

BEHAVIOURAL DETERMINANTS OF EDUCATION FINANCING DECISIONS AND THEIR IMPACT ON GRADUATION OUTCOMES FOR SUSTAINABLE REPAYMENT

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Abstract: *This study examines the behavioural factors influencing students' decisions to take education financing and how these decisions affect graduation outcomes to secure long-term financing repayment sustainability. Anchored in the Theory of Planned Behaviour, the research explores how attitude, subjective norm, and perceived behavioural control contribute to financial decision-making among university students in Malaysia. The study aims to explore the psychological drivers behind borrowing intentions and their implications for higher education financing systems. A quantitative approach was employed, utilising a structured questionnaire distributed to 108 graduates from Malaysian public and private universities. Responses were analysed using SPSS software through Pearson correlation and multiple regression techniques. The findings reveal that attitude and perceived behavioural control are significant predictors of informed financial decision-making, while subjective norm has a weaker, statistically insignificant effect. Furthermore, strong decision-making capability is positively associated with graduation success, suggesting that financial choices made at the outset of tertiary education influence academic persistence and outcomes. The results highlight the importance of enhancing financial literacy, building students' confidence in managing financial decision responsibilities, and reducing psychological and informational barriers to education financing. It adds value by connecting financial decision-making to graduation outcomes, a less explored nexus in the Malaysian context. This research contributes to a deeper understanding of the behavioural dynamics that shape education financing decisions and offers practical recommendations for policymakers, financial institutions, and educational bodies seeking to reduce financing default rates and improve graduation outcomes. The insights*

gained support efforts to build a more sustainable and student-centred higher education financing framework.

Keywords: *Education Financings, Behavioural Intention, Decision Making, Theory of Planned Behaviour, Social Influence*

Introduction

Increasing numbers of defaults are threatening the sustainability of student education finance systems. Non-compliance with student financing payments has become a serious problem in Malaysia due to a variety of complex behavioural and economic factors. Malaysia struggles with more than 1.2 million defaulters on the National Higher Education Fund Corporation (PTPTN) financing which gives rise to accumulated outstanding debts of RM10.853 billion in 2023, as reported in the Auditor-General's Report (LKAN, 2025). Given the enormity of the amount, the overdue repayments issue hampers Malaysia's viability of the higher education financing framework. The complex interplay between extraneous factors of social, financial, and psychological aspects further compounds the country's challenge towards a sustainable education financing framework for future generations.

This issue threatens the sustainability of the country's higher education financing system (Yeap, 2022). However, as Muslims, we must be obedient to Islamic teachings. Islamic Shariah allows debt, lending, financing or other financial support to people in needy situations is highly encouraged and seen as a good deed, as it carries immense rewards. This principle is highlighted in Surah Al-Baqarah (2:245), which states:

"Who is it that will lend to Allah a good financing, so He may multiply it for them many times over? It is Allah who withholds and grants abundance, and to Him, you will all be returned"

The decision to pursue higher education university is frequently linked to the need to obtain education financing, which is a crucial decision that has a big impact on a person's future. The previous study responds to those challenges by investigating the mechanisms of financial decision-making to provide insight to individual financial behaviours that have a substantial effect on personal financial well-being and long-run sustainability of student education debt repayment. In particular, the research offers an insight into the determinants influencing the financing decision making through the examination of the Theory of Planned Behaviour (TPB). Ajzen, (2020) emphasises the importance of attitudes (individuals' evaluations of a behaviour) and subjective norms (social pressure to perform or not perform a behaviour) in forming behavioural intentions Hale et al., (2003). Applying TPB to education finance repayment, an individual's repayment intentions in education financing are influenced by personal attitudes and significant others' normative expectations (Octav-Lonut Macovei, 2015). A further predictor of intentions in TPB is perceived behavioural control, referring to an individual's confidence that they can perform a target behaviour. TPB has been heavily used in various domains, such as financial decision-making, because it includes both voluntary and involuntary influences on behaviour (Boonroungrut & Huang, 2020)

