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Fintech Payment Services among Fresh Graduates: The UTAUT Model Perspective

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Abstract

The evolvement of Fintech especially in digital payment services has affected many sectors in Malaysia. Despite the various benefits offered by Fintech, the adoption rate is still at the nascent stage especially among the IT savvy generation such as fresh graduates. The Unified Theory of Acceptance and Use of Technology (UTAUT) Model has been widely used to measure users' technology acceptance. The objective of this study is to investigate the application of UTAUT model on Fintech payment services among fresh graduates. The relationship between performance expectancy, effort expectancy, social influence, consumers' trust, and national culture is measured towards Fintech adoption. Data was collected via an online survey on a total of 176 respondents. The study revealed that performance expectancy and cultural factors individualism had significant effect on the adoption decision of digital payment services. On the other hand, the remainder of the independent variables have no significant influence over the adoption of Fintech payment services. Findings of this study contributes to the Malaysia Fintech ecosystem by providing recommendations to Fintech providers, financial institutions, and the government for policy making. The research further supports the nation's goal towards becoming a cashless society as a strategy to increase financial inclusion.

Keywords: UTAUT, Fintech, National Culture, Trust, Malaysia.

Introduction

Technology has subconsciously become the part of everyday life. The use of the technology like internet during this digital era is crucial in enhancing people's mobility, especially via the used of mobile devices (Mwiya et al., 2017). The growth of internet age also has affecting worldwide. For instance, the Southern Asian country like Malaysia is also without the exception through the rise of Internet literacy rate for the generation above 15 years old that has reached 94.9% of Malaysian population. Figure 1 showed that 28.4 million Malaysians accessed the internet of whom 28 million accessed it through their mobile

device. These numbers are projected to grow to over 30 million and 30.7 million, respectively by the year 2025 (Müller, 2021).

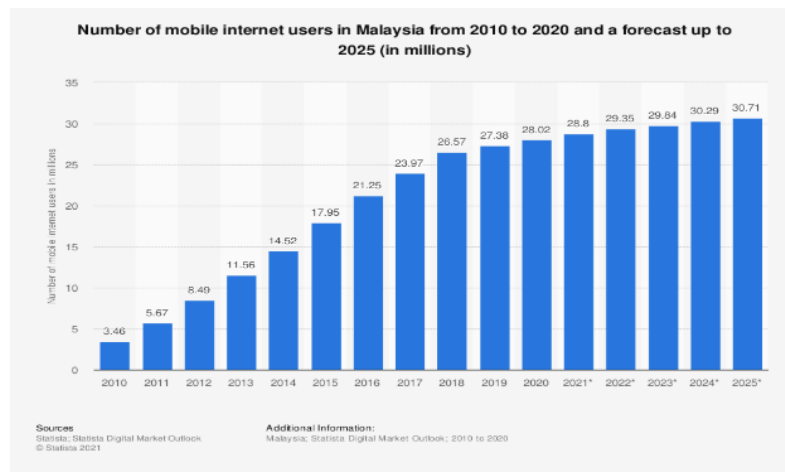


Figure 1. The Number of Internet Users in Malaysia 2010-2020 and its Forecast to 2025 (in millions) Source: (Statista, 2021)

The recent emergence of COVID-19 pandemic in December 2019 has changed the business model of many organizations globally, including Malaysia. Thus, each organization must create some innovative strategies to survive in this challenging situation. People and organizations have been forced to take advantage of using digital technology to conduct their daily activities. The pandemic did transform the behavior of customers' in handling their financial transactions.

Financial industries have had to keep up with the new behavior by taking advantage of the advancement of information technology in offering financial services, which is known as Financial Technologies (Fintech). Fintech has arguably democratized financial services, allowing nontraditional firms to enter the space. Fintech refers to digital technologies that integrate various forms of technology, including Blockchain, Robo advisors, Crowdfunding, Big Data, Peer to peer (P2P) lending and intelligent investment consulting in the financial sector (Urus & Mohamed, 2021).

As a new platform, Fintech offers more than simplifying financial transaction, minimizing costs, and increasing financial services (Blohm, Leimester & Kramer, 2013). The phenomenal emergence of Fintech has captured global attention and industries in the Asian region and Malaysia is also without an exception. During the COVID-19 pandemic, Fintech services have developed rapidly in Malaysia.

Although the accelerated adoption of internet-enabled services during the pandemic is likely to boost the growth of the digital economy, the benefits of such development could be unequal. Malaysia governments had to ensure that all the people across the nation can access the various digital technologies and services and realize the benefits. Malaysia offers a fertile ground for Fintech innovation (Urus & Mohamed, 2021). For instance, the Malaysian government has introduced policies in areas including peer-to-peer lending, digital payments, and open banking in the hope of creating innovation and increasing financial inclusion (Dortfleitner et al., 2016). These favorable industries have attracted the attention of giant

investors, many of which are betting big on the prospects of digital financial services in the countries. The regulation was released by the Regulatory Sandbox program to protect the interests of customers.

