

**DETERMINANTS OF SAVING BEHAVIOUR AMONG PUBLIC  
SERVANT IN PASIR GUDANG MUNICIPAL COUNCIL (MPPG)**

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## ABSTRACT

This paper aims to analyze the relationship between factors that affecting the saving behaviours among public servant in Pasir Gudang Municipal Council (MPPG). Over the years, numerous researchers have studied on the determinants of personal saving behaviour among the households, student and private employee, rather than public servant. The researcher used four independent variables that affect the saving behaviours which are financial literacy (FL), peer influence (PI), self control (SC) and income level (IL). Over 251 Pasir Gudang Municipal Council (MPPG) staff completed the questionnaire of determinants on their saving behaviour as well as how much they saved. The results are then analysed by using descriptive analysis, reliability test, Pearson Correlation, and Multiple Linear Regression analysis to determining factors affecting saving behaviours among public servant. The results from regression analysis indicate that financial literacy (FL) and income level (IL) are significant variables that affect the saving behaviours while peer influence (PI) and self control (SC) are insignificant variables that affect the saving behaviours among public servants in MPPG. However, through correlation analysis indicate all variable are significantly with saving behaviour. This signifies that financial literacy is playing important roles in saving behaviour. In practical, this research can contribute to practitioners to strengthen the knowledge about personal finance. In practical, this research can contribute to the retail banks in designing effective strategies to penetrate the employee savers specifically public servants. Last but not least, this research can provide initial preparations from government regarding saving behaviour such as some courses, campaign, talk and many more provide related to smart financial management. Emphasize the benefits of saving habits to increase the level of awareness among staff with financial literacy

***Keywords:*** *Saving Behaviours, Financial Literacy, Peer Influences, Self Control and Income Level.*

## **CHAPTER 1**

### ***INTRODUCTION***

#### **1.1 Background of Study**

Saving can be defined as the part of an individual's income that is not spent. Over the past decades, saving plays an important role in the process of economic growth and development. Moreover, Malaysia has managed to sustain a high level of saving rate. This is due to the frequent practice of saving behaviour of Malaysians. Saving behaviour can be defined as the act or manner of an individual in reducing expenditures or deferring consumptions (Chai Ming Thung, Chia Ying Kai, Fong Sheng Nie, 2012). Low saving leads to health problems, such as lack of sleep, especially among low-income households.

As a human being, we cannot predict our future, we cannot predict how much money we need someday, when we need the money. Saving is one of many and easy factor will help us in the emergencies. Some people are using personal loan, credit card or withdraw their money from Employee's Provident Fund account for the purposes of emergencies such as medical bills and education fees. Saving also will be more useful after retirement. Saving or investment can replace our income that is no longer earns from our job. Life after retirement without saving will force us to work even though we are not strong enough. It will be more critical if we still have a debt or expenses to pay such as, home loan, children education fees, and many more.