

**EFFECTS OF SOCIAL INFLUENCE AND FINANCIAL LITERACY  
ON SAVINGS BEHAVIOR: A STUDY ON STUDENTS**

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fulfilment of the requirements for the Degree of Masters of Business Studies

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## CERTIFICATE OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**EFFECTS OF SOCIAL INFLUENCE AND FINANCIAL LITERACY ON SAVINGS BEHAVIOR: A STUDY ON STUDENTS**” The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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## REPORT OF RESEARCH COMMITTEE

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## APPROVAL SHEET

We have examined the dissertation entitled “*EFFECTS OF SOCIAL INFLUENCE AND FINANCIAL LITERACY ON SAVINGS BEHAVIOR: A STUDY ON STUDENTS*” presented by Ms. Pratibha Laudari for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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## ABBREVIATIONS

AD	:	Anno Domini
ANOVA	:	Analysis of Variance
ATM	:	Automated Tailor Machine
BS	:	Bikram Sambat
e.g.	:	Example
F/Y	:	Fiscal Year
i.e.	:	That is
IN	:	Information
Ltd	:	Limited
MBS	:	Master of Business Studies
OLS	:	Ordinary Least Squares
PF	:	Psychological Factor
RP	:	Regulatory Policies
SD	:	Standard Deviation
SEM	:	Structural Equation Modelling
SI	:	Social Interaction

## ABSTRACTS

The primary goal of the research is to determine which factors have a greater impact on the saving behavior of Nepalese employees by looking at the affects of peers and parents. The aim of this research was to ascertain which factors are more significant in influencing the saving behavior of Nepalese workers and to look into the impact of peers and parents on that behavior. a wide range of demographic characteristics, including age, gender, marital status, education level, monthly income, and monthly savings. Based on replies from 225 respondents, the result was produced. This study's core data, which formed the basis for its results, were acquired through a series of questionnaires. The customer's demographic profile about their saving behavior and peer-influencing factors, as well as their saving behavior and parental-influencing factors, made up the two portions of the questionnaire. This study demonstrates how parents and friends have an impact on the saving behaviors of Nepalese workers. Peer pressure has a significant role in the way the Nepalese employee manages their savings. These days, Nepal's younger generations are becoming increasingly careless with their expenditures. They value money less than previous generations, who are less engaged in the materialistic world. The results of this study imply that while making financial decisions and acting in particular ways, Nepalese employees consider the advice of their parents and friends. Parents need to guide and support their children in this area if they want them to be able to make sensible financial decisions.

Key words: Peer influences, parental influences, financial literacy, self-control, saving behavior

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

The global economy is expanding and changing quickly on a daily basis, with savings being a key component of this expansion and ensuring its continuance. The developing nations are making an effort to stay up with this process of development in order to improve their position in the world of survival. Savings may be used more quickly in this economic growth cycle if they are saved.

In order to develop and practice sound financial skills throughout their life and to help them figure out how to handle any future financial decisions independently, saving behavior is a crucial prerequisite. Saving teaches people how to manage their own consumption and how to make prudent financial decisions (Ariffin et al., 2017). Effective saving habits may be developed by encouraging, mentoring, and disseminating knowledge about money management strategies through the shared impact of friends, family, and coworkers. However, conserving money for the future is a dynamic decision that calls for good behavior (Gerhard et al., 2018). Savings are essential to progress in underdeveloped nations like Bangladesh because they provide a significant push that breaks the vicious cycle of poverty and the so-called equilibrium trap.

Children's first teachers are their parents. The majority of children's habits and implicit socialization are formed through lookalike or mimicking actions, subliminal clues from parent conduct, and the unconscious transmission of norms and hopes (Jorgensen & Savla, 2010). Therefore, a parent's personality, upbringing, culture, ability to influence others, savings habit, and attitude toward money all have a big impact on how their kids behave. For this reason, the researcher also attempted to determine whether or not this variable had an impact on students' saving behaviors.

The main socializing factors that have the biggest influence on a child's development are their parents. They have an impact on people of all ages and cultural backgrounds, especially Nepalese society, which is influenced by eastern traditions and civilizations. In a family system when parents have a high position, it is imperative to respect and accept their instructions. However, as the problems of a borderless world

and increasingly contemporary living styles permeate society, parental influence has become the primary focus due to the gradual appropriation of their function by other socialization agents, such as the media. Without anticipating information from their parents, children are more likely to obtain the most recent information and be exposed to a variety of financial practices through the media. As a result, parents now face more challenges than those of past generations.

