



**THE RELATIONSHIP
BETWEEN PERSONAL FINANCE PRACTICES AND
PRODUCTIVITY OF BSN'S EMPLOYEES**

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DECLARATION OF ORIGINAL WORK



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Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature:

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LETTER OF SUBMISSION

2 January 2013

Madam Nor Aizan Mohamed
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Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “THE RELATIONSHIP BETWEEN PERSONAL FINANCE PRACTICES AND PRODUCTIVITY OF BSN’S EMPLOYEES” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

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1.2 BACKGROUND OF THE STUDY

Banking industry is the key players in financial sector and pillars of Malaysia's economy. In this country, the central bank is Bank Negara Malaysia (BNM). Both bank and finance never can be separated as both correlated each others. This includes Bank Simpanan Nasional (BSN) which is one of the financial institutions operate under development financial institutions (bank under the purview of BNM) category. BSN also one of the government organization besides Employment Provision Fund, *Tabung Haji*, *Lembaga Tabung Angkatan Tentera* and others which act as government backbones.

Among the purpose of BSN as stated in Bank Simpanan Nasional Act (1974) are (1) to develop and promote savings especially from small savers, and inculcate the habit of thrift and savings, (2) to provide the place of savings especially for public and (3) to utilize the funds of Bank for investment including financing of economic development of the nation. Huat (2009) said that BSN has been an important financial institution for people in rural areas for more than three decades after taking over the role of the Post Office Savings Bank. Moreover, the bank also served as a centre to disburse pension payments to ex-civil servants. Statements above showed how BSN are much needed, so their performance is crucial. In consistent with the performance, their employees' productivity inevitably has high impact on it. Crisis always happen and it is only in the corner. So, to remain competitive in this kind of environment, banks will rely even more on their people to make the difference (Bruno-Britz 2009). Besides that Masemola (2003) also had stated that the employer whether private or public, depends mainly on the performance of employees to achieve the mission and vision of the company. Hence, BSN' employees need to be productive to ensure the stability and sustainability of the organization.