
A Study on Determinants of Saving and Investment Culture among Lecturers in Kolej Poly-Tech MARA Bangi

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Abstract

The purpose of this case study is to evaluate determinants of savings and investments culture among lecturers at Kptm Bangi. Throughout the process that guided the study based on research questions, what are actually the motive of lecturers in KPTM Bangi to save and invest their money? What are the personal elements that motivate KPTM Bangi lecturers to save and invest their money? What are the societal factors of lecturers in KPTM Bangi to save and invest their money? Hence, the study showed that factors saving and investments consist of saving and investment motives. Investment behavior was based on individual opinion and jurisdiction on investment. Moreover, saving culture is also a factor in saving and investments. However, personal factors and societal factors have their differences respectively. The study adopted a quantitative method and survey research and 50 lecturers are responding to the survey.

Keywords : *Investment; Saving culture; Saving among lecturers; Motive save and invest; Personal elements save and invest; Societal factor save and invest;*

I. INTRODUCTION

For this chapter, there is a background study that explains the meaning of savings and investment. Not only that, but it also states the problem of statements that tell why people cannot make savings which is due to rising costs for products and services and excessive debt burden. In addition, this chapter also specifies the research objective of investment and saving culture among lectures in KPTM Bangi. From there also can see what are their main motives and factors driving them to make savings and investments.

i. Research background

The main purpose of this study is to determine the investment and saving culture among lecturers in KPTM Bangi. In this study, the researcher wants to see what are the main motives of lecturers making their savings and investments. In addition, researchers also want to know what are the internal factors of lecturers to make their savings and also the social factors that motivate them to make savings for their future. This study is very important to conduct because the researcher wants to see the level of concern of lecturers at KPTM Bangi about the importance of their financial planning.

Due to the economy's rapid expansion, individuals must save more. Savings are the resources that are set up for future use, whether for an emergency, a

life cycle necessity, or an investment. Savings can be defined as efforts to collect financial and non-financial assets for future consumption or production. Working employees who have a fixed salary should be able to engage in good saving habits. This is because the income earned by employees must make substantial progress toward establishing an active savings account. Among the reasons why they cannot save their money is due to heavy commitments and a lack of understanding of how to handle money effectively [1]. The income earned by an employee can be divided between consumption and savings. Sometimes savings can be idle and active. Active savings are when employees invest their money through a return channel called an investment. Investment refers to an increase in real capital, which leads to income generation. By using the investing method, it can provide an addition to the existing stock of capital assets and lead to capital formation. But investors will face many risks [2].

ii. Problem statement

The problem to be addressed through this research is related to the individuals who are affected by rising costs for products and services, especially for those in low-income groups who are driven to spend the amount of income on goods to meet their fundamental necessities. Food inflation has risen at

a higher rate than total inflation [3]. Because this consumption problem is linked to increased overall living expenditures, individual savings are also impacted. According to Bank Negara Malaysia, low-income people have fewer opportunities to save apart a portion of income as savings. Malaysia has one of the world's lowest savings rates. This becomes the most serious issue among buyers, specifically among the low-income, where a lack of savings is clear. One out of every three Malaysians does not have a savings account, and the majority do not have enough money to last for five years after quitting work.

Not only that, in Malaysia, according to Bank Negara Malaysia (BNM), household debts increased to 93.3 percent in 2020 from 82.7 percent in 2019, because of the Covid-19 issue. In general, larger household debt is risky because it can lead to bankruptcy [4]. This is the composition of household debts which is personal loans (29.83 %), followed by hirepurchase loans (20.24 %), home loans (12.85 %), business loans (12.44 %), and credit cards (10.21%). This showed that a large number of people are bound by debt. These shocking statistics and data have caused worry since they show a lack of financial education, skills, awareness, and the prevalence of financial mismanagement among Malaysians.

II. LITERATURE REVIEW

This section aims to acknowledge the studies and research that have been done where it is related to the objects which are the determinants of saving and investment culture. Investment is one of the spending of funds on an asset to get a higher return or capital income which means that issuing or investing funds in the present is to earn a return in the future. Therefore, saving is one of the methods whereby a person sets aside or secures money for future emergencies, needs, or expenses.

iii. Saving and investment motive

According to studies [5] have concluded that a saving motive is one of the actions that involve saving money for the future, anxiety, and own desires or wants. Apart from that, it is also for future retirement and precautionary measures and it is emphasized that this savings motive is very important. A study [6] related to saving motive states that saving motive is one of the motives that influence a person's behavior to save with strong motivation and it has been proven that China has achieved a high savings rate. However, according to [7] it reveals that the investment motive is the

investment objective where the investment made by a person is likely to get capital gains in the future in the long run or maybe they invest funds for income.