Individual decisions and financial management are not the same. Many people and families lack the information and expertise necessary to manage financial decisions, such as asset purchases, short-term savings, retirement savings, borrowing, and spending. Youth are a crucial demographic in the household sector since they are the next generation of leaders and have a lot to offer the process of growth. Long-term effects on the nation's inclusive growth may result from this; therefore, it is important for development to comprehend how various socioeconomic groups save money and how their activities may influence the economy. Therefore, the country's growth and development are facilitated by an awareness of young people's financial conduct.

## **1.2 Problem Statement**

Savings are crucial to sustaining economic expansion. Despite playing a significant role at each of the three levels—household, business, and government—the three organizations are still interconnected. For example, young people who save too little may experience both financial hardship and insufficient emergency reserves, which can worsen anxiety and result in major health issues. Looking at things more broadly, the government won't have enough money to spend in physical and social infrastructure. Money invested in financial assets is routed through financial intermediaries for investments, enhancing the nation's wealth via increased economic development and productivity.

However, it is arguable that the debt issue, especially among young adults in Nepal, is mostly the result of their opulent lives, expenditure on impulsive purchases or needless products, and lack of financial literacy, which drove them to turn to loans in order to meet their demands. Furthermore, the development of technology, especially in the form of online shopping portals that allow users to order products online, earn rewards for their purchases, and have them delivered right to their door, has created a whole new easy and exciting shopping experience.

The younger generations in Nepal are starting to spend more and more carelessly these days. Compared to earlier generations who are less engrossed in the materialistic world, they generally place a lower value on money. Nepal has seen changes in lifestyle and spending patterns as a result of the young generations being given more freedom to buy and choose their own consumption options as the country's standard of living has significantly increased.

Research questions are as follows:

- i. What are the factors influencing financial literacy and the saving behavior of the Nepalese employee?
- ii. What is the relationship between peer influences, parental influences, financial literacy and self-control, and the saving behavior of the Nepalese employee?
- iii. Is there any effect of peer influences, parental influences, financial literacy and self-control on the saving behavior of the Nepalese employee?

### **1.3 Objectives of the Study**

The objectives of the study are as follows:

- i. To describe the factors influencing financial literacy and the saving behavior of the Nepalese employee.
- ii. To examine the relationship between peer influences, parental influences, financial literacy and self-control and the saving behavior of the Nepalese employee.
- iii. To analyze the effect of peer influences, parental influences, financial literacy and self-control on the saving behavior of the Nepalese employee.

### **1.4 Hypotheses**

The purpose of this study is to determine how peer and parental influence affects the saving habits of Nepalese workers. The study's following hypotheses have been put out in light of the aforementioned aims.

According to a research by Jamal et al. (2015), a person's ability to save is significantly influenced by their coworkers. According to Zaihan (2016), there is still a peer socialization component to an individual's savings behavior even when their parents or guardians have instilled in them good financial habits. This is because an individual's savings behavior may be impacted by their peers' discussions of money

management issues and participation in spending activities during social gatherings. According to (Jamal et al., 2015), peer pressure may also have an impact on people's financial behavior. Alwi, Amir Hashim, and Ali (2015) suggested that people are influenced by their peers while making decisions, leading them to put out the following hypothesis:

H1: There is a significant effect of peer influences on the saving behavior of the Nepalese employee.

Webley and Nyhus (2006) found that children's attitudes about money concerns are influenced by their parents' attitudes. Different approaches to parental financial education include setting an example, guiding and talking, forming habits, and fostering independence. The study formulates the following hypothesis in light of it.

H2: There is a significant effect of parental influences on the saving behavior of the Nepalese employee.

An increasing amount of research is pointing to a connection between saving behavior and financial literacy. According to Lusardi and Mitchell's (2011) study, for instance, those who possess greater financial literacy are more likely to save more money, plan for retirement, and make wise investment selections. Cheng and Buckingham (2010) discovered in another study that those who had financial education had greater levels of financial literacy, saved more money, and invested in stocks.

H3: There is a significant effect of financial literacy on the saving behavior of the Nepalese employee.

Numerous research in the fields of behavioral economics and psychology have backed up this theory. For instance, a research conducted in 2004 by Tangney et al. discovered that those who possessed strong self-control also had greater levels of savings, whereas people who lacked self-control had lower levels of saves. In a similar vein, self-control was shown to be a major predictor of saves behavior in a study by Kim et al. (2017), even after adjusting for other variables including income and financial literacy.