In the year 2020, the total financial technology market in Malaysia reached RM2.2 billion; an increase of 151% compared with the year 2019 (Fintech News Malaysia, 2021). The Report also has highlighted that there were 233 Fintech companies in Malaysia, dominated by companies in the payment services (50 companies), e-wallet (38 companies), lending (37 companies), insurtech and wealthtech (22 companies each), remittance (16 companies), followed with block chain and cryptocurrencies with 15 companies, Islamic Fintech and KYC/RegTech (each 11 companies), crowdfunding (10 companies), and AI/Data and marketplace Fintech, each represented by eight companies (Fintech News Malaysia, 2021).

Undoubtedly, the Fintech industry will continue to grow resulting from the innovations in the information and internet age. The previous literature has recognized the fintech evolvement, features, and effect it brings (Urus & Mohamed, 2021; Knewston & Rosenbaum, 2020). For instance, Knewton & Rosenbaum (2020) asserted that the use of the term "Fintech" has grown twenty-five-fold over the past decade and with the emergence of new Fintech firms, over 1,000,000 jobs are linked to Fintech. Any technology-focused firms that employ innovations like Fintech will disrupt the establishment of traditional financial services yet strive to revolutionize and reshape the financial ecosystem (Arslanian & Fischer, 2019). However, they believed it is not an easy road as the actual situation for Fintech development is far more complex to understand (Arslanian & Fischer, 2019).

Digital payment services dominate the Fintech landscape and internet banking remains most the prominent digital payments method. According to Bank Negara Malaysia, in 2020, electronic money (e-money) accounted for the largest transaction volume, contributing 29% to the total payment transactions ahead of mobile and internet banking, whereas internet banking remains the biggest channel in transaction value, in which corporate transactions made up 88% of the transaction value.

Besides banking, Malaysia has 47 non-bank e-money issuers, and the e-money transaction value hit MYR29 million in 2020. The big jump showed that both consumers and merchants had quickly adjusted to the new normal, adopting cashless payment options. Mobile banking and e-money recorded the fastest growth pace. Mobile banking transactions surged more than double to MYR460 billion in 2020 from MYR200 billion in 2019. The surge in transactions was supported by a three million increase in mobile banking service subscribers in 2020 to 20.2 million, from 2019's 17.2 million. While mobile financial services were rising before the pandemic, MCO Movement Control Order implemented by the government as a COVID-19 preventive measure) was the catalyst that spurred Malaysians to adopt a digital/ mobile-first mindset for their banking needs (Bank Negara Malaysia, 2021).

The digital disruption brought by Fintech companies makes the traditional financial transaction less favorable as it is time consuming and involves complex procedures. As most of the time employed fresh graduates are at the workplace, they have insufficient time to conduct financial transactions over the counter. Therefore, these is a better alternative for them. Other than that, since Fintech disrupts traditional financial matters, it is then

introduced as the future of financial technology. It is essential for fresh graduates to prepare themselves with complementary skills and competencies to handle these technologies, as they are the ones who will be working within these industries that are regarded as computer literate and IT savvy (Mathews, 2020).

In the Unified Theory of Acceptance and Use of Technology (UTAUT) model, the aspects of performance expectancy, effort expectancy, social influence had a significant effect in creating customer trust in adopting the new technology platform (Zhang et al., 2017). The purpose of this research is to analyze which variable of the UTAUT model had the highest effect in creating trust and finally influencing the adoption of digital payment services among employed fresh graduates. The research also considered the national culture as factor influencing the fintech adoption.

Malaysians has always kept close-knit communities, and the cultural values push forward principles of collectivism (Minkov, 2013). The convenience usage of Fintech become one of the strongest determinants to influence the adoption of Fintech among users. Since the user may utilize this financial-based service easily anytime and at any place. The convenience provided by the system eventually increases the users' performance as many transactions can be performed remotely, which increase the adoption of the technology (Putritama, 2019). Despite the growing popularity of Fintech, the Malaysian Ministry of Education (2019) had reported that the adoption of Fintech amongst the young urban professional is still relatively low, compared to their yearly number of increments (Jin et al., 2019, Ahmad et al., 2021). Acknowledging this fact, an investigation on the Fintech adoption among fresh graduates is worth for further consideration. Henceforth, the aim of this study is to investigate the application of UTAUT model during the adoption of Fintech payment services for this group. The research specifically measures the relationships between performance expectancy, effort expectancy, social influence, consumers' trust, and national culture and the Fintech adoption among young urban professional. Finding from this study contributes to Malaysia Fintech ecosystem by providing some recommendations to the Fintech provider, financial institution, and government in the policy making. It is also expected that the research will support the nation's goal to become a cashless society as a strategy to increase financial inclusion. The remainder of the paper is organized as follows. The next section presents the literature review and the theoretical foundation. This is followed by hypothesis development and the research model. Subsequently, the description of the methodology is outlined. The result is presented in the following section. Finally, the discussion and conclusions are presented.

Literature Review

Fintech Conceptualization

The merging of modern technology within financial transactions gives a rise towards 'fintech'. In simple words, Fintech can be understood as the financial innovations that use technological solutions in different business situations and lead to new business models or even new businesses (Di Pietro et al., 2021). These include activities such as payments, lending, wealth management and insurance space (Arjunwadkar, 2018).

