# FACTORS INFLUENCING PERSONAL RETIREMENT SAVING BEHAVIOR OF TEACHERS IN NONGKHAI PROVINCE, THAILAND.

**Apichart Ngaowichai[*], Kullanun Sripongpun[**]**
[*] *Graduate Student of Kasetsart University, Thailand*
*E-Mail: Apichart8314@gmail.com*
[**] *Department of Business Management, Faculty of Liberal Arts and Management Science, Kasetsart University, Thailand*
*E-Mail address: kullanun.s@ku.th*

## ABSTRACT

This research aimed to study the influence of personal factors (gender, age, education, marital status and salary) and retirement attitude on saving attitude (the cognitive component, the affective component and the behavioral component). Moreover, the research examined the impact of retirement attitude and saving attitude on personal retirement saving behavior (pull factors, push factors and able factors). The 5-point Likert scale questionnaires were used. The conceptual model was empirically tested by using data collected from a sample of 400 teachers who lived in Nongkhai Province. Data were analyzed by descriptive statistics and Multiple Regression Analysis was used for hypotheses testing. The research results found that personal factors (gender, age, education, marital status and salary) and retirement attitude had statistically significant impacted on saving attitude in all 3 dimensions (the cognitive component, the affective component and the behavioral component). Next, it revealed that retirement attitude impacted on personal retirement saving behavior just only 2 dimensions (push factors and able factors). In addition, it showed that first dimension of saving attitude, the cognitive component, influenced on personal retirement saving behavior in all 3 dimensions. The second dimension of saving attitude, the affective component, influenced on personal retirement saving behavior just only 1 dimensions (able factors). Lastly, the behavioral component influenced on only 2 dimensions of personal retirement saving behavior (pull factors and able factors). The findings of this research can be used to apply for planning and improving of teacher's individual retirement plan saving behavior. Directions for future research were also suggested.

**Keywords**- retirement attitude, saving attitude, personal retirement saving behavior

## INTRODUCTION

### *Background*

Thai household debt in 2013 was 159,492 Baht per household and Thai household debt per income in 9 years ago, it has decreased 7 times in year 2004 and 5.8 times in year 2011, and in contrast it has increased in year 2013 to be 6.3 times Rapin Phosri [10]. The government official is the main career in Thailand, according to they are assigned to implement government policies. They are different from private official because the government officials have reward and pension to spend when they are retirement. However, a lot of teacher, one of government official, has financial problems. The sources of their loan are Teacher and Credit Cooperative, Loan for Teacher Life Development Project via Government Savings Bank, and Loan for Funeral Cremation Fund for helping teachers and educational personnel. Ministry of Education data shows that Thai teachers have total debt one trillion Baht but have saving only three hundred billion Baht. Furthermore, the debt was continued growing since year 2007 to 2011 Nawarat Ramsoot [12].

This study aims to investigate the effects of 1) personnel factors on saving attitude 2) retirement attitude on saving attitude 3) retirement attitude on personal retirement saving behavior and 4) saving attitude on personal retirement saving behavior.

## LITERATURE REVIEW

### Retirement Attitude

The retirement attitude means the way that personal think or feel about retirement, the feelings as like, unlike, accept, or refuse the retirement including to get ready for retirement Pornthip Boonnipat [5]. Studied for retirement attitude which mean the way that personal think or feel about retirement, the feelings as like, unlike, accept, or refuse the retirement including to get ready for retirement. The study has investigated how to prepare for retirement in five components: 1) physical, 2) mind, 3) money, 4) property or house, and 5) hobbies. First, the physical preparation is taking care themselves about health, learning about exercise and food, including doing brain exercise such as calculate, that might help keep the brain healthier. Second, to prepare their mind, they could do creative activity, be a part of community activity, and be generous and always review and adapt their life attitude to be fit in with each situation. Third, the most important for retirement is saving, they have to save money as much as they could before retirement and make more money by investing. Fourth, they have to plan about house in middle age because that is easier to do than doing when they get old. Finally, the old man have to do some hobbies, not allow themselves to have more free time. Because hobbies are a great stress reliever, some social activities might give a chance to meet new friend, and that both hobbies and social activities might help transition they to retirement (be not boring, be not lonely, and be happy) Teera Chaiyanon [7].

