



SELF-EFFICACY AND SAVING BEHAVIOR AMONG STUDENTS IN A LOCAL COLLEGE

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Article DOI: <https://doi.org/10.36713/epra16035>

DOI No: 10.36713/epra16035

ABSTRACT

This descriptive-correlational study aimed to determine the level of self-efficacy and saving behavior among students in a local college. The study involved 318 respondents who were selected via random sampling. Survey forms on self-efficacy and saving behavior were willingly answered by the students. The results of the study found that the self-efficacy of the students in terms of generality, magnitude, and strength has a descriptive equivalent of high. It also revealed that the level of saving behavior of the students has a descriptive equivalent of high, which includes the saving aims, saving consistency, and saving attitude. Moreover, the study showed that there is a significant relationship between self-efficacy and saving behavior among the study respondents.

KEYWORDS: *self-efficacy, saving behavior, quantitative research, Philippines*

INTRODUCTION

The ability to save money is crucial for individuals as it enables them to develop effective financial skills and make informed decisions regarding their future financial well-being. It is essential for individuals to cultivate appropriate and successful saving behavior, as this contributes to the overall economic growth and development. By fostering saving habits, individuals gain better control over their spending patterns and acquire valuable knowledge on how to make wise financial choices (Ariffin et al., 2017).

In the international setting, particularly in Kenya, saving behavior was believed to be one of the important factors that could uplift the lives of an individual. However, some people vary their saving behavior based on some factors such as their tendencies to adopt certain beliefs of saving for retirement, for financing expenditures like buying lands and houses, educational plan or saving for the sake of having money. With this, saving behavior became a problem in Kenya because individuals usually depend their saving behavior on how they believe on themselves in attaining such goals. Further, students experience issue about their saving behavior because, nowadays, students just aggressively spend on non-academic purposes. Due to this behavior, students need to be educated about having self-efficacy to be financially literate on the proper way of attaining saving behavior (Njenga, 2018).

In the Philippine setting, a nationwide survey on Consumer Expectations conducted by the Bangko Sentral ng Pilipinas in 2018 revealed that the third quarter of that year shows a lower saving rate among Filipinos than the second, which was 37.3 percent. According to the study, Filipinos are large net consumers who spend more than half of their money to spend immediately on themselves or their families rather than saving a portion of it. These problems are also proven from some previous studies conducted where they point out that the saving behavior of individuals particularly the students is affected on how they trust and believe in their ability when it comes to saving (BSP, 2018).

The results of this study would be used not only as a model for future research but also as a reference for establishing their own foundation. It may also establish the groundwork for a more comprehensive understanding of the importance of self-efficacy and saving behavior. Thus, this research will help students to determine the



factors of self-efficacy that will influence their behavior when it comes to saving. With the outcome of the study, it is helpful to know what factors can be able to perform in order to positively influence the saving behavior. Finally, the researcher considered the study's overall value and importance, noting that the results and findings would provide business' students, and future researchers with information on different factors of self-efficacy that contribute to the saving behavior of students.

Several studies have been conducted to quantify the influence of self-efficacy and saving behavior such as the study of Gutter et al. (2015) that focuses on middle- and low-income households of USA, the study of Nugroho et al (2017) which focuses on Islamic Banks, and the study of Asebedo et al. (2018) which centers on U.S. pre-retirees. However, there were limited studies regarding the research topic of this paper. Thus, this filled the gap in literature relevant to the relationship of self-efficacy and saving behavior of college students. In the context of this study, the researchers are very interested to pursue this study.

Research Objectives

The purpose of this study was to determine the significant relationship of self-efficacy and saving behavior among the students in a local college in the Province of Davao del Norte.

To be specific, this study sought to answer the following objectives:

1. To describe the level of self-efficacy of students in terms of:
 - 1.1 generality;
 - 1.2 magnitude; and
 - 1.3 strength.
2. To describe the level of saving behavior of students in terms of:
 - 2.1 saving aims;
 - 2.2 saving consistency; and
 - 2.3 saving attitude.
3. To determine the significant relationship between self-efficacy and saving behavior among the respondents of the study.