Three dimensions of the fintech based on O'Hanlon et al (2020) consists of (1) financial sector, (2) business model, and (3) technology. The financial sector dimension outlines the critical areas in the financial services that will benefit from using fintech. It includes banking, stock

trading, asset management, transaction payments, insurance, foreign exchange, and others. The business model explains different important types of models used by the company to conduct their business which include business-to-consumer (B2C), business-to-business (B2B), business-to-business-to-consumer (B2B2C), to business-to-government/regulator (B2G), to platform-based business models, crowdfunding, and peer-to-peer (P2P) lending. Lastly, the technology dimensions indicate different types of technology use within the business. It includes cloud computing, big data, artificial intelligence (AI)/machine learning (ML), Blockchain (distributed ledger technologies), the Internet of Things (IoT), and quantum computing, to augmented and virtual reality.

Urus & Mohamed (2021) suggested the conceptualization of fintech that includes its definition and manifestation, fintech application in various fields (crowdfunding platform, mobile payment, Robo-advisor, insuretech and others), and how the technology evolves. They specifically emphasize on the governing issues surrounding Fintech implementation in Malaysia (Urus & Mohamed 2021).

Theoretical Background- UTAUT Theory (Unified Theory of Acceptance and Use of Technology)

Financial technology is defined as a financial system that uses technology and has products, services, and a new business model which could impact monetary stability and financial system stability, which has functions on efficiency, security, and reliable payment systems. In this regard, the UTAUT (Unified Theory of Acceptance and Use of Technology) is the widely used theoretical model for measuring the success of new technology acceptance. This study is adapted from previous research that applies the UTAUT, trust, and national culture theories. Specifically, this research applies the UTAUT to explain freshly graduated employee usage of digital payment services (Venkatesh, 2003). There are three variables of the UTAUT used in this research, namely: performance expectancy, effort expectancy and social influence.

Performance expectancy

Performance expectancy is defined as the degree to which an individual believes that using the system will help to attain gains in job performance (Venkatesh, 2003). As a core construct, performance expectancy is related to the theory of perceived usefulness that was previously initiated by (Davis, 1989). Daka & Phiri (2019) found that performance expectancy has a significant impact on the adaptation of e-banking services.

H1: Performance expectancy significantly influences the adoption of Fintech payment services among employed fresh graduates.

Effort Expectancy

Effort expectancy is defined as the degree of ease with which a system may be used (Venkatesh, 2003). The adoption of technology will be more easily accepted by its users if they perceive the technology's features to be simple and easy to use. Users will feel relieve when utilizing technology that requires just a little amount of effort. Studies have found that effort expectancy has a significant impact on the adaptation of e-banking services (e.g, Daka & Phiri, 2019).

H2: Effort expectancy significantly influences the adoption of Fintech payment services among employed fresh graduates.

Social Influence

Social influence is defined as the degree to which others (family, friends, peers, etc.) believe (either these beliefs are positive or negative) will affect someone to use the new system (Venkatesh, 2003). Social influence played an important role in developing the relationship among families and friends. Social networking was established from the national culture, which influences how the people of each country act and do. In the perspective of Malaysia, which is a collectivist society, there is a high preference for a strongly defined social framework in which individuals are expected to conform to the ideals of the society and the groups to which they belong (Hofstede-Insights, 2020). Social networking and structure were able to create a social capital as sources of funds that can be socially accessed among the members of the society. In the development of Fintech, social networking will be done electronically since all the transactions will be processed using digital technology. The adoption of Fintech is also influenced by social networking and capital, since, in the collectivism culture, the major decision in adopting the technology usually refers to inner networking advice and suggestions. This is corroborated by the findings in prior research which revealed that social influence has a significant impact on the use of e-government services (Kurniasari et al., 2020).

H3: Social influence significantly influences the adoption of Fintech payment services among employed fresh graduates.

Trust

Trust is known as one of the factors for customers to use new technology (Lee & Song, 2013). Trust is defined as a safety feeling toward something (Shierz et al., 2010) and could be further classified as belief, confidence, attitude, expectation about other parties' reliability and behavioral intention or behavior of reliance that involves uncertainty (Li & Huang, 2009). Trust is established if an individual has a secure feeling toward a technology program (Abd Hamid et al., 2018; Li & Huang, 2009). Trust is developed if the customers have an extensive knowledge about the benefit of the Fintech platform and how the business model can support them in conducting financial transactions. Trust is further described as the perception of a person in the reliability and trustworthiness of the services offered by cloud service providers (Arpaci, 2016) and has a significant impact on the use of mobile cloud services. Trust also becomes the main factor in adopting mobile banking because it involves the user's private data and funds (Malaquias & Hwang, 2016). Based on these views, trust is seen as one of the important variables for an institution with online based businesses (Pavlou & Gefen, 2002). The adoption of Fintech digital payments examines the behavior of consumers in Fintech and predicts the willingness of consumers to adapt to the modern era of technology in daily transactions, especially in making payments.