H4: There is a significant effect of self-control on the saving behavior of the Nepalese employee.

### **1.5 Rationale of the Study**

Peers and family have a significant impact on an individual's financial literacy, which in turn affects the understanding of financial literacy, particularly in younger generations. The main goals of financial literacy include improved financial decision-making, ongoing wealth building, and financial planning. However, owing to ignorance and personal issues, people frequently become financially illiterate. These circumstances lead to the younger generations making poor financial decisions and insufficient awareness of financial matters.

The effects of peers, parents, financial literacy, and self-control on the saving behavior of Nepalese employees have all been studied very little in the context of Nepal, and I have not come across any studies that are especially undertaken on this subject.

### **1.6 Limitations of the Study**

The limitations of the study are as follows:

- The research has conducted on impact of financial literacy on saving behavior of the Nepalese employee.
- This research has based on primary data.
- The respondents has taken from Kathmandu valley.

## **CHAPTER II**

### **LITERATURE REVIEW**

Literature review is a critical analysis of a segment of a published body of knowledge through summary, classification and comparison of prior studies, review of literature and theoretical studies. It is divided into three sections. First section deals with in-depth review of related studies in the context of banking industry around the globe along with some Nepalese reviews. Second section deals with conceptual framework of the study. And the third section presents the concluding remarks on the empirical review.

#### **2.1 Theoretical Review**

This chapter's primary goal is to examine earlier research on young people's saving habits. It is evident what has been done in the past and what has to be done today after reading through the writings from the past. This chapter goes into great depth on relevant journals, papers, and other materials.

##### **2.1.1 Saving Behaviour Theory**

Saving theory refers to the economic principles that explain why individuals and households save money, and how they make decisions about how much to save. The theory is based on the concept that saving is a form of consumption, where individuals allocate a portion of their current income for future consumption.

One of the earliest theories of saving is the life cycle hypothesis, which was introduced by Franco Modigliani and Richard Brumberg in the 1950s (Modigliani & Brumberg, 1954). The life cycle hypothesis states that individuals save for future consumption needs and to meet future expenses, such as retirement. The amount of saving is determined by factors such as income, expected future income, and expected future expenses (Ando & Modigliani, 1963).

Another important theory of saving is the permanent income hypothesis, which was introduced by Milton Friedman in 1957 (Friedman, 1957). The permanent income hypothesis states that individuals base their saving decisions on their permanent income, rather than their current income. According to this theory, individuals save to ensure a constant level of consumption over time, regardless of changes in their current income.

In addition to the life cycle hypothesis and the permanent income hypothesis, there are several other theories of saving that have been developed over time, including the intertemporal consumption choice theory, the behavioral economics theory of saving, and the psychological theory of saving.

The theory of saving has important implications for policy and practice. For example, policymakers can use saving theory to understand the factors that influence saving behavior and develop policies to encourage saving. Additionally, financial institutions can use saving theory to design savings products that meet the needs of consumers and encourage them to save.

Saving behavior refers to the decisions that individuals and households make about how much money to set aside for future use. This behavior is influenced by a variety of factors, including income, expected future income, expected future expenses, and individual preferences and attitudes towards saving.

One of the most influential theories of saving behavior is the life cycle hypothesis, which states that individuals save for future consumption needs and to meet future expenses, such as retirement (Modigliani & Brumberg, 1954). The amount of saving is determined by factors such as income, expected future income, and expected future expenses (Ando & Modigliani, 1963).

Another important theory of saving behavior is the permanent income hypothesis, which states that individuals base their saving decisions on their permanent income, rather than their current income (Friedman, 1957). According to this theory, individuals save to ensure a constant level of consumption over time, regardless of changes in their current income.

Behavioral economics also plays a role in understanding saving behavior. This field of study recognizes that individuals often make decisions that are not purely rational, and that emotions and habits can influence saving behavior (Thaler, 2015). For example, individuals may be more likely to save when automatic savings mechanisms are in place, or when they receive positive reinforcement for saving, such as through matching contributions from an employer (Gneezy & List, 2006).

In addition to the life cycle hypothesis, permanent income hypothesis, and behavioral economics, there are several other theories of saving behavior that have been

developed over time, including the intertemporal consumption choice theory, the psychological theory of saving, and the intergenerational theory of saving.