### Saving Attitude

Saving attitude means collaborating or managing trust on some things or some situations. This trust is going to be a readiness of the psyche to act or react in a certain way: like or unlike and support or resist on person or concept Kendler [2]. A person's attitude can be reacted in two different ways: positive attitude and negative attitude, that attitude influences on personal behavior Niranapa Lawong [11]. An influential model of attitude is the multicomponent model, where attitudes are evaluations of an object that have cognitive, affective, and behavioral components. 1) The cognitive component of attitudes refers to the beliefs, thoughts, and attributes (like or unlike). 2) The affective component of attitudes refers to feelings or emotions linked to a personal valued. And 3) the behavioral component of attitudes states to the way the attitude we have influences how we act or behave based on knowledge and thinks. The different of personal thoughts causes of each person have different cognitive, affective, and behavioral component Gordon [4].

### Personal Retirement Saving Behavior

Behavior definition is the way in which someone conducts oneself or behaves whether internal or external. The internal behavior controls the external behavior. We have sense, perception, learning, memorizing, thinking, decision and emotional of daily life Wimolsit Horayangkul [8]. Each person have difference behaviors accordingly they have difference objectives and also that depends on their causes. Those causes are 1) pull factors (comprise of believe, standard, values, behave, and tradition), 2) push factors (those are expectation, commitment, and reinforcement), and 3) able factors (include chance, ability, and encouragement) William [3].

## CONCEPTUAL MODEL AND HYPOTHESES

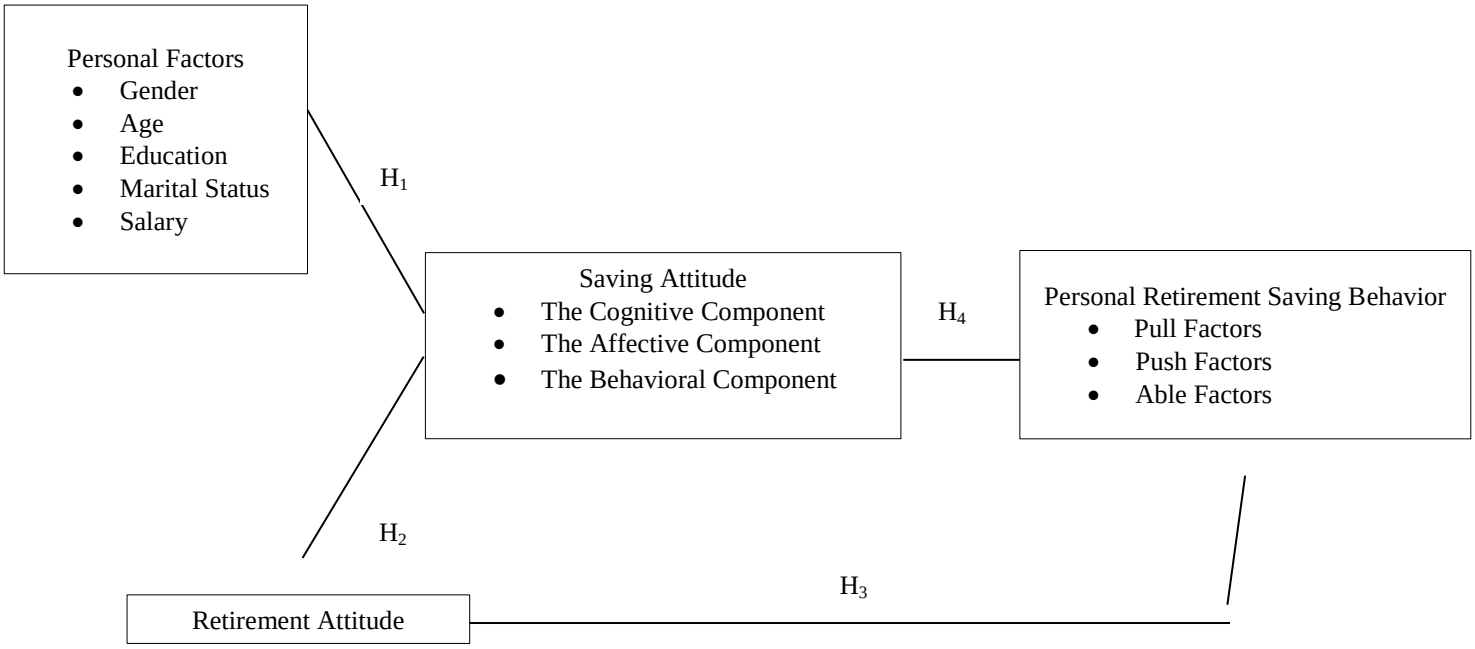
H1: Personal factors influence on saving attitude of teacher in Nognkhai Province