In addition, investment motives include speculation that it is profitable in a short period.

iii. Investment behavior

Investment behavior explains the how, why and what of finance and investing [8]. It is known in many ways we can value that behavior based on individual opinion and jurisdiction on investment. According to [9], Investors' investing decision-making behavior is influenced by some factors and it can be in their attitude. When it came to investing, different age groups had varied behaviors, and the choice of any investment channel was determined by their age. [10] found that working women did use their investment benefits after retirement. Many of them did choose long-term investment instead of short.

iv. Saving culture

Many factors have impacted a lot of people in saving behavior such as religious belief and knowledge [11]. It is because saving always has a positive result for someone for their entire life. Saving behavior is defined as understanding how people in a country save to understand that country's economic situation. Besides that, people sacrifice some money from their income rather than overspending it. Other than that, saving behavior can come from religious belief, knowledge, and service quality.

v. Personal factor

Personal factor also is the characteristic integration that consists of behavior patterns, interests, tendencies, talent, and orientations. Hence, personality traits are very particular things from a

behavioral point of view and these personality traits might be important in terms of the financial outcome of the anticipation of the actions taken in investment decisions [12]. Furthermore, if an individual change their factors it might not affect other people because investment and savings are considered as necessary by an individual and only for enhancing or improving standard living [13]. Other than that, personal factors in the context of investment and saving culture is about their target goals in life which are investments and how they saving become their hobbies or area interest and it can turn out to positive outcome such as planning for the future or progression towards the goal [14].

v. Societal factor

According to [15], societal factors that are based on surroundings rely on a group of people or an organization plus an individual did not affect or can

control for the example banking industry, declining economy, natural calamities, and also unexpected things that might happen. Besides, it is hard to make decisions on our own and basically will be influenced by people creatures and therefore an organization will influence an action in handling investing money.

III. RESEARCH METHODOLOGY

This section goes through a method for conducting the research strategy. Quantitative approaches have been carried out using primary data from the questionnaire result. Quantitative methods are data gathering and analysis that are quantified as part of a research strategy. Sampling methods are suitable to be used in this study because the accuracy of data is high and have a better bond with the respondents.

i. Research design

Our research is using the quantitative method and survey research. The quantitative method is one of the methods where it is associated with a specific variable for the data collection [16]. Other than that, it can also be expressed numerically and inferred through tables, graphs, or statistical measurements. The framework of the questionnaire involved three parts which are part 1 to identify the savings and investment motives of lecturers in KPTM Bangi. While part 2 is to determine the personal factors of lecturers in KPTM Bangi to make savings and invest their money and part 3 is to identify the societal factors that encourage lecturers to make savings and investments. By making this quantitative way it is easier to see the results as it shows in diagrams and statistics data.

Table 1: Conceptual Framework

Saving and Investment Culture	Saving and Investment Motive
	Personal Factors
	Societal Factors

ii. Sampling method

The sampling method is a process of selecting a group that will be representative of the population to be studied. The target population is the number of groups of individuals whose samples will be taken [17]. The target population for this research is focused on lecturers in KPTM Bangi because it is to determine the saving and investment culture regarding their age, gender, level of education, and level of income. In this sampling method, there are 4 types of sampling namely purposive sampling, cluster sampling, stratified sampling, and convenience sampling. To make this study, stratified sampling was used for the process of selecting participants. In a stratified sample, researchers divide the population into a homogeneous subpopulation known as

strata based on specific characteristics (age, gender status, etc.). This allows researchers to estimate statistical measures for each subpopulation [18]. Researchers rely on stratified sampling if they want to make sure that the characteristics of the population are diverse and that each characteristic of the sample is represented correctly [19].

iii. Questionnaire

This questionnaire will begin by collecting demographic data where all the information about their age, gender, level of education, and level of income. The information that the researcher wants to collect is divided into 3 parts. The first part is about the motives of lecturers in KPTM Bangi to save and invest their money. The second part is about the personal factors and the last part is about the societal factors of why lecturers make their savings and investment. The answer for parts 1, 2, and part 3 is by Likert scale, the scale rate is from strongly disagree, disagree, neutral, agree, and strongly agree.

iv. Analysis

In this study, descriptive analysis and correlation analysis using excel will use to analyze the data. Correlation analysis in market research is a statistical method for identifying what is the strength of a relationship between two or more variables. In short, the process reveals patterns in many data set variables [20]. A Google Form will be created to collect data and then the survey link will be sent to all lecturers in KPTM Bangi.