Hypothesis

The null hypothesis which was tested at 0.05 level of significance stated that there was no significant relationship between self-efficacy and saving behavior among the students in a local college.

Theoretical Framework

The current study drew its theoretical framework from Bandura's (1977) Social Cognitive Theory, which highlights the dynamic interplay between personal factors and behavior. The theory identifies various influential factors that shape human behavior. One such factor that aligns with the focus of this study is self-efficacy, which pertains to individuals' beliefs in their ability to perform specific actions necessary to achieve desired outcomes. When individuals possess higher levels of financial self-efficacy, they exhibit greater motivation to overcome financial challenges.

METHODS

Research Design

The researchers used quantitative research utilizing a descriptive-correlational approach. This design was utilized by the researchers because the study tries to determine the significant relationship between self-efficacy (independent variable) and saving behavior (dependent variable). A statistical assessment of the correlation between the variables was offered by this design. This is due to the fact that while a variable may be related to or have a correlation with another one, it does not always result in a change in the other variable.

Quantitative research involves the collection and analysis of numerical data. This data can be applied to larger populations to identify patterns, calculate averages, make predictions, explore cause-and-effect relationships, and test hypotheses. In contrast to qualitative research, which focuses on non-numerical data, quantitative research relies on numerical data for analysis (Bhandari, 2020).

In a descriptive-correlation study, the main goal is to describe the connections between the variables without attempting to demonstrate a causative connection. It is a type of quantitative analysis without an experimental component. In a correlation project, measure the variables without changing them. Without influencing or



modifying any of the variables, the correlative study approach looks at the associations between two or more different variables (Noah, 2021).

This design provided a statistical measure of the relationship between the variables. This is because a variable may have a correlation with another variable or be related to it, but it does not always cause a change in the other variable.

Research Locale

This study was conducted in a local college in the Province of Davao del Norte, Philippines. It is a college that was supported by the community and the local government unit. It is an accredited institution by the Commission on Higher Education and Association of Local Colleges and Universities (ALCUCOA). This study involved the college students of the said institution coming from different programs such as teacher education, public administration, criminology, agriculture, business administration and office administration.

Population and Sample

The respondents of the study were the college students in their 1st semester of the school year 2022-2023. Out of 1,540 students in the programs offered in the same institution, a sample of 318 students were determined via random sampling.

Research Instrument

The researchers utilized two sets of adapted questionnaires. One is that of Bandura (1997) for the independent variable which self-efficacy, while the other one is that of the dependent variable or saving behavior which was adapted from Mpaata (2021).

Data Collection

In gathering data, the researchers performed the following steps.

Seeking the Permission to Conduct the Study. The researchers requested permission to conduct the study from the College President through a letter to allow the researchers in disseminating the questionnaires to them. The researchers followed the safety precautions mandated by IATF (COVID-19 Inter-Agency Task Force for the Management of Emerging Infectious Diseases Resolutions) on wearing of face mask and applying alcohol, aside from other sanitation process.

Distribution and Retrieval of the Questionnaire. Upon the approval of the College President, the researchers personally distributed the research instruments to the respondents.

Collection and Tabulation of the Data. After the research instrument was retrieved and checked, it was all gathered together for the tabulation of the data gathered.

Statistical Tools

The following statistical tools were used to measure the data in this study.

Mean. This was used to determine the level of self-efficacy and saving behavior among the respondents of the study.

Pearson r. This was used to determine the significant relationship between self-efficacy and saving behavior among the respondents of the study.

RESULTS

Summary of the Level of Self-efficacy of Students

Presented in Table 1 was the overall level of self-efficacy of the respondents. The self-efficacy of the students has an overall mean of 3.73 with a high descriptive equivalent, which means that all of the indicators of self-efficacy are oftentimes manifested. Data showed that the highest mean was garnered by generality with a mean of 3.77 with a descriptive equivalent of high. This indicated that the students' level of self-efficacy in terms of generality was oftentimes manifested. On the other hand, magnitude has a mean of 3.75 and strength has a mean of 3.67 which both have the descriptive equivalent of high. It means that the students' level of magnitude and strength are oftentimes manifested.