In conclusion, saving behavior is influenced by a variety of factors, including income, expected future income, expected future expenses, individual preferences and attitudes towards saving, and behavioral factors. By understanding these factors and how they influence saving behavior, policymakers and financial institutions can work to encourage saving and improve the financial well-being of individuals and households.

### **2.1.2 Financial Socialization Theory**

Financial socialization theory has its roots in the study of financial behavior and the role that social factors play in shaping financial attitudes and behaviors. This theory emerged in the late 20th century as a response to the need for a more comprehensive understanding of why people behave the way they do when it comes to money.

Danes (1994) was one of the early proponents of Financial Socialization Theory. She defined financial socialization as the process by which individuals acquire and develop values, attitudes, standards, norms, knowledge, and behaviors that contribute to their financial well-being. Danes emphasized that financial socialization occurs through direct and indirect interactions with social agents, such as family members, peers, and formal education systems. Schuchardt et al. (2009) expanded on Financial Socialization Theory by identifying the various sources of financial socialization and the mechanisms through which financial knowledge and behaviors are transmitted. They proposed that financial socialization occurs through three primary mechanisms: modeling, reinforcement, and direct instruction. Modeling involves observing and imitating the financial behaviors of others, reinforcement includes positive or negative feedback on financial behaviors, and direct instruction encompasses explicit teaching of financial concepts and practices.

Gudmunson and Danes (2011) further elaborated on the theory by introducing a comprehensive model of financial socialization that integrates cognitive, behavioral, and environmental factors. They emphasized the role of family as a primary socialization agent and highlighted the dynamic nature of financial socialization, which evolves with changing life stages and contexts. Their model considers the

influence of individual characteristics, such as age and personality, as well as external factors, such as socioeconomic status and cultural norms.

The financial socialization theory suggests that financial behavior is shaped by a complex interplay of environmental, familial, and personal factors. This process begins in childhood and continues throughout the life course. It is believed that individuals learn about money, spending habits, and financial values through a combination of formal education, family influence, media exposure, and personal experiences.

One of the earliest studies of financial socialization was conducted by Michael Sherraden in 1991. Sherraden (1991) found that family background and early childhood experiences were strong predictors of later financial behavior. In particular, he found that children from low-income families were less likely to have access to financial resources and less likely to be financially literate. In recent years, financial socialization theory has been applied to a wide range of research topics, including consumer behavior, financial literacy, and personal finance. For example, researchers have explored the role that family financial practices play in shaping the financial attitudes and behaviors of young adults. They have also studied the impact of media exposure on consumer attitudes and behaviors, as well as the effectiveness of financial education programs in schools.

Financial socialization theory refers to the process through which individuals acquire and develop their financial knowledge, skills, and attitudes. This theory posits that financial socialization begins in childhood and continues throughout the life course. The process is influenced by a range of factors such as family, school, work, media, and personal life experiences. The family is considered one of the most important sources of financial socialization. Children learn about money, spending habits, and financial values from their parents and grandparents. Family members also play a crucial role in shaping the child's beliefs and attitudes towards money. For instance, if the parents are frugal and save money, the child is more likely to adopt similar behaviors.

Schools also play a significant role in financial socialization. They provide formal financial education through courses and workshops. Additionally, schools also shape students' attitudes towards money through the school culture and financial literacy

programs. Work, media, and personal life experiences also impact financial socialization. Through work, individuals can gain practical financial knowledge, such as budgeting, managing expenses, and saving for retirement. The media also plays a role in shaping public opinion and attitudes towards money and financial markets. Personal life experiences such as marriage, parenthood, and bankruptcy can also influence financial socialization.

### **2.1.3 Social Capital Theory**

Social Capital Theory, extensively discussed by Pierre Bourdieu (1986) and James Coleman (1988), provides a framework for understanding how social networks and relationships contribute to individual and collective benefits. Social capital is generally defined as the resources accessible through social connections and the quality of these relationships, encompassing trust, norms, and networks that facilitate cooperation and mutual benefit within a community.