H4: Consumers' trust significantly influences the adoption of Fintech payment services among employed fresh graduates.

National Culture

Culture as a particular way of life of a society is created from the interaction among people in

social networks (Davidson & Wilson, 2008; Williams, 2008). Hofstede-Insights (2020) in his National Cultural Dimensions Theory, mentioned that each country has its own culture, characteristics, values, and behavior. The various cultural dimensions influence people behavior and their relationship with each other. Firstly, the Individualism versus Collectivism dimension is the degree to which individuals are connected into groups. Individualistic thinking relates to only one's own interest. Meanwhile, collectivist societies have a tight relationship and belong to their extended families. As social human beings, they are connected and support each other within their communities. Secondly, the Power Distance dimension refers to the distribution of power and the number of hierarchies established in society. The more the number of hierarchical levels, the higher degree of the power distance index. Thirdly, the Uncertainty Avoidance dimension shows the society's reaction to minimize the uncertainty and reduce the ambiguity. A higher degree index means that the law will be enforced as guidance for people's behavior. Fourthly, the Masculinity versus Feminism dimension refers to the differences in characteristics between the genders. The masculine societies will be characterized by monetary rewards for every achievement. On the contrary, in feminine societies, people focus more on quality of relationship and avoid conflict.

Fifthly, the Long-term versus Short-term orientation dimension describes society's orientation about the time horizon. Long-term oriented societies will anticipate what will happen in the future, meanwhile in short-term oriented societies it is related only to what they are doing now and respects the traditions of their ancestors.

H5a: Cultural factors individualism significantly influences the adoption of Fintech payment services among employed fresh graduates.

H5b: Cultural factors power distance significantly influences the adoption of Fintech payment services among employed fresh graduates.

H5c: Cultural factors uncertainty avoidance significantly influences the adoption of Fintech payment services among employed fresh graduates.

H5d: Cultural factors masculinity significantly influences the adoption of Fintech payment services among employed fresh graduates.

H5e: Cultural factors long term orientation significantly influences the adoption of Fintech payment services among employed fresh graduates.

Based on the theory explained above, the research develops a research framework as follows

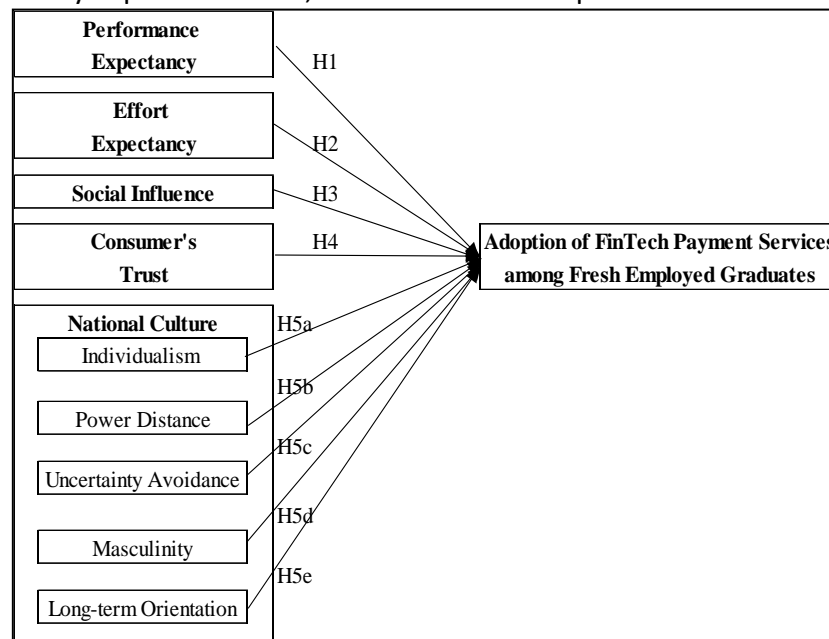


Figure 2. Proposed Research Framework

Research Methodology

The research will be conducted based upon the Unified Theory of Acceptance and Use of Technology (UTAUT) and the concept of consumers' trust, while also adding another explanatory variable, namely: National Culture. The study is quantitative research with hypotheses testing to find the influence of UTAUT variables on customer trust in adopting digital payment services. The data collection for this study will be based on questionnaire survey. The questionnaires will be disseminated to respondents who are just starting their careers after graduation. The online questionnaires are in the format of a 5-point Likert Scale (Nunnally, 1978) and were distributed among the respondents, who were users of digital payment services and who were employed fresh graduates from several higher education institutions in both Malaysia and Indonesia. This study was successfully able to obtain 310 Indonesian respondents and 176 Malaysian respondents.

Simple random sampling was used for the sampling technique in this study, as each person in the population has an equal chance of being selected in the survey (Bougie & Sekaran, 2019). For the UTAUT, variables were measured mostly adapted from various previous studies and originally from (Venkatesh, 2003). It is a way to examine the influencing factors on the adoption of Fintech payment services among freshly employed graduates. Meanwhile, the variable of National Culture was measured by some indicators stated in Hofstede's research (Hofstede Insights, 2020).