H2: Retirement attitude influences on saving attitude of teacher in Nognkhai Province

H3: Retirement attitude influences on personal retirement saving behavior of teacher in Nognkhai Province

H4: Saving attitude influences on personal retirement saving behavior of teacher in Nognkhai Province

**Figure 1**
**Research Conceptual Framework**




## RESEARCH METHODOLOGY

### *Sample Selection and Data Collection*

This research investigated the effects of variables on personal retirement saving behavior of teacher in Nongkhai Province. Quantitative analysis was used to determine the personal factor of the sample, 400 teachers in Nongkhai Province, the number of sample based on Yamane formula principle Yamane [1]. The researcher collected data by using the 5 level scale questionnaire.

### *Method*

Statistic in this study included t-test and f-test (One way ANOVA) to investigate the hypotheses and Cronbach's alpha to measure of scale reliability. The reliability data must has the Cronbach's alpha higher than 0.7 as shows in Table 1.

**Table 1**
**Cronbach's AlphaCoefficient of Variables**

| Variables | Cronbach's Alpha |
|---|---|
| **Retirement Attitude** | 0.751 |
| **Saving Attitude** | |
| The Cognitive Component | 0.916 |
| The Affective component | 0.822 |
| The Behavioral Component | 0.878 |
| **Personal Retirement Saving Behavior** | |
| Pull Factor | 0.787 |
| Push Factors | 0.779 |
| Able Factors | 0.700 |

## RESULTS

***The Descriptive Statistics***

In the study, the samples which responded to the questionnaire shared the following characteristics: There were 216 females (54.0% of total samples) and 184 males (46.0% of total samples). The 24.0% of total samples or 96 samples aged between 31 to 35 years old, The 18.00% of total samples or 72 samples aged between 41 to 45 years old, 17.50% of total samples or samples aged between 20 to 25 years old, The 13.80% of total samples or 55 samples aged between 36 to 40 years old, The 10.30% of total samples or 41 samples aged between 46 to 50 years old, The 7.50% of total samples or 30 samples aged between 36 to 40 years old, The 5.50% of total samples or 22 samples aged between 56 to 60 years old and The 3.50% of total samples or 14 samples aged between 26 to 30 years. The 82% of total samples or 328 samples graduated in bachelor degree. There are 211 samples are married that counted 52.8% of total samples and there are 64.0% of total samples that has income between 10,000 to 30,000 Baht.

In descriptive statistics, 1) the personal retirement saving behavior was the highest mean, follows by 2) the saving attitude, and 3) the retirement attitude, with mean value 4.45, 4.34, and 4.15 and standard deviation 0.112, 0.71, and 0.12, respectively. The details of saving attitude in three dimension, the first was the cognitive component of saving with mean 4.11 and standard deviation 0.45, the second was the affective component of saving with mean 4.06 and standard deviation 0.78, the last one was the behavioral component with mean 3.66. The personal retirement saving behavior were defined as three factors:1) the pull factors was 4.28 mean and 0.77 standard deviation, 2) the push factors was 4.74 mean and 0.23 standard deviation, 3) the able factors was 2.85 mean and 0.65 standard deviation.