Social capital theory refers to the concept that social networks and relationships can provide valuable resources and benefits to individuals and communities. Social capital refers to the social norms, networks, and trust that exist within a community, and how these resources can be leveraged to achieve specific goals or outcomes. The theory was first introduced by French sociologist Pierre Bourdieu in the 1970s, and has since been developed and applied in a variety of fields, including sociology, economics, and political science. The benefits of social capital can be seen at both the individual and community levels. At the individual level, social capital can provide access to valuable resources, such as job opportunities, information, and support. At the community level, social capital can promote economic development, political stability, and social cohesion. Social capital theory refers to the idea that social networks and relationships can be valuable resources and provide benefits to individuals and communities. The theory was first introduced by French sociologist Pierre Bourdieu in the 1970s and has since been developed and applied in various fields, including sociology, economics, and political science (Bourdieu, 1972).

Pierre Bourdieu, a French sociologist, introduced the concept of social capital in his seminal work "The Forms of Capital" (1986). Bourdieu posited that social capital is an aggregate of the actual or potential resources linked to possession of a durable network of institutionalized relationships of mutual acquaintance and recognition.

According to Bourdieu, social capital serves as a means to gain access to economic and cultural capital, thus highlighting the interconnectedness of different forms of capital. He emphasized that social capital is not equally distributed and tends to benefit those who are already privileged, thereby perpetuating social inequalities.

Empirical studies support the application of Social Capital Theory to financial behaviors. For instance, a study by Lusardi, Mitchell, and Curto (2010) found that financial literacy acquired through family and educational institutions significantly impacts young adults' financial behaviors, including saving. Similarly, research by Chiteji and Stafford (1999) highlighted the role of parental influence in shaping saving habits among young individuals.

Social capital theory has important implications for policy and practice. For example, governments and organizations can promote social capital by investing in programs that build trust and cooperation within communities, such as community development initiatives or volunteer programs. Additionally, social capital can be harnessed to address social problems and promote positive change, such as in the case of community-led efforts to address poverty, crime, or environmental degradation. According to social capital theory, social capital can be divided into three main forms: structural, cognitive, and relational (Putnam, 2000). Structural social capital refers to the number and strength of social relationships and networks within a community. Cognitive social capital refers to shared beliefs, values, and attitudes that exist within a community. Relational social capital refers to the level of trust and cooperation that exists between individuals within a network (Portes, 1998).

The benefits of social capital can be seen at both the individual and community levels. At the individual level, social capital can provide access to valuable resources, such as job opportunities, information, and support (Coleman, 1988). At the community level, social capital can promote economic development, political stability, and social cohesion (Putnam, 2000). Social capital theory has important implications for policy and practice. For example, governments and organizations can promote social capital by investing in programs that build trust and cooperation within communities, such as community development initiatives or volunteer programs (Putnam, 2000). Additionally, social capital can be harnessed to address social problems and promote positive change, such as in the case of community-led efforts to address poverty, crime, or environmental degradation (Burt, 2005).

## 2.2 Empirical Review

The previous research as well as other publications pertaining to this topic have been given in this part. They are gathered from a variety of international periodicals and journals. This will further contribute to expanding our comprehension of the problems associated with our research.

Ananda et al. (2024) examined the impact of financial literacy on the savings behavior of investors residing in the Gulf Cooperation Council (GCC) region. The objective of this study was to examine the moderating effects of risk aversion and financial confidence on the link between saves behavior and financial literacy. A systematic questionnaire with snowball sampling was employed in the investigation. The study's results imply that investors' saving behavior is positively impacted by financial literacy. The study also discovered that the association between saves behavior and financial literacy is strongly moderated by risk aversion. In summary, the investors' saves behavior is highly influenced by the three-way interaction between financial literacy, risk aversion, and financial confidence. The report recommends that investors' financial literacy, financial confidence, and risk aversion be prioritized by governments through educational programs.

Prempeh et al. (2024) analyzed the level of financial literacy of university students from Kumasi Technical University was analyzed. The objectives of the research was to examine tertiary students' saving habits and financial literacy was one of the research's goals. Descriptive statistics were employed in the study to analyze the data. According to this survey, respondents' financial literacy was mediocre, particularly for those taking business and management courses. To sum up, this research offers recommendations to regulators and policymakers on the creation of suitable plans aimed at encouraging young people to save more money.

Owusu et al. (2024) investigated how students propensity towards indebtedness affects their savings behaviour. The objectives of this study was to examine the moderating role of financial literacy in the relationship between propensity towards indebtedness and savings behaviour. Questionnaires were administered to undergraduate students from the University of Ghana Business School. The study used partial least square structural equation modelling. The findings suggest that students' propensity towards indebtedness is negatively related to their savings

behaviour. In conclusion, the results demonstrate that financial literacy moderates the negative association between students' propensity towards debt and savings behaviour.