Decision-making toward taking an education financing refers to the cognitive and behavioural processes individuals such as evaluating benefits and costs and considering family influence. This process involves weighing the perceived benefits, such as future income and educational attainment, against perceived costs such as debt burden and interest rates, often influenced by

personal beliefs, financial literacy, social norms, and external pressures such as family expectations and institutional policies. This paper further expands on how these decision-making processes can be related to a graduate's ability and willingness to meet financing obligations consistently over time, which can contribute to the sustainability of education financing. Zinman, (2014), discusses how debt decisions, including student financing, are shaped by individual expectations and behavioural biases, and how repayment sustainability is influenced by income uncertainty and financial behaviour post-graduation. Similarly to this study highlights how financing decision-making is influenced by social and psychological factors, and how misunderstanding financing terms or lacking confidence in future repayment can affect long-term sustainability (Boatman et al., 2017).

This paper discusses how behavioural theories can be applied to better understand and address the challenges of education financing repayment in Malaysia, particularly those influenced from initial process of decision-making toward taking an education financing. In addition, it explores the broader implications of these findings within the context of Islamic financial principles by emphasising the moral and social responsibility in fulfilling financial obligations. The study contributes to the existing literature by offering a multidisciplinary perspective on how to overcome repayment defaults and achieve sustainable education financing.

Literature Review

This study focuses on the Theory of Planned Behaviour (TPB), as this theory widely applied in understanding decision-making and behavioural intentions. The application of this theory, the research provides a multidimensional perspective on student education financing repayment behaviour. Below the core component of TPB.

Attitude and Decision-Making in Education Financing

Attitude refers to an individual's evaluative stance either positive or negative towards borrowing for educational purposes. It reflects beliefs about the anticipated outcomes of taking on financing, such as access to quality education and improved career prospects, weighed against potential drawbacks like debt burden and financial strain. Financial literacy is a key factor shaping these attitudes; individuals with a better understanding of financing terms and repayment obligations are more likely to perceive such borrowings positively (Cano & Castro-Campos, 2025).

Perceived benefits include the opportunity to afford desirable educational experiences and enhance future income potential (Yan et al., 2025). On the other hand, perceived costs involve interest payments, risk of default, and psychological stress. Attitudes are further modulated by personal financial traits such as risk aversion and optimism (Xiao et al., 2025). Brown (2019) observed that while students and graduates expressed concern over tuition fees and living costs, many still pursued higher education, motivated by income-contingent repayment features. This deferred repayment structure fostered confidence, though limited understanding of the financing system raised concerns about the quality of decision-making. Despite these gaps, there was broad support for contributing to the cost of education, with calls for lower fees, reduced interest rates, and increased government support.

Importantly, attitudes are dynamic and evolve with experience and access to information. Cultural, ethical, and religious factors also play a significant role. Asutay (2025) highlighted how moral evaluations influence financial behaviours, while Weaver et al. (2024) found that financial education improves attitudes by simplifying debt concepts and enhancing perceived

utility. Though Haqbin and Mohd Thas Thaker (2025) focused on microenterprise financing, their insights into interest-free models like IQEMD underscore the relevance of ethical congruence in fostering positive attitudes—an aspect also applicable in education financing within Muslim-majority contexts.

Notably, attitude alone is not always a strong predictor of financing behaviour. Gumilang Wirakanda and Rizal Satria (2025) found that MSME owners' attitudes toward credit did not directly translate into financing uptake. This reinforces the view that borrowing decisions are shaped not only by individual attitudes but also by broader social and contextual factors.

According to the Theory of Planned Behaviour, attitudes influence behavioural intentions alongside subjective norms and perceived behavioural control. Media narratives, peer influence, and personal experiences further colour one's attitude toward debt, either amplifying confidence or heightening anxiety.