**Table 2**
**Description of the respondents**

| Demographic Information | | Number of Respondents (NR) | Percentage of NR to Number of TR* |
|---|---|---|---|
| Gender | Male | 184 | 46.00 % |
| | Female | 216 | 54.00 % |
| Age | 20-25 | 70 | 17.50 % |
| | 26-30 | 14 | 3.500 % |
| | 31-35 | 96 | 24.00 % |
| | 36-40 | 55 | 13.80 % |
| | 41-45 | 72 | 18.00 % |
| | 46-50 | 41 | 10.30 % |
| | 51-55 | 30 | 7.50 % |
| | 56-60 | 22 | 5.50 % |
| Education | bachelor degree | 328 | 82.00 % |
| | Bachelor degree higher | 72 | 18.00 % |
| Marital Status | Single | 189 | 47.30 % |
| | Married | 211 | 52.80 % |
| Salary | 10,000-30,000 bath | 256 | 64.00 % |
| | 30,000 bath up | 144 | 36.00 % |

***Hypothesis Testing***

In this study, the saving attitude was described as three dimensions: 1) cognitive component, 2) affective component, and 3) behavioral component. While the personal retirement saving behavior, there were three factors involve as 1) pull factors, 2) push factors, and 3) able factors. The abbreviation of variables were as following:

RA Represent Retirement Attitude
SA1 Represent Cognitive Component of Saving
SA2 Represent Affective Component of Saving
SA3 Represent Behavioral Component of Saving
BE1 Represent Pull Factors
BE2 Represent Push Factors
BE3 Represent Able Factors

H1: Personal factors influence on saving attitude of teacher in Nognkhai Province

**Table 3**
**Gender, Status, Education and Salary influence on the attitude saving for retirement, t-test**

| Variable | Dependent Variable | | | | | |
|---|---|---|---|---|---|---|
| | AS1 | | AS2 | | AS3 | |
| | t | Sig. | t | Sig. | t | Sig. |
| Gender | 6.17 | 0.02 | 8.71 | 0.00 | 6.11 | 0.01 |
| Status | 10.21 | 0.00 | 15.70 | 0.00 | 7.70 | 0.01 |
| Education | 16.90 | 0.001 | 6.67 | 0.00 | 13.90 | 0.00 |
| Salary | 12.50 | 0.001 | 11.00 | 0.00 | 15.00 | 0.00 |

Remark: $P<0.05$

From table 3, after testing the hypotheses it was found that different gender had opinion differences toward the attitude saving for retirement in terms of cognitive component of saving, affective component of saving and behavioral component of saving with a significant level of 0.05.

Status had opinion differences toward the attitude saving for retirement in terms of cognitive component of saving, affective component of saving and behavioral component of saving with a significant level of 0.05.

Education had opinion differences toward the attitude saving for retirement in terms of cognitive component of saving, affective component of saving and behavioral component of saving with a significant level of 0.05.

Salary had opinion differences toward the attitude saving for retirement in terms of cognitive component of saving, affective component of saving and behavioral component of saving with a significant level of 0.05.

**Table 4**
**Age influence on the attitude saving for retirement, F-test**

| **Variable** | **Dependent Variable** | | | | | |
|---|---|---|---|---|---|---|
| | **AS1** | | **AS2** | | **AS3** | |
| | F | **Sig.** | F | **Sig.** | F | **Sig.** |
| Age | 36.76 | 0.00 | 36.70 | 0.01 | 36.65 | 0.02 |

Remark: P<0.05

From table 4 the hypotheses testing results can be summarized as followed;

Different age had different opinions toward 3 categories of cognitive component, affective component of saving and behavioral component of saving and empathy at the statistically significant level 0.05.

H2: Retirement attitude influences on saving attitude of teacher in Nognkhai Province

**Table 5**
**Correlation analysis between independent variables**

| | **RA** | **SA1** | **SA2** | **SA3** | **BE1** | **BE2** | **BE3** |
|---|---|---|---|---|---|---|---|
| $\bar{x}$ | 3.87 | 3.20 | 3.59 | 3.29 | 4.24 | 4.47 | 2.85 |
| **S.D.** | 0.32 | 0.76 | 0.34 | 0.44 | 0.35 | 0.35 | 0.43 |
| **RA** | 1 | | | | | | |
| **SA1** | -0.596** | 1 | | | | | |
| **SA2** | -0.175** | 0.521** | 1 | | | | |
| **SA3** | -0.501 | 0.913** | 0.477** | 1 | | | |
| **BE1** | 0.069 | 0.004 | 0.034 | 0.080 | 1 | | |
| **BE2** | 0.155** | -0.312** | -0.053 | -0.293** | -0.081 | 1 | |
| **BE3** | -0.362** | 0.701** | 0.494 | 0.686** | 0.627** | -0.221** | 1 |

Remark: ** Statistically significant level 0.01

Correlation analysis results were presented from table 5 which can explain the relationship between the variables. Hair et al. [9] explained that the relationship between independent variables should not higher than 0.80. If the value is higher than 0.80, it could be assumed that there may be some relationship between independent variables (Multicollinearity). Thus, from the portrayed data the highest value of relationship between independent variables was 0.91. Multicolinearity testing focuses on the result variance inflation factors (VIF) ranged from 1.37 to 6.38. Mason and Perreault [6] suggested the result VIF above cut-off value of 10 to signal multicollinearity. Thus, the result in this study shows no multicollinearity problem.

