FACTORS AFFECTING THE SAVING BEHAVIOUR OF TAJ INTERNATIONAL COLLEGE STUDENTS

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ABSTRACT*: This paper seeks to examine the saving behaviour among TAJ International College students. The study is used primary data by questionnaires. Convenience sampling method is used in collecting the data and the results compiled by using SPSS software system. Accordingly, this study appears for the purpose of investigating how three factors, namely financial literacy, parental socialization and peer influence affect saving behaviour based on the Theory of Planned Behaviour (TPB).*

KEYWORDS – *Financial Literacy, International College, Peer Influence, Saving Behaviour*

I. INTRODUCTION

The development of educational services in Malaysia resulted in the establishment of many universities as well as private colleges. The number of students registered in the IPTA and IPTS has increase by 3.75% from year 2011 to 2012 (Quick Facts 2014 Malaysia Educational Statistics, Ministry of Education Malaysia). Increase in tuition and cost of living expenses forces parents to save extra money to send their children to college. On the other hand, the accessibility of educational loans makes it easier for students to continue their education to the highest degrees. For the majority of students, admission to college means the first time they are financially independent and free of parental supervision.

In Malaysia, the educational loan was introduced in 1996 to provide more opportunity to more students to afford university education. University students are becoming one of the important segments of population since they will be the future leader of the nation. Henry, Weber and Yarbrough (2001) concluded that university students are vulnerable to financial crisis and this was further confirmed by So-Hyun Joo and associates (2003). University student's financial behaviour while studying can be a reflection of their behaviour when they enter the job market. In addition, how they financially behave depend on how much money they received. The saving behaviour of college students is the primary focus of this paper. With the growth of educational services in Malaysia, university and college students become one of the most important market segments for two reasons. First, this group has a high purchasing power especially with the accessibility of educational loans. The convenience of educational loans is designed to address the financial limitations among students to facilitate them to concentrate on their studies. Second, this is the segment of the population who has the prospective of making a greater income than any other segment of the population. It is hypothesized that knowing students' financial problems can help educators develop appropriate programs to formulate them to manage their money while in college and provide them with basic financial management skills before entering the labour force.

In order to have understanding about the impacts of money on the TAJ International College students, it is necessary to consider the concept of money among other communities. As stated in Ware (2012), money psychology may be the topic which attracts the least attention as well as studies or researchers.

Nowadays, price of goods and services become more expensive and its difficulties to predict. Financial management is important to face the phenomenon that occur in develop country like Malaysia. Moreover, Malaysian Department of Insolvency had reported a total of 224943 individual bankruptcy cases from 1990 to 2010 and this number keeps increasing from year to year. Most worries are that the number is coming from young adult which is below age 30. Statistic from Bank Negara Malaysia (BNM) show that, bankruptcy cases keep increasing year to year. In year 2005, 15868 bankruptcy cases were recorded, 13590 cases (2006), 13238 cases (2007), 13855 cases (2008), 16228 cases (2009) and 18119 cases (2010) and 17650 cases (2011). By referring the ethnic group in Malaysia, Malay citizen has highest percentage of bankruptcy cases for year 2012 follow by Chinese, Indian and Others. This situation is not good sign for a developing country like Malaysia, since it might affects the economic performance of the country in the long term.

The “Asian Survey Monitor” conducted by HSBC Bank in 2010 also reported a lower personal saving rate among Malaysians as they found that average Malaysians only save 25% of their disposable income and 79% of them save merely for rainy day rather than other purposes such as health care, retirements or investment. From the past research, 60% of the respondents reported they are not saving enough and worse is 15% of the respondents do not practise saving. According to Ulkumen, Thomas & Morwitz (2008) wrong prediction is spending may cause lacking saving, lapses in self-control (Baumeister, 2002), over emphasis on the present rather than the future (Lynch & Zauberman, 2006), or culture effects (Briley & Aaker, 2006).