Hypothesis (H1): Attitude toward education financing is positively related to the decision to take education financing.

Subjective Norm and Its Influence on Education Financing Decisions

Subjective norm refers to the perceived social pressure to perform or refrain from a particular behaviour, especially in this context, borrowing for education. Within the Theory of Planned Behaviour, it is recognised as a key predictor of behavioural intention, shaped by the expectations of significant others such as family, peers, and broader society. Individuals often act in ways that align with what they believe is important, and others deem appropriate, especially in collectivist cultures where family and community approval can heavily influence decision-making (Norbakk, 2025).

The influence of subjective norms is situational and culturally contingent. In societies that embrace collective decision-making, such as many Asian or African contexts, familial endorsement or peer behaviour can significantly steer students' financing choices. For example, religious and social norms in Muslim communities, especially those opposing interest-bearing debt, can discourage conventional borrowing and shape preferences toward interest-free or Shariah-compliant financing models (Norbakk, 2025). Similarly, Weaver et al. (2024) note that credit access norms vary across demographic lines, with minority students often facing unique social pressures that affect their borrowing perceptions.

Although research from Ghana (Mahmoud et al., 2024) and Hungary (Gubik, 2021) indicates that parental influence and family expectations have a significant impact on student borrowing behaviour. However, evidence from Malaysia suggests a different pattern. According to Denan et al., (2015), subjective norms were not a significant predictor of financing intention among local graduates. This indicating that in more individualistic or financially constrained settings, personal factors such as financial literacy and perceived control may override social expectations. This contrast highlights the contextual gap: subjective norms may be weakening in collectivist but increasingly modernised societies like Malaysia. This requires further investigation into whether internal or external determinants dominate.

These mixed findings suggest that while subjective norm can shape education financing decisions—particularly in socially cohesive or religiously guided contexts—it may hold less sway where financial decisions are more internally driven.

Hypothesis (H2): Subjective norm toward education financing is positively related to the decision-making to take education financing.

Perceived Behavioural Control and Its Role in Education Financing Decisions

Perceived Behavioural Control (PBC) refers to an individual's perception of the ease or difficulty in obtaining and managing education financing. It is shaped by factors such as personal financial capability, access to accurate information, institutional support, and previous experiences with borrowing. A strong sense of control increases confidence in navigating the application and repayment processes, thereby enhancing the likelihood of informed borrowing decisions (Yan, Liang, & Liu, 2025).

PBC encompasses elements like financial literacy, procedural knowledge, and confidence in repayment ability. Psychological traits such as self-efficacy and access to social support networks also contribute. For instance, Simiyu, Kumar, and Kivuyo (2025) found that individuals with higher financial self-efficacy displayed stronger borrowing intentions, particularly in contexts such as Buy Now Pay Later (BNPL) schemes, dynamics which are comparable to education financing scenarios.

Institutional clarity, transparency of terms, and user-friendly financing procedures are critical enablers of PBC. Umuerrri, Halaszovich, and Bode (2025) emphasise how streamlined support services and transparent processes enhance borrowers' sense of control and decision-making capacity. Social factors also play an indirect role. Ahamed and Limbu (2024) observed that individuals with high social comparison orientation often report increased financial self-efficacy, which contributes positively to responsible financial behaviour, even in collectivist, low-income contexts like Bangladesh.

Conversely, barriers to PBC are often structural. Bullington et al. (2025) highlight how limited financial literacy, institutional ambiguity, and inequities constrain students' perceived control. Many borrowers perceive financing as their only path to higher education, often lacking viable alternatives or adequate guidance. This results in regretful borrowing decisions and diminishes financial agency—key indicators of low PBC. However, individuals who engage in proactive debt management frequently report greater empowerment and improved financial decision-making.

