

# **THE FINANCIAL BEHAVIOR AMONG MALAYSIAN PUBLIC SERVANTS**

**By**

**ZAFIRAH BT MOHD MANSOR**

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## ABSTRACT

This study aims to examine the relationship between financial behavior among public servants in Putrajaya with the level of financial literacy and demographic characteristics of respondents. The study covers a population of about 1500 civil servants. A total of 167 respondents participated in this study. Descriptive analysis was performed to analyze the correlation analysis in order to examine the relationship between levels of financial literacy and financial behavior of Malaysian public servants. ANOVA and T-test technique used to study the significant differences in financial literacy between the demographic factors. The chi-square analysis also conducted to measure the relationship between financial knowledge and the demographic factors. The results show that there are correlation exists between the level of financial literacy and the financial behavior among Malaysian public servants. However, there were mixed results between the demographic factors and the level of financial literacy among the participants.

**Keywords:** Financial Literacy, Financial Behavior, Public Servants, Civil Servants

## ABSTRAK

Kajian ini bertujuan untuk menguji hubungan di antara tingkah laku kewangan di kalangan penjawat awam di Putrajaya dengan tahap celik kewangan dan faktor demografi responden. Kajian ini meliputi populasi penjawat awam seramai 1500 orang. Seramai 197 orang responden mengambil bahagian dalam kajian ini. Analisis diskriptif dilakukan untuk mengkaji hubungan di antara kadar celik kewangan dan tingkahlaku kewangan di kalangan penjawat awam di Malaysia. ANOVA dan Ujian-T digunakan untuk mengkaji perbezaan yang signifikan tahap celik kewangan di antara factor-faktor demografi. Analisis khi-kuasa dua juga dijalankan untuk mengukur hubungan antara pengetahuan kewangan dan faktor-faktor demografi.. Hasil kajian menunjukkan bahawa terdapat hubungan yang wujud di antara tahap celik kewangan dan tingkah laku kewangan di kalangan penjawat awam Malaysia. Walau bagaimanapun, terdapat hasil yang pelbagai antara tiga faktor demografi dan tahap celik kewangan di kalangan para responden.

**Keywords:** Celik Kewangan, Tingkah laku Kewangan, Penjawat Awam

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# TABLE OF CONTENTS

Chapter 1 .....	1
INTRODUCTION .....	1
1.1 Background of Study .....	1
1.2 The Research Problem .....	4
1.3 Purpose/Objective of the Study .....	11
1.4 Research Questions .....	11
1.5 Scope of the Study .....	12
1.6 Significance of the Study .....	12
1.7 Definitions of Key Terms .....	13
Chapter 2 .....	14
REVIEW OF THE LITERATURE .....	14
2.1 Introduction .....	14
2.2 Conceptual Definitions/Evolution of Area of Study .....	14
2.3 Financial Literacy and Demographic Factors .....	20
2.4 Review and Evaluation of Past Relevant and Related Studies .....	20
2.5 Summary .....	21
Chapter 3 .....	23
THEORETICAL FRAMEWORK AND RESEARCH METHODOLOGY .....	23
3.1 Introduction .....	23
3.2 Research Framework/ Model .....	23
3.3 Hypotheses Development .....	24
3.4 Research Approach .....	25
3.5 Questionnaire/ Instrument .....	26
3.6 Data Collection Method .....	28
3.7 Statistical Methods/ Analysis .....	31
3.9 Summary .....	31

Chapter 4.....	32
DATA FINDINGS AND ANALYSIS .....	32
4.1 Introduction.....	32
4.2 Demographic Characteristics of the Respondents .....	32
4.3 Reliability Test.....	34
4.4 Descriptive Analysis .....	35
4.5 Financial Literacy and Financial Behavior .....	36
4.6 Financial Attributes and Demographic Factors .....	37
4.7 Financial Knowledge and Demographic Factors .....	42
4.8 Summary .....	56
Chapter 5.....	57
DISCUSSION AND CONCLUSSION .....	57
5.1 Introduction.....	57
5.2 Financial Literacy Level .....	57
5.3 Financial Literacy and Financial Behavior .....	58
5.4 Financial Literacy and Demographic Factors .....	59
5.6 Implications .....	63
5.6 Study Limitations.....	64
5.7 Future Research .....	64
5.8 Conclusion .....	65
REFERENCES .....	67
APPENDICES .....	71