**Table 6**
**Hypothesis testing results of H2, retirement attitude vs. saving attitude**

| Variable | Dependent Variable | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | SA1 | | | SA2 | | | SA3 | | |
| | β | t | Sig. | β | t | Sig. | β | t | Sig. |
| RA | -1.385 | -14.822 | 0.000 | -0.186 | -3.570 | 0.000 | -0.684 | -11.537 | 0.000 |

From Table 6, it showed that retirement attitude had influence on saving attitude with a significant level of 0.05.

H3: Retirement attitude influences on personal retirement saving behavior of teacher in Nognkhai Province

**Table 7**
**Hypothesis testing results of H3, retirement attitude vs. personal retirement saving behavior**

| Variable | Dependent Variable | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | BE1 | | | BE2 | | | BE3 | | |
| | β | t | Sig. | β | t | Sig. | β | t | Sig. |
| RA | 0.076 | 1.379 | 0.169 | 0.169 | 3.137 | 0.002 | -0.480 | -7.754 | 0.000 |

Retirement attitude had influence on personal retirement saving behavior with a significant level of 0.05 (Table 7).

H4: Saving attitude influences on personal retirement saving behavior of teacher in Nognkhai Province

**Table 8**
**Hypothesis testing results of H4, saving attitude vs. personal retirement saving behavior**

| Variable | Dependent Variable | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | BE1 | | | BE2 | | | BE3 | | |
| | β | t | Sig. | β | t | Sig. | β | t | Sig. |
| SA1 | -0.206 | -3.497 | 0.001 | -0.161 | -2.881 | 0.040 | 0.204 | 4.095 | 0.000 |
| SA2 | 0.044 | 0.733 | 0.464 | 0.156 | 2.721 | 0.070 | 0.223 | 4.373 | 0.000 |
| SA3 | 0.367 | 3.783 | 0.000 | -0.400 | -0.435 | 0.664 | 0.267 | 3.243 | 0.001 |

Remark: $P<0.05$

From table 8, after testing the hypothesis it showed that saving attitude (cognitive component) had the influence on all 3 factors of personal retirement saving behavior (pull factors, push factors and able factors). The affective component impacted on only able factors but did not impact on pull factors and push factors. Additionally, behavioral component had the influence on pull factors and able factors, but did not impact on push factors.

## CONCLUSIONS

From this study, the findings presented that personal factors (gender, age, education, marital status and salary) and retirement attitude had statistically significant impacted on saving attitude in all 3 dimensions (the cognitive component, the affective component and the behavioral component). Next, it revealed that retirement attitude impacted on personal retirement saving behavior just only 2 dimensions (push factors and able factors). In addition, it showed that first dimension of saving attitude, the cognitive component, influenced on personal retirement saving behavior in all 3 dimensions. The second dimension of saving attitude, the affective component, influenced on personal retirement saving behavior just only 1 dimensions (able factors). Lastly, the behavioral component influenced on only 2 dimensions of personal retirement saving behavior (pull factors and able factors). As a results of this study, it can be applied and used by parents to teach their children about the advantages from saving money. Saving attitude and retirement saving behavior for the future is likely to become a habit. As well as providing financial knowledge, financial management, and financial skills for everyone, since they were young through retirement age. Therefore, to promote saving plan and saving habit for kids are the key to build a strong financial status. However, there are some suggestions for the future studies that the samplings are to be changed. In this study, a sample is a person who works in a government agencies. If a researcher changes a sample to be a group of respondents who work in private company. The results of the study maybe show an important and different findings. Moreover, there are more variables that have the influence over saving attitude or personal retirement saving behavior. Findings maybe more interesting and getting more impacts.

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