IV. RESULT AND DISCUSSION

The descriptive and correlation analysis used to analyze the research objectives and research questions is presented in this chapter. The descriptive analysis discusses the demographics of the study's sample, including the age, gender, and level of income factors that influence lectures to save and invest their money. The correlation analysis is also used to discuss the relationship between variable data and summarizes the information of this chapter.

i. Demographic information

In this survey, there are 50 lectures responding to the survey after blasting the link to the google form. This part contains demographic information about respondents, such as their age, gender, level of education, and level of income. The demographic information of the respondents for this study is shown below.

ii. Respondent's gender

The pie chart illustrates gender. 32% (16 lecturers) of the respondents were males and 68% (34 lecturers) of them were female.

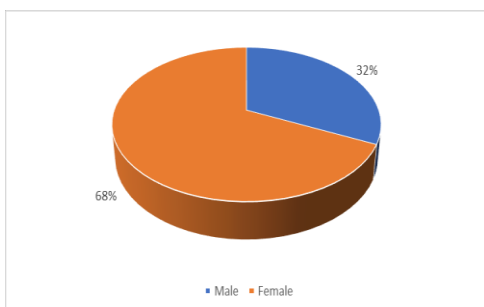


Figure 1: Respondent's gender

iii. Respondent's age

Out of the 50 lectures, 12% (6 lecturers) at the range of age between 20-30 years old, 52% (26 lecturers) at the range 31-40 years old, 30% (15 lecturers) at 41-50 years old and 6% (3 lecturers) at 51-60 years old.

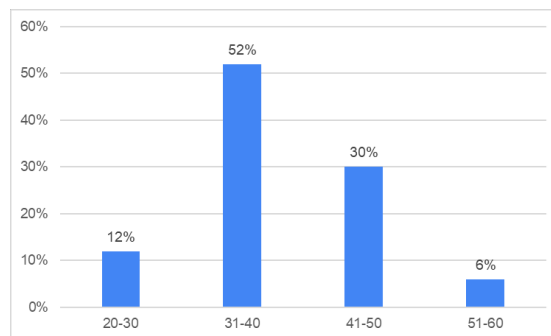


Figure 2: Respondent's age

iv. Respondent's level of education

This is information about the level of education which is 8% (4 lecturers) are from degree education, 88% (44 lecturers) are from master education and last 4% (2 lecturers) are PHD education.

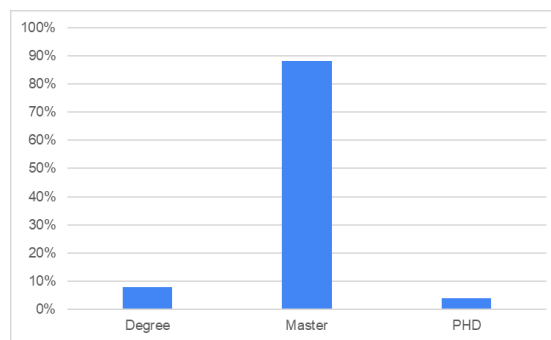


Figure 3: Respondent's level of education

v. Respondent's level of income

The data about the level of their income. 8% or 4 lecturers that have the income between RM2001-RM3000, 32% or 16 lecturers have income range between RM3001-RM4000, 32% or 16 lecturers have income from RM4000-RM5000 and 28% or 14 lecturers that have income RM5000 and above.

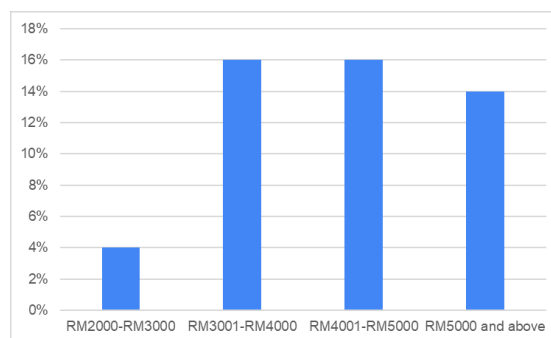


Figure 4: Respondent's level of education

vi. Correlation analysis for motive

Table 2: Correlation analysis for motive

		Motive lecturers save and invest	To reduce tax burden	For child wedding expenses or social	For children's education	To buy and repair a house	For a guaranteed retirement life	To plan and go on vacation or pilgrimage	To increase capital
Motive lecturers save and invest	Pearson Correlation	1	.381*	.666*	.623*	.428*	.717*	.407*	.577*
	Sig. (2-tailed)		0.000	0.000	0.000	0.002	0.006	0.003	0.000
	N	50	50	50	50	50	50	50	50
**. Correlation is significant at the 0.01 level (2-tailed).									
*. Correlation is significant at the 0.05 level (2-tailed).									