Poor financial planning has been identified as the main contributor to this problem. Early exposure to financial planning is important for the younger generation because they have various obligations such a paying back the loans used to finance their university education even before they graduated. Financial planning is an important aspect of our daily life involving cash flow and liability management. The learning process is actually generated through daily exposure and proper communication and discussion between family members followed by trial and error. Parents believe that the training should start as early as nine years old by giving those allowances. Students that come from families which discuss financial issues and providing more financial advices have better money management skills. They only discuss the financial matters with families and not with close friends. Study on Malaysian students’ supports that parents and family have greatest impact on students’ financial management and savings attitude.

II. LITERATURE REVIEW

This chapter explains the theory applied for the research and discover how each independent variable affects the dependent variable by reviewing past literatures related to the topic. This chapter also includes a proposed conceptual framework developed for the research and hypotheses to be tested.

The word “saving” contained broad-based meaning and numerous explanations. In economic contexts, saving is defined as the residual income after deducting current consumption over a certain period of time (Browning & Lusardi, 1996; Warneryd, 1999). Conversely, saving in psychological context is referred to the process of not spending money for current period in order to be used in future (Warneryd, 1999). In other word, saving behaviour is the combination of perceptions of future needs, a saving decision and a saving action. On the other hand, people are likely to define saving as investing, putting money in a bank account, speculating and paying off mortgages (Warneryd, 1999).

Financial literacy is defined as sufficient knowledge of personal finance facts and terms for successful personal financial management (Garman & Forgue, 1997). Meanwhile, Anthes (2004) defines financial literacy as the ability to read, analyse, manage and communicate about the personal financial conditions that affect the material well-being. Delafrooz and Laily (2011) have conducted a study in Malaysia to examine the degree to which financial literacy influenced the saving behaviour. This research had been conducted via quantitative methodology by distributing self-administered questionnaires to 200 students of TAJ International College. The finding shows that saving behaviour is significantly influenced by the financial literacy whereby individuals with low level of financial literacy are not intended to save and eventually encounter financial problems in future. The study of Hilgert, Hogarth and Beverly (2003) is found to be consistent with the above study.

The researchers found that the correlation between financial knowledge and saving behaviour was significant. Result shows that students obtain higher financial scores (answered the quiz correctly) tend to have higher scores on saving index (achieved more saving practices). Thus, the researchers concluded that increase in financial knowledge can lead to better saving behaviour. In addition, the research of Sabri and MacDonald (2010) also demonstrates that financial literacy had a positive and significant effect on college students’ savings behaviour. The result of this research suggests that participants who have greater knowledge on personal finance tend to engage in effective saving behaviour.

In previous study, Webley and Nyhus (2005) have investigated the concept in respect of parents’ behaviour in influencing the economic behaviour of their children. The results show that parental behaviour and parental orientation have a weak but clear impact on the economic behaviour of their children and in adulthood. The research was conducted in Netherlands with 690 Dutch participants who are 191 husbands, 191 wives, and 308 children aged from 16 to 21. DNB Household Survey (DHS) was used in this research which includes detailed information on financial behaviour and various psychological concepts of the parents and children.

According to Otto (2009), there is empirical evidence that parents can promote the development of skills to their children that are important for saving. The purpose of the research is to investigate the role of parents in developing their children's saving ability and competence in adolescence. A total number of 446 students aged 13 to 14 from Devon, England were included in this research. A questionnaire on money management was given to the students during their normal school lesson. A research was carried out by Furnham (1999) to investigate the saving and spending habits of young people. A total amount of 158 males and 122 females British children and adolescent from South East of England participated in the research. The participants were requested to answer a set of questionnaire and the results showed that most of the children and adolescents' saving behaviour was caused by parental requests and requirements.

A study was done by Erskine, Kier, Leung, and Sproule (2005) to examine further predictors for the saving behaviour of young people. The study was conducted in Toronto, Canada and a total number of 1806 young Canadians aged 12 to 24 participated in this research. According to the economic theory of time preference and psychological theories about adolescent crowds, they predicted that the groups would be more patient and more likely to save money if they are placed high on the adult or academic-oriented dimension while the groups that are placed high on the peer-oriented dimension were expected to be less patient and less likely to save money. Thus, the result indicates that peer influence has an impact on individuals' saving behaviour.