Result

Demographic Profile of Respondents

The survey was distributed over social media, and 176 people responded. The demographic profiling shows that, out of the total 176 respondents, 27% are male and 73% are female. The majority of those who responded, 76%, are under the age of 26; 88% of the total respondents earned a bachelor's degree and graduated from a public university and 57% are fresh graduates who have graduated less than a year. The respondents are all employed and hold various positions, including management (19%), professional (21%), administrative (14%) and

others (46%).

Descriptive Analysis

Table 2 presents the descriptive analysis of the variables. It is shown that respondents generally agree of adopting Fintech payment services to perform transactions, as shown by the mean and SD of 4.27±0.70.

Table 1
Descriptive Analysis of Construct Assessment

| Variables | Mean | Standard Deviation | Cronbach Alpha | Skewness | Kurtosis |
|---|------|--------------------|----------------|----------|----------|
| The Adoption of Fintech Payment Services | 4.27 | .70 | .90 | -.61 | -.41 |
| Performance Expectancy | 4.63 | .51 | .87 | -1.29 | .79 |
| Effort Expectancy | 4.26 | .67 | .83 | -.83 | .64 |
| Social Influence | 4.04 | .80 | .78 | -.59 | -.04 |
| Consumer’s Trust | 4.03 | .81 | .90 | -.54 | -.19 |
| Cultural Factors Individualism | 4.07 | .63 | .77 | -.07 | -.80 |
| Cultural Factors Power Distance | 3.56 | .85 | .83 | -.01 | -.59 |
| Cultural Factors Uncertainty Avoidance | 4.11 | .77 | .86 | -.64 | -.22 |
| Cultural Factors Masculinity | 3.96 | .75 | .79 | -.12 | -.69 |
| Cultural Factors Long Term Orientation | 4.01 | .63 | .65 | -.33 | .40 |
| N = 176 | | | | | |

They also agree that Fintech payment services are useful in performing daily transactions with mean and SD of 4.63±0.51 for performance expectancy. The reported mean and SD for effort expectancy of 4.26±0.67 indicate that the respondents agree that such services are generally easy to use. Social influence reported a mean and SD of 4.04±0.80, indicating that respondents agree that people in their circle and social mass media influence them in the adoption of Fintech payment services. Consumer trust’s mean and SD of 4.03±0.81 shows that respondents agree that Fintech payment services are adopted based on its security in fulfilling related obligations. The cultural factor individualism shows a mean and SD of 4.07±0.63 indicating that respondents agree that individualism and collectivism factors affect their decision and action of adopting Fintech payment services. As for cultural factors power distance, the mean and SD of 3.56±0.85 imply that respondents are neutral as to the impact of social status on the adoption of Fintech payment services. The mean and SD of 4.11±0.77 for cultural factors uncertainty avoidance indicates that respondents generally feel unsecured or threatened by an unknown situation when adopting Fintech payment services. In terms of cultural factors masculinity, the mean and SD of 3.96±0.75 signify that respondent have no specific preference on the impact of masculinity or femininity toward the adoption of Fintech payment services. Finally, the mean and SD of 4.01±0.629 for cultural factors long-term orientation suggest that respondents generally in agreement on the long- and short-term benefits of using Fintech payment services. Overall, the reported skewness and kurtosis varies from -3.00 to +3.00, suggesting that the data are normally distributed (Maureen Nilloh et al.,

2019).

Correlation Analysis

Table 3 presents the correlation matrix between each variable in this study. The result shows that the coefficient correlation between the variables ranges between 0.022 and 0.689. The highest correlation is reported to be between effort expectancy and consumer’s trust ($r = 0.689, p < 0.01$), and consumer’s trust and cultural factor individualism ($r = 0.675, p < 0.01$). The former correlation indicates that the easiness with which Fintech payment services may be used is linked to a high level of trust in the system. The latter correlation implies the individualistic or collective choice to adopt Fintech payment services is closely related with the trust and reliance on the system.

Moreover, the findings present a few strong associations with the dependent variable, adoption of Fintech payment services (AF). Performance expectation and AF show correlation coefficients of $r = 0.618, p < 0.01$, while cultural factor individualism and AF show correlation coefficients of $r = 0.626, p < 0.01$. These imply that the extent to which Fintech payment services assist in performing users’ daily tasks and individual’s independent or collective decision are highly correlated with the level of Fintech payment services adoption. Overall, the correlations between the variables reported in Table 3 are all less than 0.8 and, hence, do not appear to suggest any multicollinearity problem (Hasan, 2021).