Morris et al. (2023) further note that while financial knowledge is important, psychological traits, such as impulsiveness and weak budgeting habits, can undermine financial control. Misinterpreting credit approval as financial readiness, along with resistance to professional guidance, are common manifestations of low PBC. These findings underscore the importance of integrating behavioural training into financial literacy programs to strengthen individual confidence and control in financial decisions.

Hypothesis (H3): Perceived behavioural control toward education financing is positively related to the decision-making to take education financing.

Student financing and graduation rates

The decision to take out student financing is a financial decision-making process influenced by individual perceptions of benefits, costs, future earnings, and the value of education. This decision can significantly impact a student's academic persistence and likelihood of graduating on time. Education financing helps students persist academically by reducing financial stress

and allowing more focus on studies. A strategic decision to take out financing will positively impact students' likelihood of graduating from college. A study from Mahmoud et al., (2024) focusing on Ghanaian public universities found that students with favourable attitudes toward student financing were more inclined to utilise them, which in turn positively impacted their graduation rates.

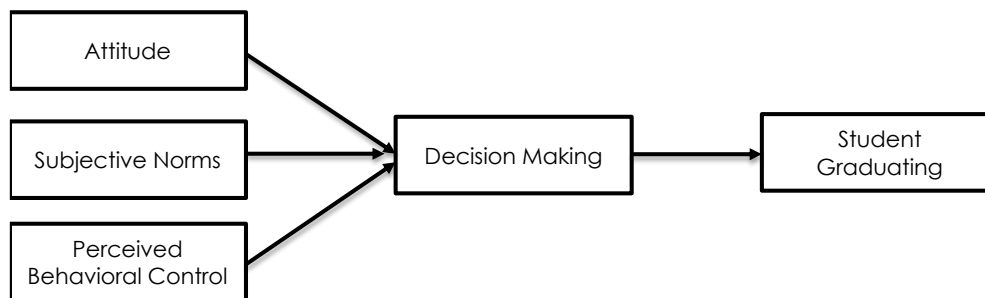


Figure 1: shows the conceptual framework employed in this study

The reviewed literature demonstrates that the Theory of Planned Behaviour is provide a strong theoretical lens for examining students' education finance decision making. Attitude and perceived behavioural control are consistently strong predictors of borrowing behaviour, while subjective norms may be more situational. The relationship of financial literacy, culture values, and self-efficacy has a substantial influence in financing decisions, which impacts on academic persistence and graduation experience. It suggests the importance of a comprehensive approach combining psychological, social, and structural strategies in ensuring sustainable education financing.

Methodology

This study adopts a quantitative approach grounded in the Theory of Planned Behaviour (TPB) to explore how students' attitudes, subjective norms, and perceived behavioural control influence sustainable decision-making in education financing. A structured bilingual questionnaire, adapted from Mahmoud et al. (2024) and validated through a pilot study, was distributed among Malaysian university graduates. The survey employed a 5-point Likert scale to assess behavioural constructs and demographic profiles. A purposive sampling technique was applied to target respondents who had experience with or exposure to education financing. The survey garnered 108 valid responses, with a response rate of approximately 54% from an estimated outreach of 200 individuals via email and institutional networks. Although the sample size is relatively modest, it is considered adequate for exploratory behavioural studies employing TPB and is consistent with comparable research in this field. Data were analysed using SPSS Version 27 to generate descriptive and inferential insights. This approach provides a robust platform for identifying psychological and social drivers behind education financing behaviour.

Results And Discussion

Descriptive statistics

Table 1 shows that most respondents were female (81.5%), with males comprising only 18.5%. Most were aged between 23–27 years (46.3%), followed by the 18–22 age group (28.7%). In terms of education, the majority held or were pursuing a bachelor's degree (80.6%), while smaller percentages were at the Master's (8.3%) and PhD levels (4.6%). Most respondents (91.7%) were from public higher education institutions, with few from private (7.4%) or other types (0.9%). Overall, the demographic profile provides valuable context for interpreting the findings of this study. The prevalence of female respondents, younger age groups, and students from public institutions may influence perceptions, attitudes, and behaviours related to student financing decision making and repayment intention.