Table 1
Summary of the Level of Self-efficacy of Students

Indicators	Mean	Description
Generality	3.77	High
Magnitude	3.75	High
Strength	3.67	High
Overall	3.73	High

Summary of the Level of Self-efficacy of Students

Presented in Table 2 was the overall level of saving behavior of the respondents. The saving behavior of the students has an overall mean of 3.73 with a high descriptive equivalent, which means that all of the indicators of the variable are oftentimes manifested. Data showed that the highest mean was garnered by both saving aims and saving attitudes, both with a mean of 3.77 with a descriptive equivalent of high. This indicated that the students' level of saving behavior in terms of saving aims and saving attitudes was oftentimes manifested. On the other hand, saving consistency has a mean of 3.75 with a descriptive equivalent of high. It means that the students oftentimes manifested the quality of saving consistency.

Table 2
Summary on the Level of Saving Behavior

Indicators	Mean	Description
Saving Aims	3.77	High
Saving Consistency	3.66	High
Saving Attitude	3.77	High
Overall	3.73	High

Significant Relationship between Self-efficacy and Saving Behavior

Presented in Table 10 was the result of the test for the significant relationship between self-efficacy with a mean of 3.73 and saving behavior with a mean of 3.73. A total of 0.86 r-value was revealed while the p-value is less than 0.05 which leads to the rejection of the null hypothesis which stated that there is no significant relationship between the variables. This means that self-efficacy has a significant relationship with saving behavior.

Table 3
Significant Relationship between Self-efficacy and Saving Behavior

Variable	Mean	R-Value	P-Value	Decision @ =0.05
Self-Efficacy	3.73	.86***	<.001	H₀ Rejected
Saving Behavior	3.73			

CONCLUSION

Based on the findings of the study, the respondents had a high level of self-efficacy, which means that they oftentimes manifested the indicators of the variable such as generality, magnitude and strength. On the other hand, based on the result, it can also be drawn that the level of saving behavior among the students was high, which means that the respondents oftentimes manifested the indicators of saving consistency which include saving aims, and saving attitude. Overall correlation of the two variables showed a significant relationship between the two variables which are self-efficacy and saving behavior among the college students.

Recommendation

The findings of the study revealed that self-efficacy has a significant relationship on saving behavior. It was suggested that self-efficacy may be improved among the students by empowering them that they have the capacity to save through various financial literacy seminars which can be done in every semester. The college students may also form a small but registered cooperatives as a means of empowering them that they, too, can save even a small portion of their allowance as students.



Additionally, it is recommended for the students to improve their individual belief through prioritizing their needs than wants, avoiding overspending and saving before spending. Also, students may attend and initiate financial literacy caravan to produce specific performance attainments as well as to be aware of their finances, as it will be their guide in their saving and spending activity. Through their belief in their capacity, there will be a big possibility of improvement in their saving behavior. In other cases, if students failed to accomplish their goals because they lose their confidence. Then, they must remember that they have the ability to exert control over their own motivation and behavior. With that, they will regain their confidence that they are able to manage well their finances and do the proper saving and spending.

Lastly, the researchers recommend that future researchers may use this study as their basis. This is not just for the students, but also for other groups of people or even organizations with or without knowledge when it comes to saving. Also, it is recommended that future researchers may explore different variables of self-efficacy that are not covered in the present study to develop a more comprehensive understanding of the relationship between self-efficacy and saving behavior. In addition, the study suggests that future researchers may also be employing qualitative methods in addition to quantitative data analysis techniques to gain more extensive insights into the students' perceptions of self-efficacy and how it influences their saving behavior. Moreover, future studies may collect data from various schools or organizations to increase the scope of the study.

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