From the table above, the correlation results revealed that there is a weak positive correlation motive for lecturers to save and invest to reduce tax burden ($r=0.381$). While there was a moderate positive correlation that motivated lecturers to save and invest for child wedding expenses and social ceremonies ($r=0.666$). Next, child education also has moderate relationships ($r=0.623$). A weak relationship was seen as a motive for lecturers to save and invest to buy and repair houses ($r=0.428$). Then, motive lecturers to save and invest their money for retirement was a positive and strong correlation ($r=0.717$), for the plan to go for vacation also has weak positive correlation which is ($r=0.407$) and finally moderate positive correlation of lecturers to save and invest to increase their capital ($r=0.577$).

vii. Correlation analysis for personal factor

Table 3: Correlation analysis for personal factor

		Personal factor influence lecturers to save and invest	Knowledge of investment and savings	My level of income	The risk of losing my source of income	My family (size and dependency)
Personal factors influence lecturers to save and invest	Pearson Correlation	1	.549*	.718*	.753*	.767**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	50	50	50	50	50
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

From the table above, it can be seen that the personal factor that influences lecturers to make savings and investments because of their knowledge of investment and savings ($r=0.549$) and the level of their income ($r=0.718$) has a moderate positive correlation. While for the risk of losing their source of income ($r=0.753$) and because of their family size ($r=0.767$) is a strong positive correlation.

viii. Correlation analysis for societal factor

Table 4: Correlation analysis for societal factor

		Societal factor influence lecturers to save and invest	Low return on savings from banks	Fear of my investment being taken from corruptions and embezzlement	Political and economic instability	Natural calamities
Societal factors influence lecturers to save and invest	Pearson Correlation	1	.678*	.805**	.737*	.864**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	50	50	50	50	50
**. Correlation is significant at the 0.01 level (2-tailed).						

As shown in the table above, societal factors that influence lecturers to save and invest their money because of low return on savings from banks have a moderate positive and significant correlation. For the factor, lecturers save and invest because of fear their investment being taken from corruption and embezzlement has a positive and significant correlation ($r=0.805$). Next, political and economic instability also has a strong positive correlation ($r=0.864$). Finally, natural calamities also have a strong positive correlation ($r=0.737$).

The outcomes of a study on the factors of saving and investment among lecturers were discussed using descriptive and correlation statistics that are often used to present the analysis. Savings and investment motives, personal factors, and societal factors are some of the elements that have been highlighted. The study's discussion, results, and suggestions are discussed in the following chapter.

DISCUSSION

i. Lecturers motive for saving and investment

According to the study's findings, the researchers see that the respondents have a strong positive correlation and were primarily motivated to save for retirement to maximize their savings and investments. According to [21], saving for retirement allows the person to fulfill the needs of family members who may be dependent on them even after retirement, whether for education, medical bills, or other monthly obligations. Not only that, but retirement also ensures financial independence, as people who have properly planned for retirement will not need to depend on anyone for financial support.

ii. Personal factors influence lecturers for saving and investment

The findings of the study show that the family size of the respondents has a positive and significant correlation that influences respondents to save and invest their money. When the number of households

increases, then there is a lot of savings that we have to use for expenses and use in the event of an emergency in the future. But it contradicts the findings of [22], who stated that family size affects the direct consumption (school fees, medical expenses, food) of a family; the larger the family size, the higher the consumption, resulting in fewer savings and investment as most of the income is used by daily expenses.

iii. Societal factors influence lecturers for saving and investment

The findings also showed that natural calamities such as drought and flooding had a significant impact on their savings and investment levels and had positive and strong relationships. When natural calamities occur, a lot of property damage will be experienced. Therefore, saving and investing for natural calamities is very important, especially for expenses such as buying items that have been damaged or destroyed. Aside from receiving assistance from any of the bodies involved to assist, then self-savings are also important.

LIMITATION OF THE STUDY

Due to the research that we have conducted, the limitations that the researcher has faced was an unequal number of females and males on our questionnaire. It can have an impact on our findings and results as each gender may have different opinions, motives, personal factors, and societal factors in savings and investment. Other than that, difficulties in getting responses on questionnaires due to the higher Covid-19 cases. It is easier if we can conduct the questionnaire face to face with the lecturers because it is more convenient and saves more time than conducting it online.

V. CONCLUSION

In conclusion, the study research has resulted in a variety of findings, perspectives, and unexpected outcomes. Based on the various responses, it can answer all of the study's objectives. There are some recommendations based on the study that has been conducted.

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