In the study of Duflo and Saez (2001), the researchers found that peer effects play an important role in retirement savings decisions. The survey was conducted in United Stated by using individual data from employees of a large university with 12,172 employees which divided into 358 departments. The purpose of the study was to examine the relationship between role of information and social interaction in retirement plan decision. These findings suggested that members of the same group share a common environment, which may influence their behaviour. The reason is people with similar preferences tend to belong to the same group. Both of these factors generate a correlation between group behaviour and individual behaviour which consequently affect their saving behaviour.

Besides, Beshears, Choi, Laibson, Madrian and Milkman (2010) have conducted a field experiment involving 15000 employees from 500 manufacturing firms in USA about retirement saving behaviour. The population is divided into two major groups which are employees who contributed to company retirement saving plan and employees who had no contribution to the plan. They found that there is a weak correlation between peer influence and retirement saving behaviour as the peer influence only encourages a small amount of co-workers to participate in the retirement saving plan.

III. METHODOLOGY

This is an explanatory study on the determinants of saving behaviour among TAJ International College's students. Quantitative method is employed by the researchers as the empirical assessments consist of numerical measurement and analysis. The researchers has followed a deductive approach by conducting the research based on existing theories and researches (Saunders, Lewis & Thornhill, 2009) to test the relationship between students' saving behaviour and the three factors (financial literacy, parental socialization and peer influence).

According to Burns and Bush (2003), the method of data collection used is determined by the type of data needed and pre-set research design. The two types of data are primary data and secondary data. In this research, primary data collection method is used to obtain information and opinions directly and specifically from the university students in Malaysia (Saunders et al., 2009). Primary data ensures the most up-to-date information and realistic view to answer the hypotheses and research questions (Saunders et al., 2009). In the research, the primary data is collected via survey questionnaire technique which required less skill and sensitivity (Jankowicz, 2005). To increase the response rate, the researchers distribute and collect the self-administered questionnaires to and from the target respondents after they answered the questionnaires.

Sampling design is a process to select an appropriate amount of units from the population of interest to provide accurate information about the entire population (Hair, Babin, Money, & Samouel, 2003). The target population is defined as the entire group of people the researcher is interested in (Easton & McColl, 1997). The target population for the research is degree and diploma students of TAJ International College in Ipoh. A sampling frame is irrelevant for the study as it employs a nonprobability sampling method (Saunders et al., 2009). Meanwhile, about 200 students has been chosen as the respondent in this study as sampling locations.

The target respondents are students who enrolled in different qualifications and courses of study at the selected universities. Since they are varied in personality and views, a more accurate and generalize results can be obtained. Non-probability sampling technique is employed in the research as it ensures good estimates of the population characteristics (Malhotra, 2010). The researchers adopt convenience sampling method to obtain data. This is the easiest non-probability sampling technique as the sample is selected randomly until the required sample size has been met (Saunders et al., 2009). Therefore, the questionnaires will be distributed to the university students haphazardly to the amount equal to the sample size. 200 sets of questionnaire distributed are returned from the respondents and the data is processed via SPSS. The purpose is to ensure the data are in the standard of quality. The process includes checking, editing, coding and transcribing. Initially, the researchers check and review each questionnaire to verify its completeness and incomplete questionnaire will be discarded. No amendment is required as there is no missing data. Thus, the researchers further proceed to coding process by identifying and assigning a numerical score or other character symbols to the data. For instance, for the gender of respondents in Section A, male has been coded as "1" while female as "2". Lastly, the data are entered and transformed into a more suitable format for data analysis.

Data analysis enables describing and comparing variables numerically which enhances the statistical analysis and data interpretation (Saunders et al., 2009). Mean, median and mode are used to measure the central tendency while standard deviation, variance and skewness are used to measure variability of the data. Additionally, pie charts are inserted to make the data more understandable and effectively communicate with the readers in visually appealing way (Hair, et al., 2003). All the data obtained from the questionnaires collected are interpreted and summarized in average, frequency distribution and percentage distribution (Zikmund, 2003).