Table 2
Correlation Matrix

| Variable | AF | PE | EE | SI | CT | CFI | CFPD | CFUA | CFM | CFLT |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| AF | 1 | | | | | | | | | |
| PE | .618* | 1 | | | | | | | | |
| EE | .525* | .624* | 1 | | | | | | | |
| SI | .411* | .536* | .604* | 1 | | | | | | |
| CT | .532* | .504* | .689* | .548* | 1 | | | | | |
| CFI | .626* | .501* | .605* | .464* | .675* | 1 | | | | |
| CFPD | .432* | .333* | .448* | .416* | .555* | .566* | 1 | | | |
| CFUA | .186* | .203* | .036 | .181* | .022 | .259* | .277* | 1 | | |
| CFM | .480* | .423* | .361* | .393* | .454* | .530* | .470* | .422* | 1 | |
| CFLT | .418* | .379* | .299* | .307* | .332* | .500* | .480* | .551* | .537* | 1 |

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

AF: (Adoption of Fintech Payment Services); PE: (Performance Expectancy); EE: (Effort Expectancy); SI: (Social Influence); CT: (Consumers' Trust); CFI: (Cultural Factors Individualism (CFI), Cultural Factors Power Distance (CFPD), Cultural Factors Uncertainty Avoidance (CFUA), Cultural Factors Masculinity (CFM), Cultural Factors Long Term Orientation (CFLTO)

Validity Test

The validity test was conducted to ensure that the instruments and data examined in this study are verified. With the setting of rotation matrix's loading factor to 0.4, any item with a score less than 0.4 may not be deemed relevant. Based on the validity test being performed, all items were shown to be acceptable owing to the scores being greater than 0.4.

Reliability Test

The Cronbach Alpha (CA) of the variables is presented in Table 2. Overall, the CA scores generated for each variable are at the acceptable level. Most of the variables yielded a CA larger than 0.80, indicating a good score. CA scores of 0.70 to 0.80 suggest that the items' reliability is within an acceptable range and are applicable for variables such as effort expectation (EE), social influence (SI), cultural factors individualism (CFI), and cultural factors uncertainty avoidance (CFUA). An exception is seen for the CA score for cultural factors long-term orientation (CFLTO) which is 0.65. Although the score is slightly below 0.70, it is considered reliable and, hence, appropriate for test analyses (Hasan, 2021).

Regression Analysis

Multiple regression analysis is performed to test the hypotheses of this study based on the following equation model:

$$y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \beta_6x_6 + \beta_7x_7 + \beta_8x_8 + \beta_9x_9$$

where,

- y : Adoption of Fintech Payment Services
- x₁ : Performance Expectancy
- x₂ : Effort Expectancy
- x₃ : Social Influence
- x₄ : Consumer's Trust
- x₅ : Cultural Factors Individualism
- x₆ : Cultural Factors Power Distance
- x₇ : Cultural Factors Uncertainty Avoidance
- x₈ : Cultural Factors Masculinity
- x₉ : Cultural Factors Long-Term Orientation

As shown in Table 4, the R square value of 0.579 depicts that the multivariate model which consists of nine constructs as predictors can explain 57.9% of the variation in the dependent variable (the adoption of Fintech payment services). The equation model is thus fit and there is evidence that the model can perform well in determining the effect on the adoption of Fintech payment services among employed fresh graduates.

Table 3

Regression Results

| Model | R Square | F-Value | P-Value |
|-------|----------|---------|---------|
| 1 | 0.579 | 20.524 | 0.000 |

| | B | Std. Error | Beta | t-stats | Sig |
|--|-------|------------|-------|---------|------|
| (Constant) | 0.79 | .362 | | .219 | .827 |
| Performance Expectancy | .512 | .097 | .376 | 5.281 | .000 |
| Effort Expectancy | .006 | .092 | .005 | .061 | .951 |
| Social Influence | .007 | .064 | .008 | .106 | .915 |
| Consumers' Trust | .006 | .075 | .007 | .084 | .933 |
| Cultural Factors Individualism | .312 | .090 | .281 | 3.477 | .001 |
| Cultural Factors Power Distance | .038 | .057 | .046 | .669 | .504 |
| Cultural Factors Uncertainty Avoidance | -.080 | .060 | -.088 | -1.328 | .186 |
| Cultural Factors Masculinity | .052 | .065 | .057 | .804 | .423 |
| Cultural Factors Long-Term Orientation | .075 | .080 | .068 | .936 | .351 |

The results of the multivariate regression are presented in Table 5. It is shown that only two independent variables, i.e., performance expectancy (PE) and cultural factor individualism (CFI), demonstrated a significant relationship with the adoption of Fintech payment services (AF). Consistent with the result of the correlation analysis, performance expectancy displays a significant positive relationship with the adoption of Fintech payment services ($\beta = 0.512$, $p < 0.001$). Cultural factor individualism further demonstrated a significant positive relationship with the adoption of Fintech payment services ($\beta = 0.312$, $p < 0.001$). All other variables documented a positive but insignificant relationship, with the exception for cultural factors uncertainty avoidance that recorded an insignificant negative relationship with the adoption of Fintech payment services. Table 6, as shown below, presents the summary for the hypotheses testing of the study