## LIST OF TABLES

Table 1.1: Serious Debt Data among Public Servants in 5 Years.....	5
Table 4.1: Demographic Characteristics of Respondents .....	33
Table 4.2: Reliability coefficients for the variables.....	35
Table 4.3: Descriptive for the major variables.....	36
Table 4.4: Correlations between Variables .....	37
Table 4.5: Differences between gender and Financial Attributes.....	39
Table 4.6 : Differences in Financial Literacy based on Academic Qualification.....	40
Table 4.7: Differences Financial Literacy based on age group .....	40
Table 4.8 : Differences in Financial Literacy based on Length of Service.....	41
Table 4.9 : Differences in Financial Literacy based on Service Grade .....	42
Table 4.10 : Mathematical Ability between Genders .....	43
Table 4.11 : Inflation knowledge between Genders .....	43
Table 4.12 : Interest rate knowledge between Genders .....	43
Table 4.13 : Compounding interest knowledge between Genders .....	44
Table 4.14 : Financial Risk knowledge between Genders.....	44
Table 4.15 : Diversification of Risk knowledge between Genders .....	44



Table 4.16: Mathematical Ability between Academic Qualification Groups.....	46
Table 4.17 : Inflation knowledge between Academic Qualification Groups.....	46
Table 4.18 : Interest rate knowledge between Academic Qualification Groups .....	47
Table 4.19 : Compounding rate knowledge between Academic Qualification Groups .....	47
Table 4.20 : Financial Risk knowledge between Academic Qualification Groups .....	47
Table 4.21 : Inflation concept knowledge between Academic Qualification Groups .....	48
Table 4.22 : Risk Diversification knowledge between Academic Qualification Groups .....	48
Table 4.23: Mathematical Ability between Age Group.....	49
Table 4.24 : Inflation knowledge between Age Group.....	49
Table 4.25 : Interest rate knowledge between Age Group.....	49
Table 4.26 : Compounding interest knowledge between Age Group.....	50
Table 4.27 : Financial risk knowledge between Age Group.....	50
Table 4.28 : Risk diversification knowledge between Age Group .....	50
Table 4.29 : Mathematical Ability between Length of Service Groups .....	51
Table 4.30 : Inflation concept knowledge between Length of Service Groups.....	52
Table 4.31 : Interest rate knowledge between Length of Service Groups .....	52
Table 4.32 : Compounding interest knowledge between Length of Service Groups .....	52

Table 4.33 : Financial Risk knowledge between Length of Service Groups .....	53
Table 4.34 : Risk Diversification knowledge between Length of Service Groups.....	53
Table 4.35 : Mathematical Ability between different Service Grade .....	54
Table 4.36 : Inflation knowledge between different Service Grade .....	54
Table 4.37 : Interest rate knowledge between different Service Grade .....	54
Table 4.38 : Compounding interest knowledge between different Service Grade .....	55
Table 4.39 : Financial Risk knowledge between different Service Grade.....	55
Table 4.40 : Risk Diversification knowledge between different Service Grade.....	55

## LIST OF FIGURES

Figure 3.1: Theoretical Framework .....	23
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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

As the revolution of financial markets grow faster than before, it now becomes increasingly necessary for consumers to be more conversant and competent in managing their finances. This is because changes in financial markets have resulted in the availability of a wider selection of financial products and services, making financial decisions more complicated. Easier access to credit cards, deregulation of financial markets, and technological improvements in the way financial services are distributed have undoubtedly left many consumers with a confusing array of investing opportunities and decisions to be made. Furthermore, if the consumer themselves did not prepare for the rapid changes happen in financial market, they probably will face with a lot of stress resulted from their illiteracy of the financial matters (Choi, 2009). All the financial problems faced by an individual might have a chain effect and create another problem in family and society. All of these issues in turn potentially lead to bigger problems, such as borrowing money without a license, blacklisted, litigation and bankruptcy.

For example, a report issued by the Malaysian High Court revealed that during the year 2009 alone, approximately 1,086 civil servants have been declared bankrupt (Berita Harian, 3 March 2011). The number of the cases reported had been increased a year after when 2,011 civil servants had been declared bankrupt (Berita Harian, 2 November 2012). Deputy Prime Minister (then) in the Prime Minister's Department

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