Reliability analysis is a test of Cronbach's alpha to ensure the measurements are free from bias in order to obtain consistent results (Sekaran, 2003). The test of Cronbach's alpha value is appropriate for multi- scaled items and is a perfectly adequate index of the inter-item consistency reliability (Cavana, Delahaye, & Sekaran, 2001). The coefficient alpha value is range from zero (0) to one (1) whereby value less than 0.60 indicate unsatisfactory internal consistency reliability (Hair et al.,2006; Malhotra, 2010).

The assumption of normality is a perquisite for inferential analysis such as Multiple Regression Analysis (Coakes, Steed, & Ong, 2010). Skewness and kurtosis are used for normality test in this research. According to Coakes et al. (2010), skewness and kurtosis refer to the shape of the distribution. If the observed distribution is exactly normal, there will be a zero value for skewness and kurtosis. Positive value for skewness and kurtosis represent a distribution is positively skewed and is more peaked than a normal distribution. In contrast, negative value for skewness and kurtosis indicate the distribution is negatively skewed and is flatter. Skewness and kurtosis of all variables must not exceed the absolute value of ± 1 in order to satisfy the assumptions of multivariate model (Sit, Ooi, Lin, & Chong, 2009). Inferential analysis is used to test the hypotheses developed for the research by investigating the relationships between the four independent variables (financial literacy, parental socialization and peer influence) and dependent variable (saving behaviour). The inferential analyses included are Pearson Correlation, Multicollinearity and Multiple Linear Regression.

Pearson correlation is a statistical test that assesses the strength of the relationship between two numerical data variables (Saunders et al., 2009). Therefore, the relationship of independent variables and dependent variable is measured via Pearson Correlation. The significance level is 0.05 in the Pearson Correlation test, which means there is 95% of confidence level. Therefore, the hypotheses only can be accepted if the significant p-value is less than 0.05 (Malhorta, 2010). Multicollinearity test is applied to measure the extent to which two or more independent variables are correlated with each other (Saunders et al., 2009). (Hair, Anderson, Tatham, & Blank, 1998) proposed that the inter correlations among the independent variables should not exceed 0.90, otherwise, the multicollinearity is exists and one of the highly correlated variables have to be removed.

Multiple regression analysis is conducted to determine the relationship between two or more independent variables and one dependent variable by calculating the coefficient of multiple determination and regression equation (Saunders et al., 2009). Practically, multiple regression analysis provides an understanding on whether there is a relationship exists between the independent variables and dependent variable, how strong the relationship is, whether the relationship is positively or negatively skewed and the proper way to describe the relationship (Hair et al., 2006). The strength of the relationship between independent variables and dependents is determined by the coefficient of determination (r2) as it measures the proportion of the variation in a dependent variable that can be explained by the independent variables. In other word, how well the saving behaviour of university students in Malaysia (dependent variable) can be explained by the financial literacy, parental socialization and peer influence.

ANOVA is a hypothesis-technique that used by the researchers to test whether there is significant variance in means occurs between three or more groups. In other words, it evaluates if there is a difference among the means of the groups. This test must have dependent variable in metric which is saving behaviour in this case. The following formula is known as F-test which is used to determine the degree of variability in the scores of one sample to the scores of another sample.

$$F = \frac{\text{Variance-between-group (SSB)}}{\text{Variance-within-groups (SSE)}}$$

The following equation is formed to determine the statistical significance of each independent variable on the dependent variable.

Equation: $Y= a + b1X1 + b2X2 + b3X3 + b4X4$

IV. FINDING

Frequency analysis

Frequencies simply refer to the number of times various subcategories of a certain phenomenon occur, from which the percentage and the cumulative percentage of their occurrence can be easily calculated, (Sekaran & Bougie, 2013). For this part, the frequency distribution that is represent is based on Section A in the questionnaire where it includes demographic profile such as gender, age, marital status, course of study and engagement in part-time job.

Respondent Demographic Profile

The research shows that majority of the respondents are female (53%) while male (47%) represents the minority and the respondents fall into the age group of 19 to 20 years old (43%). Followed by the age group of 21 to 22 years old (24.5%) and 18 and below (20%) and 23 years old and above (12%). The result also demonstrates that almost all the respondents (98%) are single whereas only 2% of respondents are married. The percentage of respondents based on Engagement in part-time job shows that 81% of the respondents did not engage in part-time whereas 19% reported that they engaged in part-time.