Lamichhane (2023) examined the association between investment behaviour and financial literacy in Kathmandu Valley. The objective of this study was to the connection between investing behavior and financial literacy was the aim of this study. Regression models and correlation coefficients were employed in the study to analyze the data. According to the results, investing behavior is positively impacted by financial knowledge, awareness, experience, skills, competence, and objectives. This suggests that an increase in these aspects results in better investment judgments. The study came to the conclusion that increasing financial literacy is essential to improve Kathmandu Valley residents' investing behavior.

Pandey and Bhandari (2022) analyzed financial literacy level of students' pursuing bachelor and master's degree from the college of Siddharthanagar municipality. The objective of this study was to examine the financial literacy of bachelor's and master's degrees college students. The study employed statistical tools like T-tests and analysis of variance for data analysis. The results showed that demographic factors such as age, gender, and ethnicity significantly influence financial literacy, while parents' income and occupation do not. The study concluded that both demographic and educational characteristics are important determinants of financial literacy among students.

Coskun and Dalziel (2020) investigated the relationship between financial knowledge, attitude, and behavior among university students in Turkey. The objective of this study was to examine relationship between financial knowledge, attitude, and behavior. The data were analyzed using Factor Analysis, Cronbach's Alpha, and Structural Equation Modeling (SEM). The findings revealed that financial attitude mediates and strengthens the relationship between financial knowledge and behavior. The study concluded that financial attitude is a key factor in the application of financial knowledge to behavior, emphasizing the need for policies that promote financial education and inclusion.

Antoni et al. (2019) explored the financial socialization techniques parents use to influence their children's financial behavior. The objective of this study was to

examine the financial socialisation techniques parents influence students' financial behaviour. The study used correlation coefficients, and regression models for data analysis. The results of this study identified three significant parental techniques financial teaching and monitoring, modeling of financial behavior, and reinforcement of financial behavior that positively influence students' financial behavior. The study concluded that parents should focus on these techniques to improve their children's financial behavior, which has implications for both parents and financial educators.

Alekam et al. (2018) examined financial literacy among the young generation in Malaysia. The objective of this study was to to analyze a representation of financial literacy influenced by family, peers, attitude, and saving and spending behavior. The study employed statistical tools like T-tests and analysis of variance for data analysis. The study found a significant positive relationship between behavior and financial literacy, with family and peers being influential factors. The study concluded that financial literacy levels could be raised through various educational programs, benefiting the public and policymakers.

Dangol and Maharjan (2018) explored the influence of parental and peer factors on the saving behavior of employed youths with Master's degrees in Kathmandu Valley. The objective of this study was to examine the parental and peer factors which influence the saving behavior of the youth. The study used pearson correlation and multiple regression analysis for data analysis. This findings of the study revealed that significant relationships between peer influence, parental financial teaching, and saving behavior. The study concluded that parental encouragement and financial teaching are crucial for fostering sound saving habits.

Esmail and Salleh (2018) analyzed the challenge of financial literacy among the young generation in Malaysia. The study aimed to assess the level of financial literacy and develop a model considering family, peer influence, attitude, and saving and spending behaviors. The study employed statistical tools like T-tests and analysis of variance for data analysis. The study found a significant positive relationship between behavior and financial literacy, with family and peers also having a substantial impact. The study concluded that enhancing financial literacy through educational programs is essential for the public, academia, and policymakers.

Karunaanithy and Santhirasekaram (2018) analyzed the factors affecting savings behavior among students in Malaysia. The study aimed to investigate the impact of financial literacy on the savings and investment patterns. The study used Pearson correlation and multiple regression analysis for data analysis. The study found that financial knowledge, peer influence, and parental socialization significantly affect saving behavior. The study concluded that enhancing financial knowledge and the role of parents and peers is vital for encouraging savings, especially in emerging economies.

Khatun (2018) explored the effects of financial literacy and parental socialization on the savings behavior of university students in Bangladesh. The study used descriptive statistics, Pearson correlation, and multiple regression analysis to analyze the data from a significant number of university students. The study found a strong relationship between parental socialization and financial literacy with saving behavior. The study concluded that these findings could help loan providers and parents to encourage savings among the youth.