Table 1: Gender And Age Range of Respondents

	Frequency	Percent (%)
Gender		
Male	20	18.5
Female	88	81.5
Total	108	100.0
Age Range		
18-22	31	28.7
23-27	50	46.3
28-32	16	14.8
33-37	7	6.5
37 Above	4	3.7
Total	108	100.0
Level Of Education		
Doctoral (PHD)	5	4.6
Master	9	8.3
Bachelor's Degree	87	80.6
Diploma	7	6.5
Total	108	100.0
Higher Education Institution		
Public	99	91.7
Private	8	7.4
Others	1	.9
Total	108	100.0

Pearson Correlation Coefficients

The correlation analysis in table 2 shows that all behavioural determinants have a major impact on decision-making, highlighting that decision making shaped by a complex interplay of social influences, and perceived abilities and internal cognitions and not just a merely individual actions. This consistent with Ajzen, (1991) Theory of Planned Behaviour which suggests that behavioural intentions as well as actual behaviour are mutually determine by attitude, subjective norms, and perceived behavioural control.

Among the constructs, perceived behavioural control showed the strongest correlation with decision-making, highlighting its pivotal role in shaping repayment behaviour. This finding is

consistent with prior studies (e.g., Boonroungrut & Huang, 2020; Santoso et al., 2024) which report that individuals' actual financial decisions are highly predicted by confidence in their financial ability and control over repayment. In the context of student loan repayment, graduates who believe they are financially capable—whether through stable employment, structured repayment mechanisms, or financial literacy—are more likely to turn their repayment intentions into actual decisions

Subjective norms and decision-making have a significant but moderate relationship, suggesting that societal and familial expectations remain relevant, although less dominant compared to perceived control. Similar observations have been made in education financing contexts where cultural and familial obligations encourage compliance with repayment (Mohamed et al., 2022; Mohd Idres et al., 2020). Interestingly, the strong relationship between subjective norms and perceived behavioural control in this study suggests an indirect pathway: social support may increase individuals' perception of ability and responsibility, which in turn reinforces repayment-related decision-making.

Despite attitude towards repayment was also positively related to decision-making, its influence was relatively weaker than that of perceived behavioural control. This is consistent with finding by Behera & Mohini, (2025) who argue that positive evaluations of repayment alone may not be sufficient and need to be reinforced by enabling structures and practical support. Considering this, favourable attitudes are necessary but insufficient to influence repayment behaviour.

Taken together, these findings highlight the requires for more than attitudinal change campaigns to improving repayment compliance among graduates. Instead, policy interventions should focus on improving graduates perceived behavioural control through mechanisms such as salary deductions, flexible repayment alternatives, or financial literacy programmes (PTPTN, 2025; Ogunode et al., 2025). These approaches would offer the resources and confidence needed to turn positive perceptions and social expectations into actual repayment decisions.

Table 2: Pearson Correlation Coefficients Among the Key Variables

	Attitude	Subjective Norm	Perceived Behavioural Control	Decision Making
Attitude	1	.407**	.360**	.533**
Subjective Norm	.407**	1	.496**	.472**
Perceived Behavioural Control	.360**	.496**	1	.544**
Decision Making	.533**	.472**	.544**	1

** . Correlation Is Significant at The 0.01 Level (1-Tailed).

Validity and Reliability Analysis

The measurement items for decision-making and student graduation constructs demonstrated strong internal consistency, with most factor loadings and Cronbach's alpha values above 0.70 across all constructs. However, item SN3 were removed to strengthen the scale's overall reliability. After removing these items, the reliability improved and all constructs exceeded the 0.70 benchmark, which is overall scale shows above 0.80, confirming the instrument's robustness and validity for cross-national analysis. This refinement ensures more accurate and reliable measurement of the studied variables.