Table 4

Summary of Results Hypotheses Testing

| No | Independent Variables | Hypotheses | Results |
|-----|--|--|------------------|
| H1 | Performance Expectancy (PE) | Performance expectancy significantly influences the adoption of Fintech payment services among employed fresh graduates. | Supported |
| H2 | Effort Expectancy (EE) | Effort expectancy significantly influences the adoption of Fintech payment services among employed fresh graduates. | Rejected |
| H3 | Social Influence (SI) | Social influence significantly influences the adoption of Fintech payment services among employed fresh graduates. | Rejected |
| H4 | Consumers' Trust (CT) | Consumers' trust significantly influences the adoption of Fintech payment services among employed fresh graduates. | Rejected |
| H5a | Cultural Individualism (CFI) | Cultural factors individualism significantly influences the adoption of Fintech payment services among employed fresh graduates. | Supported |
| H5b | Cultural Power Distance (CFPD) | Cultural factors power distance significantly influences the adoption of Fintech payment services among employed fresh graduates. | Rejected |
| H5c | Cultural Uncertainty Avoidance (CFUA) | Cultural factors uncertainty avoidance significantly influences the adoption of Fintech payment services among employed fresh graduates. | Rejected |
| H5d | Cultural Masculinity (CFM) | Cultural factors masculinity significantly influences the adoption of Fintech payment services among employed fresh graduates. | Rejected |
| H5e | Cultural Factors Long Term Orientation (CFLTO) | Cultural factors long term orientation significantly influences the adoption of Fintech payment services among employed fresh graduates. | Rejected |

Discussion

The first objective of this study (H1) is to examine the impact of performance expectancy towards the adoption of Fintech payment services among employed fresh graduates. The results indicate that performance expectancy has a significant positive influence on the adoption of Fintech payment services among employed fresh graduates. These findings are supported by Wiradinata (2018); Alwi et al (2019); Aji et al (2020); Ahmad et al (2021) who claim that consumers tend to adopt Fintech payment services provided that these services could meet the consumers' standards in term of effectiveness in banking activities and financial transactions. Lee & Song (2013) explain that the usefulness of Fintech payment services can lead to better satisfaction and persistence intention for the users to continue using the services.

The second objective of the study (H2) is to investigate the influence of effort expectancy

toward the adoption of Fintech payment services among employed fresh graduates. Based on the regression analysis, results reveal that effort expectancy has no significant influence over the adoption of Fintech payment services. Consistent results can be found from studies conducted by (Aji et al., 2020; Kalinic et al., 2020; Ahmad et al., 2021; Grauziniene, & Kuiziniene, 2021) and Setiawan et al., 2021). Findings of this study indicate that fresh graduates do not consider ease of use when using payment service applications as an important determinant in their decision to adopt Fintech payment services. This is because users avoid employing the complex system to overcome human error especially when dealing with financial transactions (Ahmad et al., 2021). Moreover, ease of use features of Fintech is not the solid reason for the technology usage, unless it is accompanied with a considerable amount of value (Aji et al., 2020).

The third objective (H3) is to examine the effect of social influence toward the adoption of Fintech payment services among employed fresh graduates. The result shows that social influence has no significant influence over the adoption of Fintech payment services. Studies by Ahmad et al (2021); Handarkho et al (2021); Rabaai (2021); Tohang et al (2021) also found similar results on the social influence aspect. This shows that fresh graduates are not pressured by their social environment to adopt the use of Fintech payment services. This could be explained through several reasons. Rabaai (2021) postulated that, for the users that are new or not familiar to a particular type of Fintech services or tools, the word-of-mouth recommendations or people's opinions are not yet formed to pressure them on adopting the Fintech services. Rabaai (2021); Tohang et al (2021) also explain that Fintech users are not concerned with their surrounding environment and may simply seem to have no interest in the opinions of their respective reference group (i.e., family, friends, colleagues) in adopting Fintech payment services.

The fourth objective of the study (H4) is to determine the influence of consumers' trust toward the adoption of Fintech payment services among employed fresh graduates. The result revealed that consumers' trust has no significant influence over the adoption of Fintech payment services. This is interesting as many previous studies show a significant influence of consumers' trust toward the adoption of Fintech payment services (Ahmad et al., 2021; Gunadil et al., 2020; Kurniasari et al., 2020). Findings show that Malaysian fresh graduates do not consider their trust toward a particular product or services would influence their adoption of Fintech payment services, and this is corroborated by the findings of Tohang et al (2021) who discovered that when dealing with Fintech payment services, fresh graduates face volatility, uncertainty, complexity, and ambiguity.

The result for the fifth hypothesis (H5a) indicates that cultural factor individualism has a significant influence over the adoption of Fintech payment services. The result suggests that the individualism or collectivism culture significantly influence the decision among fresh graduates to adopt Fintech payment services. Based on the survey by Hofstede-Insights (2021), it is found that Malaysia is a collectivist society. Malaysians live in a society where individuals are members of 'in-groups' who look after them in exchange for loyalty, and that the benefit of belonging to a 'in-group' outweighs the benefit of the individual (Hofsted-Insights, 2020). It is postulated that, in collectivist societies, subjective norms could play a crucial role in an individual's decision to adopt mobile payment services. Collectivistic society will be socially aware of others' opinions around them when deciding to adopt a new lifestyles

or technologies.

