial literacy and financial behaviour. Numerous advanced statistical analytic approaches were used to verify and validate the expanded TAM model developed in this study, suggesting that it may be able to contribute to the knowledge base. This study's findings will reduce the knowledge gap about the determinants of the desire to repay educational debt and provide additional data to support the grounded TRA. The managerial ramifications of this study are critical and exhaustive. First, fund providers, such as NHEFC, banks, or policymakers, as well as government and private practitioners, may assess the impact of ATT, PI, and FL on the intention to repay student loans. These parties should determine the most effective means of educating debtors about the significance of debt repayment. Since parental influence also plays a significant role in influencing debt repayment, educating, and integrating the parents in the process of educational debt repayment may increase future debt repayment.

5.2 Limitations and future directions

Despite comprehensive and adequate statistical analyses, the findings of this study are limited in that the study was conducted in Malaysia, so the results cannot be utilised to make statistical inferences on other geographical regions. This study has successfully verified the parsimonious constructs of TRA in predicting educational debt repayment by incorporating financial literacy and financial behaviour. Henceforth, future studies should consider extending their assessment of the impact of other adoption models, such as TPB, DTPB.

5.3 Conclusion

By extending TRA with two additional variables, financial literacy and financial behaviour, this study successfully examined the factors influencing graduates' intention to repay educational debt. The findings revealed a significant and direct relationship between attitude, parental influence, financial literacy, and the intention to repay educational loans. The findings are substantial because they provide valuable information not only to educational funders but also to policymakers and private and public sector

practitioners. The use of advanced statistical techniques and the SmartPLS approach has increased the validity and reliability of the findings while also providing a reference for future research. The study's findings have made a significant contribution to the body of knowledge by successfully identifying and validating critical determinants of educational debt repayment using a combination of linear and non-linear models. These findings have provided a solid foundation for borrowers to gain a better understanding and insight into their decision-making processes, thereby increasing consumer awareness of educational debt repayment in Malaysia.

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