



اَللّٰهُمَّ صَلِّ وَسَلِّمْ عَلٰى  
UNIVERSITI  
TEKNOLOGI  
MARA

**THE DETERMINANTS OF SAVING BEHAVIOR**

**AMONG VALIRAM GROUP EMPLOYEES**

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Faculty of Business Management  
Uitm Malacca City Campus

13 December 2014

Sir Ridzuan Salleh  
Faculty of Business Management  
UiTM Melaka Branch  
78000 Alor Gajah  
Melaka

Dear Sir,

**A Survey on the Saving Behaviour among Valiram Group Employees**

On 9<sup>th</sup> September 2014, you authorized to carry out a survey on the saving behaviour among Valiram Group Employees and to submit the report not later than 7<sup>th</sup> January 2015.

I hereby submit the report and hope that you will find everything satisfactory.

Yours faithfully,

.....  
(Nur Azmina Syamim Binti Kamarudin)

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## **ABSTRACT**

Over the years, numerous researchers have studied on the determinants of Saving behavior among the households and employees. Therefore, this research is aims to investigate whether Monthly income, financial literacy (FL), and Rates of return (ROR) have significant influence on the savingbehaviour (SB) among Valiram Group Employees.

Primary data are collected using self-administered questionnaire. The samples comprised 100 employees from four departments among Valiram Group Employees. Meanwhile, Pearson Correlations and Multiple Regression Analysis are employed to identify whether the three factors have relationship with the saving behaviour of the employees.

The findings show that all the MI, FL and ROR have positive relationship with SB while MI has the greatest impact on SB among the four independent variables. This signifies that parents are playing important roles in ensuring their children to establish saving behaviour. In practical, this research can contribute to the retail banks in designing effective strategies to penetrate the young savers specifically for employees below 25 years old. Besides, it also enlightens the policy makers to stimulate savings among the employees via raising their financial literacy.

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background of study**

#### **1.1.1. Introduction**

People save today in order to consume tomorrow as to secure a better retirement is probably the main factor to attract people to save. Savings influence processes in economics such as economic growth and consumption level. This is supposed to explain the change in savings during certain life periods, is a life cycle model of savings in which people save when they are young in order to finance their future consumptions during retirement age.

#### **1.1.2 Overview of Malaysian retirement period**

Retirement is the stage when an individual permanently leaves the workplace. This means that the income of retirees will stop immediately upon retirement. However, their expenses will continue and they will need to continue their lives depending solely on their accumulated savings.

Retirement can be a tough period, especially when there is no saving. Understanding that retirement planning is a protective factor for retirees, Malaysia introduced two types of pension systems for all working Malaysians, which are the Employees Provident Fund (EPF) and the