Regression Analysis

According to the model summary, the regression model accounted for 44.5% of the variance in decision-making ($R^2 = 0.445$), while a smaller portion, 24.5% of the variance, was explained for student graduation ($R^2 = 0.245$). This suggests that the TPB predictors, attitude, subjective norm, and perceived behavioural control, have stronger explanatory power for decision-making regarding loan uptake than for graduation outcomes.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Decision-making	.667 ^a	.445	.429	.45254
Student graduating	.495 ^a	.245	.238	.59697

a. Predictors: (Constant), Subjective norm, Attitude, Perceived behaviour control,
b. Predictors: (Constant), Decision-making

Behavioural Predictors of Student Financing Decisions: A TPB-Based on Multiple Regression Analysis

The regression analysis in table 4 showed that attitude and perceived behavioural control (PBC) significantly influence education financing decision-making, whereas subjective norm was not a statistically significant predictor. This trend reinforces the Theory of Planned Behaviour Ajzen, (1991), emphasising that graduates' personal beliefs about repayment and their confidence in their financial control matter more in guiding decisions than external pressures.

The result in table 4, aligns well with findings by Vaicondam (2020), who documented that among private university graduates, positive attitudes, personal commitment, and affordability perception greatly influence repayment intention, while fear of penalties does not. Similarly, a study conducted at Universities in UniKL and KPTM discovered that attitude strongly shapes perceptions toward loan repayment, more than parental influence or awareness factors (Jiss Wira et al., 2023). Other studies indicate that subjective norm cannot be overlooked, even though this element was not a dominant factor in the regression. For example, in Malaysian contexts, parental influence, media awareness, and religiosity have greatly enhanced students' perceptions of repayment responsibility (Zolkeplee et al., 2018). However, the present findings suggest an evolving trend where internal agency increasingly drives repayment decisions.

Importantly, student graduation was found to be significantly predicted by decision-making. This demonstrates a crucial extension of TPB: financial decisions are not only about economic behaviour, but they also affect academic achievement. Students are much more likely to complete their studies if they make considered, well-informed financing decisions. Supporting evidence showed that students' financial decision-making is directly enhanced by improved financial literacy and behaviour, mediated by financial education, peer influence, and social media exposure (Kee et al., 2025).

These overlapping findings suggest that increasing graduates' ability to make well-informed decisions, through improved attitudes and perceived financial control, can influence both repayment behaviour and graduation rates.

Table 4: Multiple Regression Analysis

	Unstandardized Coefficients	Standardized Coefficients
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Dependent Variable	Model	B	Std. Error	Beta	T	Sig.
Decision- Making (DV)	(Constant)	1.118	.359	-	3.111	.002
	Attitude	.298	.070	.345	4.225	.000
	Subjective Norm	.143	.077	.163	1.863	.065
	Perceived Behavioural Control	.317	.080	.339	3.946	.000
Student Graduation (DV)	(Constant)	1.863	.425	-	4.380	.000
	Decision Making	.566	.096	.495	5.870	.000

Building on the regression analysis in Table 4, which confirmed that decision-making is a strong and significant predictor of student graduation, the hypothesis testing results in Table 5 provide deeper insight into the factors shaping this decision-making process. Specifically, both attitude and perceived behavioural control significantly influence decision-making, indicating that students with positive mindsets and confidence in their abilities are more likely to make effective choices that support graduation. In contrast, subjective norms were not significant, suggesting that social pressures or expectations from family and peers do not meaningfully affect how students decide.

Hypothesis Testing

Table 5: Result of the hypothesis testing

Model	Result
Attitude Decision-making	Accepted
Subjective Norm Decision-making	Rejected
Perceived Behavioural Control Decision-making	Accepted
Decision Making Student Graduation	Accepted

Taken together, Tables 4 and 5 show a coherent pathway: internal factors (attitude and perceived control) drive decision-making, which in turn directly improves graduation outcomes, highlighting the importance of fostering self-efficacy and positive attitudes rather than relying on external social influence.