Normality and Reliability Analysis

The skewness and kurtosis statistics show the data distribution pattern. A 100% normal distribution has skweness and kurtosis values of zero (0). Skewness indicates a skewed distribution. A position value shows a positively skewed graph, whereas a negative value shows a negative skew. Kurtosis shows the height of the distribution (high or low). A positive kurtosis shows a high distribution curve (leptokurtic) and a negative kurtosis value shows a low distribution curve (platykurtic). For the data to be normally distributed, the skweness and kurtosis values should be in the range of -1.96 to +1.96. In this case, the distribution of data is normal because both skewness (0.295) and kurtosis (-0.618) values are within the normal distribution.

Descriptive statistical analysis

Data analysis enables describing and comparing variables numerically which enhances the statistical analysis and data interpretation (Saunders et al., 2009). Mean, median and mode are used to measure the central tendency while standard deviation, variance and skewness are used to measure variability of the data. Additionally, pie charts are inserted to make the data more understandable and effectively communicate with the readers in visually appealing way (Hair, et al., 2003).

Table: Descriptive statistic

	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
FinancialLiteracy	3.4786	.60368	.364	.272	.172	.305	.342
SavingBehaviour	3.7725	.60043	.361	.295	.172	-.618	.342
PeerInfluence	3.8510	.55165	.304	-.160	.172	-.551	.342
ParentalSocialization	3.9800	.61166	.374	-.332	.172	-.486	.342
Valid N (listwise)							

The above table shows descriptive analysis of financial literacy, parent socialization and peer influence (independent variables) and saving behaviour (dependent variable). The descriptive analysis, parental socialization has a highest mean which is 3.9800. It indicates that parent socialization have strongest influence towards saving behaviour among student of TAJ International College. Moreover, peer influence has second higher which is 3.8510. It indicates that peer influence has strong influence toward saving behaviour among student of TAJ International College. Lastly, financial literacy had meant which are 3.4786.

Reliability Analysis

Cronbach's alpha is reliability coefficient and indicates how well the items in a set are positively correlated to one another. Also it computed in the term of average intercorrelations among items measuring concept where the closer cronbach's alpha is to 1, the higher the internal consistency reliability (Sekaran & Bougie, 2013). Below stated the thumbs of rules for reliability which taken from. (Zikmund, 2003).

Table: Summary of Reliability Statistics

Construct	Cronbach's Alpha	Number of Items	Relationship
Financial Literacy (IV1)	0.784	7	Acceptable
Parental Socialization (IV2)	0.802	8	Good
Peer Influence (IV3)	0.671	5	Acceptable
Saving Behaviour (DV)	0.845	8	Good

The research instrument was tested for reliability using the Cronbach's coefficient as reported in the above table. The Cronbach's alpha for all dimensions are exceeding the minimum alpha value of 0.60 (Hair et al., 1998), thus the construct measures are deemed reliable and all items in the construct measures are retained. In order to gather the information regarding financial literacy that influence saving behaviour among students TAJ International College, 7 questions are used using Likert Scale Model. Cronbach's alpha found in this section is 0.784 which fall into acceptable range. Therefore, coefficient obtained from this section is reliable and acceptable.

Secondly, to examine parental socialization may influence saving behaviour among students TAJ International College, 8 questions are used Likert Scale Model. Cronbach's alpha found in this section is 0.802 which fall into good range. Therefore, coefficient obtained from this section is reliable and acceptable. Thirdly, to examine peer influence may influence saving behaviour among students TAJ International College, 5 questions are used Likert Scale Model. Cronbach's alpha found in this section is 0.671 which fall into acceptable range. Therefore, coefficient obtained from this section is reliable and acceptable.

Lastly, to examine the dependent variable, 8 questions are used Likert Scale Model. Cronbach's alpha found in this section is 0.845 which fall into good range. Therefore, coefficient obtained from this section is reliable and acceptable. Pearson correlation coefficient (r) is a technique for investigating the relationship between two variables. Also it measures the strength of the association between dependent variable and independent variable (Sekaran & Bougie, 2013). According to Burn & Bush (2006), the range Pearson coefficient for positive relationship between +0 and +1 and for negative relationship between -0 and -1.