In testing the hypothesis (H5b), the study demonstrates that the power distance culture dimension did not influence fresh graduates to adopt Fintech payment services. Hofstede-Insights (2021) reported that Malaysia has a high-power distance score, which indicate that there is an unequal distribution of power between the powerful and the less powerful members of the society (Ahmad et al., 2021). However, from the Malaysian perspective, unequal power distribution, political, and bureaucratic issues do not affect how employed fresh graduates adopt Fintech payment services.

Results show rejection of the hypothesis (H5c), where cultural factor uncertainty avoidance has no significant influence toward the adoption of Fintech payment services. This indicates that the uncertainty avoidance dimension did not influence the Malaysian fresh graduates to employ Fintech payment services. Malaysia has a low uncertainty avoidance score, which indicates a more relaxed attitude in Malaysian lifestyles (Hofstede-Insights, 2020). Even though fresh graduates are seen to tolerate ambiguity and anxiety, especially when dealing with new technology (Hofstede-Insights 2020), this attitude does not impact how employed fresh graduates adopt Fintech payment services.

Based on the testing of hypothesis (H5d), masculinity or feminism culture has no significant influence on the adoption of Fintech payment services among employed fresh graduates in Malaysia. Hofstede-Insights (2020) contend that, in a culture with a high level of masculinity, males are expected to be assertive and tough, while women are expected to be more modest and concerned with the quality of life. On the other hand, a society with high feminine score has overlapping gender roles where both men and women are expected to be modest and concern with the quality of life. Malaysia recorded an intermediate score of 50, which indicates that no specific preference is determined (Hofstede-Insights, 2021). This is corroborated by the descriptive statistics, which reveal a neutral response based on the mean and SD of 3.96 ± 0.75 , hence possibly explaining the insignificant result of the study.

The findings of the hypothesis testing (H5e) concludes that cultural factor long-term orientation has no significant influence toward the adoption of Fintech payment services. This indicates that whether a working fresh graduate is long-term or short-term oriented has little bearing on whether they use Fintech payment services. Kurniasari et al (2020) define long-term orientation as “the fostering of virtues oriented towards future rewards” where short-term orientation is “the fostering of virtues related to the past and present.” In short, the score for the long-term orientation dimension determines how a society maintains its link with the past, norms and traditions while facing present and future challenges. According to Hofstede-Insights (2021), Malaysia obtains a low score, indicating that Malaysians are a normative society that values norms and traditions, and emphasizes on attaining speedy results. Nonetheless, from the perspective of Fintech payment adoption, the long-term orientation demonstrated an insignificant impact, contradicting prior studies such as Kurniasari et al (2020), which suggested that long-term orientation could affect mobile payment adoption via privacy concerns and performance expectations

Conclusion

The study objective is to investigate the application of UTAUT model during the adoption of Fintech payment services for this group. The research specifically measures the relationships between performance expectancy, effort expectancy, social influence, consumers' trust, and national culture and the Fintech adoption among young urban professional. The study shows mixed result. For the first objective the results indicate that performance expectancy has a significant positive influence on the adoption of Fintech payment services among employed fresh graduates. However, the result for the second objective reveal that effort expectancy has no significant influence over the adoption of Fintech payment services.

Similarly, the third objective showed a consistent result where social influence has no significant influence over the adoption of Fintech payment services. For the fourth objective, the result has also revealed that consumers' trust has no significant influence over the adoption of Fintech payment services. Finally, with regards to the fifth objective on the national cultural dimensions, the findings showed mixed results. Except than cultural factors individualism, the remaining cultural factors dimensions (power distance, uncertainty avoidance, masculinity, and long-term orientation) demonstrated the insignificant influence towards the Fintech adoption among young urban professional.

The research findings contribute to the Fintech ecosystem in Malaysia by providing clear perspective how these predictors affecting the adoption. The results offer insightful inputs and provides practical guidelines to the various Fintech stakeholder for decision making. Findings of this research further support the government's goal towards becoming a cashless society as a strategy to increase financial inclusion among the nations. There is an urgency to create a collaboration within the Fintech ecosystems that provide more convenience and comfortable digital payments by increasing the literacy rate and giving appropriate education of the Fintech system.

The study limitation includes the sample description, whereby the largest segment of these respondents was young, well educated, and had adequate experience with computers and the Internet. This raises concerns about the applicability of the outcomes to other groups of the current population that have different characteristics such as age, income, education level, gender, and experience with technology. Other than that, this study is limited to a quantitative research method because of time and cost constraints. Despite that, this quantitative study was successfully completed, but if qualitative research or mixed-mode research was adopted, the expected outcome will be much wider compared to only a quantitative approach.

The future research direction includes adding the key moderators of the UTAUT (e.g., gender, age, experience, and the voluntariness of use) into the study to identify whether it will or not affect the adoption of Fintech payment services or any other service related to Fintech. By adding this, it could generate different perspectives and research results. For future research, it is interesting to investigate how the determinant factors of Fintech might influence other sample group such as organization. It is also recommended future study to include other Fintech application areas such as blockchain, crowdfunding and others to yield a more comprehensive and better view in understanding Fintech.

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