Discussion

The results of this study highlight the importance of attitude and perceived behavioural control in shaping students' decisions to pursue education financing, while subjective norm exerts a weaker, statistically non-significant influence. These findings are consistent with the Theory of Planned Behaviour (TPB) (Ajzen, 1991; Ajzen, 2020), which emphasises that individuals are more likely to engage in a particular behaviour when they perceive it positively and believe they have the capacity to perform it. In financial contexts, this suggests that students with stronger internal motivation and confidence in their ability to manage debt are more likely to borrow responsibly and repay sustainably such as education loans (Boonroungrut & Huang, 2020; Ahamed & Limbu, 2024).

Students' positive attitudes toward financing, when paired with strong behavioural control, translate into better decision-making and repayment behaviour, as also evidenced by their positive correlation with graduation success. This reinforces the view that financial decision-

making is not only crucial for accessing higher education but also for ensuring continuity, completion, and long-term repayment capacity. Studies such as Mahmoud et al. (2024) and Bullington et al. (2025) have shown that students who engage in thoughtful borrowing are more likely to graduate and remain on track with repayment. Thus, contributing to the financing scheme's sustainability at the institutional level.

These findings carry important moral and policy implications from the lens of Islamic finance. Islamic financial planning emphasises principles such as amanah (trustworthiness), adl (justice), and wasatiyyah (moderation), which advocate for responsible borrowing and debt avoidance unless necessary (Asutay, 2025; Norbakk, 2025). Such values align with the concept of sustainable repayment, where individuals are not only expected to fulfil their financial obligations, but to do so in ways that uphold dignity, balance, and long-term financial health. The weak effect of subjective norm may suggest a need for stronger financial socialisation, including Islamic peer support structures, to reinforce these values in daily financial practices (Ahamed & Limbu, 2024).

University administrators and PTPTN policymakers should incorporate Islamic financial literacy and behavioural training as part of student development programs to strengthen the sustainability of education financing repayment. For instance, decision-making simulations, maqasid-al-shariah-based planning, and case studies of responsible Islamic loan usage could enhance both understanding and application. Furthermore, PTPTN could introduce Shariah-compliant advisory units and repayment support systems, not only to promote financial inclusion but to cultivate ethically responsible borrowers who are committed to honouring their repayment obligations (Haqbin & Thas Thaker, 2025; Yeap, 2022).

In conclusion, enhancing students' decision-making capacity through attitude and behavioural control interventions, grounded in both behavioural science and Islamic financial ethics, can significantly contribute to sustainable education financing. This not only benefits the students' academic and financial futures but also supports the viability and equity of national funding schemes like PTPTN.

Conclusion

This research makes an important contribution by presenting behavioural factors that influence students' education financing decisions and the ultimate impact on graduation and sustainable financing repayment. Using the Theory of Planned Behaviour (TPB) the study finds that students' attitudes to education financing and their perceived behavioural control are predicting factors of good financial decision making. A positive association was found between subjective norms, but less statistically significant, which implies that internal cognitive and psychological reactions play a more important role than external social pressures of this outcome.

Moreover, the study finds that students who make informed financial decisions are more likely to succeed and graduate, echoing the significance of early borrowing decisions and the role of financial literacy in forming these decisions. These findings underscore the importance of greater financial capability programs, institutional support mechanisms, and culturally relevant policies that are in line with Islamic financial ethics, especially in encouraging responsible borrowing and repayment practices.

In the end, this paper contributes to the discourse on sustainable education financing by emphasising the critical role of behavioural intentions in shaping financial decisions. Understanding these psychological underpinnings is addressed by policymakers, educational

institutions, and financial institutions aiming to reduce financing default rates and ensure the long-term viability of student financing schemes in Malaysia and similar contexts.

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