Table: Summary of Pearson Correlation Analysis

Correlations

		Saving Behaviour	Peer Influence	Parental Socialization	Financial Literacy
Saving Behaviour	Pearson Correlation	1	.096	.430**	.529**
	Sig. (2-tailed)		.177	.000	.000
	N	200	200	200	200
Peer Influence	Pearson Correlation	.096	1	.069	.023
	Sig. (2-tailed)	.177		.329	.747
	N	200	200	200	200
Parental Socialization	Pearson Correlation	.430**	.069	1	.412**
	Sig. (2-tailed)	.000	.329		.000
	N	200	200	200	200
Financial Literacy	Pearson Correlation	.529**	.023	.412**	1
	Sig. (2-tailed)	.000	.747	.000	
	N	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed).

According to above table, Financial Literacy, Parental Socialization and Peer Influence (independent variables) have a positive relationship with saving behaviour (dependent variable). Financial literacy has the strongest relationship with saving behaviour (r = 0.529) and have a significant value (p-value = 0.000). It show that the Pearson correlation has a strong positive linear correlation because the value indicates 0.529 near to 1, where coefficient correlation are in range 0.5 < r < 1. Followed by the parental socialization (r = 0.430) and have a significant value (p-value = 0.000). It show that the Pearson correlation has a strong positive linear correlation because the value indicates 0.430 near to 1, where coefficient correlation are in range 0.5 < r < 1.

Then followed by peer influence (r = 0.096) and is not significant (p-value = 0.177). It show that the Pearson correlation has a positive linear correlation because the value indicates 0.096 near to 1, where coefficient correlation are in range 0.5 < r < 1. On the other hand, the hypothesis for Financial Literacy, Parental Socialization and Peer Influence (independent variables) of this study are accepted as the p-values are less than 0.05 (Malhorta, 2010). Multicollinearity occurs when the model includes multiple factors that are correlated not just to the response variable, but also to each other. Multicollinearity increases the standard errors of the coefficients. Increased standard errors in turn means that coefficients for some independent variables may be found not to be significantly different from 0.

Table: Multicollinearity statistics

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.037	.345		3.006	.003		
	FinancialLiteracy	.422	.063	.424	6.655	.000	.830	1.205
	ParentalSocialization	.246	.063	.251	3.924	.000	.826	1.210
	PeerInfluence	.075	.063	.069	1.182	.239	.995	1.005

a. Dependent Variable: SavingBehaviour

The above table shows that the VIF for the financial literacy, parental socialization and peer influence are about 1.205, 1.210 and 1.005 respectively, which indicates some correlation but not enough to be overly concerned about. A VIF between 5 to 10 indicates high correlation that may be problematic.

Multiple Regression Analysis

Table: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.582[a]	.339	.329	.49190

The above table shows the R_2 for this model is 0.339 which indicates 33.90% of the variation in the saving behaviour (dependent variable) can be explained by financial literacy, parental socialization and peer influence (independent variable).

Table: Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.317	3	8.106	33.500	.000[b]
	Residual	47.425	196	.242		
	Total	71.742	199			

a. Dependent Variable: SavingBehaviour

b. Predictors: (Constant), PeerInfluence, FinancialLiteracy, ParentalSocialization

According to table above, the F-value of 33.500 is significant at the 0.05 level. This indicates that the overall regression model with these three independent variables (financial literacy, parental socialization and peer influence) can well explain the variation of the dependent variable (saving behaviour) (Coakes et al., 2010)

Table: Summary of Regression Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.037	.345		3.006	.003
	FinancialLiteracy	.422	.063	.424	6.655	.000
	ParentalSocialization	.246	.063	.251	3.924	.000
	PeerInfluence	.075	.063	.069	1.182	.239

a. Dependent Variable: Saving Behaviour

An equation is formed based on the above table to determine the statistical significant of each independent variable on the dependent variable.