Karunaanithy et al. (2017) investigated the impact of financial literacy and parental socialization on the saving behavior of university students in Pakistan. The objective of this study was to explore the effect of financial literacy and parental socialization on savings behavior of university-going students. The study used Pearson correlation and multiple regression analysis for data analysis. The study found that financial literacy and parental socialization positively affect students' saving behavior, with financially literate students showing more propensity to save. The study concluded that financial education from parents increases students' willingness to save.

### 2.3 Summary of Literature Review

Table 1

#### *Summary of Literature Review*

Authors (Date)	Topic	Objectives	Methodology	Variables Discussed	Findings
Ananda et al. (2024)	Impact of financial	Investigate the	Structured questionnaire	Financial literacy,	Financial literacy

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	literacy	on	moderati	e	using	savings	positively
	savings		ng		snowball	behavior,	impacts
	behavior	of	impact of		sampling	financial	savings
	GCC		financial			confidence,	behavior;
	investors		confidenc			risk	risk
			e and risk			aversion	aversion
			aversion				moderates
							this
							relationship
							between
							financial
							literacy,
							risk
							aversion,
							and
							financial
							confidence
							affects
							savings
							behavior.
Prempeh	et	Financial	Examine	Descriptive	Financial	Financial	Financial
al. (2024)		literacy	of financial	statistics	literacy,	literacy	literacy
		university	literacy		saving	among	among
		students from	and		behavior	respondents	respondents
		Kumasi	saving			was	was
		Technical	behavior			average,	average,
		University	of			especially	especially
			tertiary			among	among
			students			business	business
						and	and
						managemen	managemen
						t students.	t students.
						Provides	Provides

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					guidance to policymakers on strategies to increase savings among young people.
Owusu et al. (2024)	Students' propensity towards indebtedness and savings behavior	Examine the moderating role of financial literacy in the relationship between indebtedness and savings behavior	Questionnaires administered to undergraduate students; partial least square structural equation modelling	Propensity towards indebtedness, savings behavior, financial literacy	Propensity towards indebtedness negatively related to savings behavior; financial literacy moderates this negative association.
Lamichhane (2023)	Investment behaviour and financial literacy: A case of Kathmandu Valley	Examine the relationship between investment behavior and	Correlation coefficients, regression models	The selected independent variables are financial knowledge, financial awareness, financial knowledge, financial awareness,	Positive impact of financial knowledge, awareness, experience, skills, capability, and goals

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		financial literacy			financial experience, financial skills, financial capability and financial goals	on investment behavior
Pandey and Bhandari (2022)	Financial Literacy of College Students of Siddharthana gar Municipality	Examine the financial literacy of college students	T-tests, analysis of variance	Dependent Variables: Financial Literacy Independent Variables: level, stream and division, gender, age, parents' income, parents' occupation and ethnicity	Demographic factors influence financial literacy; parents' income and occupation do not	
Coskun and Dalziel (2020)	Mediation effect of financial attitude on financial knowledge	Examine the relationship between financial	Factor Analysis, Cronbach's Alpha, SEM	Financial Knowledge, Financial Behavior, Financial Attitude,	Financial attitude mediates the relationship between	

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	and financial knowledge, behavior: The case of university students	knowledge, attitude, and behavior		Structural Equation Modeling JEL	financial knowledge and behavior
Antoni et al. (2019)	The influence of parental financial socialization techniques on student financial behaviour.	Examine parental influence on students' financial behavior	Correlation coefficients, regression models	Student, Children, Parents, Behaviour, Socialisation, Techniques, relationships.	Identified parental techniques that positively influence financial behavior
Alekam et al. (2018)	The effect of family, peer, behavior, saving and spending behavior on financial literacy among young generations	Analyze financial literacy influence and by family, peers, attitude, and behavior	T-tests, analysis of variance	Family, Peer, Behavior, Saving and Spending behavior, Influence Financial Literacy	Positive relationship between behavior and financial literacy; family and peers are influential
Dangol and Maharjan (2018)	Effect of financial literacy and parental socialization on students	Examine parental and peer factors influencing saving	Pearson correlation, multiple regression analysis	Savings Behavior, Financial Literacy, Parental Socialization	Significant relationships between peer influence, parental