Equation: $SB = 1.037 + 0.422FL + 0.246PS + 0.075PI$

According to the results, financial literacy ($\beta = 0.422$) has the greatest impact on saving behaviour. This can be explained as every unit increase in financial literacy will increase of 0.422 units in saving behaviour, holding other variables constant. Subsequently, parental socialization ($\beta = 0.246$) has the second strongest impact. In contrast, peer influence ($\beta = 0.075$) has the most insignificant impact on saving behaviour whereby saving behaviour only increase 0.075 units for every unit increase in peer influence.

V. CONCLUSION AND RECOMMENDATION

In this research, it studies on the relationship between all the three factors or independent variables which are financial literacy, parental socialization and peer influence with saving behaviour. From the finding, all the independent variables which are financial literacy, parental socialization and peer influence have a positive and significant relationship with saving behaviour. Moreover, in descriptive analysis, parental socialization has highest mean which is 3.9800. It indicates that parental socialization has the strongest influence towards saving behaviour among student of TAJ International College. Thus, financial literacy has the strongest relationship with saving behaviour ($r = 0.529$) and have a significant value (p-value = 0.000). It shows that the Pearson correlation has a strong positive linear correlation because the value indicates 0.529 near to the 1, where coefficient correlation are in rang $0.5 < r < 1$.

Based on the result in previous chapter, there is sufficient evidence to conclude that the financial literacy has a significant relationship with saving behaviour among student of TAJ International College ($p < 0.05$). This finding indicates that the students with higher level of financial literacy are more likely to save. It is found consistent with the research of Sabri et al. (2010) which revealed that financial literacy is significantly related to college students' saving behaviour in a positive magnitude. Other researchers such as Delafrooz et al. (2011) and Hilgert et al. (2003) also proved that individual's saving behaviour is significantly influenced by the financial literacy. Therefore, students who have higher level of financial literacy are more likely to save as they have the ability identify the importance and knowledge of savings.

Furthermore, the finding shows that parental socialization and saving behaviour are positively related ($p<0.05$). The result obtained is agreed with the studies of Webley et al.(2005) which concluded that parental orientation have a clear impact on the saving behaviour of children. In addition, both studies of Otto (2009) and Furnham (1999) also supported the above hypothesis as they also found that parents have significant influence over the saving behaviour of their children. Hence, parental socialization is inevitable in guiding and encouraging their children to save.

Meanwhile, the finding also proves that there is a positive relationship between peer influence and saving behaviour ($p<0.05$) and this is corroborated by the results from the past study conducted by Erskine et al. (2005) which focused on the predictors of young people's saving behaviour in Canada. However, the results do not consent with the studies of peer influence by Duflo et al. (2001) and Beshears et al. (2010) which proved that individuals' behaviour is likely to be influenced by peer because peer is the salient referent to an individual and one can be easily influenced by peer's behaviour.

Recommendations

According to the law of large numbers, larger sample size is more likely to be representative and the sample mean is more likely to equal the population mean (Saunders et al., 2009). Therefore, future research are recommended to draw a larger sample size to generate a more accurate and representative manners (Lim et al., 2011). Meanwhile, the samples should be drawn from multiple geographical locations in Malaysia including East Malaysia, possibly from other countries in the Asia-pacific region given that the students' perceptions and attitudes towards savings are likely to vary across countries or cultures throughout the world.

The future research is suggested to conduct a longitudinal research to observe the saving behaviour of university students over time. This would facilitate the researchers to gain valuable data which would provide a robust finding on how each factor affecting the students saving behaviour. Given the study is insufficient to explain all the systematic variance, future studies are recommended to comprise mediating factors to better explain the relationship between independent variables and dependent variable.

Hence, behavioural intention is suggested to be included as a mediating variable in future study as it can explain a person's readiness to perform a given behaviour (Ajzen, 1991). For instance, perhaps a student with high level of financial literacy and self-control is not likely to foster a saving behaviour because he or she does not have the intention to save. In other words, the saving behaviour is established only if the intention to save is formed, and the intention to save is typically affected by other independent variables such as financial literacy and self-control. Therefore, mediating variable can ensure the future researchers to certainly conclude upon the relationship between independent and dependent variables.

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