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	savings behavior of Bangladesh	behavior		on	financial teaching, and saving behavior
Esmail and Salleh (2018)	Parental and peer influence on the saving behavior of the youth.	Assess financial literacy and develop a model considering family, peer influence, attitude, and behavior	T-tests, analysis of variance	Saving Behavior, Parental and Peer Influence	Significant positive relationship between behavior and financial literacy
Karunaanithy and Santhirasekaram (2018)	Influence of demographic factors on saving behavior: a case in jaffna district	Investigate the impact of financial literacy on savings and investment patterns	Pearson correlation, multiple regression analysis	Financial Literacy, Parental Socialization, Peer Influence, Self-control, Saving Behaviour.	Financial knowledge, peer influence, and parental socialization affect saving behavior
Khatun (2018)	Financial literacy in	Explore the	Descriptive statistics,	Financial Literacy,	Strong relationship

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	Nepal: survey analysis from college students.	A effects of financial literacy and parental socializat ion on saving behavior	pearson correlation, multiple regression analysis	Financial Behavior, Influence, Financial Attitude, Financial Knowledge , College Students, Nepal.	between parental socializatio n and financial literacy with saving behavior
Karunaanith y et al. (2017)	The effects of social influence and financial literacy savings behavior: A study of students higher learning institutions in Kota Kinabalu,	Explore the effect of financial literacy and parental socializat ion on savings behavior	Pearson correlation, multiple regression analysis	financial literacy, savings behavior, social pressures, personal financial planning, partial least square  Introductio n	Financial literacy and parental socializatio n positively affect saving behavior

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## 2.4 Research Gap

Savings are crucial to sustaining economic expansion. Despite playing a significant role at each of the three levels household, business, and government the three organizations are still interconnected. For example, young people who save too little may experience both financial hardship and insufficient emergency reserves, which can worsen anxiety and result in major health issues. Looking at things more broadly, the government will not have enough money to spend in physical and social

infrastructure. Money invested in financial assets is routed through financial intermediaries for investments, enhancing the nation's wealth via increased economic development and productivity.

However, it is arguable that the debt issue, especially among young adults in Nepal, is mostly the result of their opulent lives, expenditure on impulsive purchases or needless products, and lack of financial literacy, which drove them to turn to loans in order to meet their demands. Furthermore, the development of technology, especially in the form of online shopping portals that allow users to order products online, earn rewards for their purchases, and have them delivered right to their door, has created a whole new easy and exciting shopping experience.

Research on the effects of parents and peers, particularly on young people, on saving behavior is scarce. This study investigates the variables influencing young people's saving habits in Nepal. To create more successful financial education programs for Malaysians, it will be helpful to understand whether and how peer pressure and parental expectations may affect savings issues. When they start working and raising their own families, they will thus be competent personal financial managers.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

This chapter goes into the research approach used in the study. The overall plan for doing the study is provided in this chapter. The current study attempts to determine the effects of peers and parents on the saving habits of Nepalese workers. This chapter also describes the data gathering process and the technique the researcher used to analyze the data that was already accessible. It involves preparing the questionnaire that respondents will fill out. The process and methodology used to gather and examine the data have been described. This chapter's primary goal is to examine and evaluate the information gathered for the research.

#### **3.1 Research Design**

A descriptive and causal comparative research design was employed in this study. Because the facts and features regarding the population under study are described using just statistical analysis, the research is descriptive in nature. The primary survey serves as the only basis for the study's conclusions. The statistical tests of linear regression and Pearson correlation form the basis of this investigation. Calculations are used to examine and understand the data using regression and correlation.

#### **3.2 Population and Sample Size**

The population for this study constitutes employee of different departments of commercial banks of Kathmandu Valley. The population for this study is unknown since there is no record of individuals who visit the shopping stores. So, the sample size for the study included 225 individuals. The study used convenience sampling techniques to determine the sample. A structured questionnaire was distributed among the income generating individuals by visiting and sending in the social media platforms and other electronic medium.

#### **3.3 Instrumentation**

The basic data collected from bank workers served as the major foundation for this investigation. Essentially, books, journals, the internet, and similar articles served as the secondary source of information. The structured questionnaire, which is a crucial tool for data collection in this study, served as the main source of data. There were

two sections to it. The questions in the part with a structured questionnaire were taken from Dangol and Maharjan (2018). Primary data collecting methods were used to gather the information. A structured questionnaire was sent out to gather the necessary data, which included peer and parental influence, saving behavior, and saving habits. Likert scale measurement is the primary method used in the study for all the variables included in the suggested theoretical framework. Four questions are used to gauge the impact of peers, five questions address willingness to save, eight questions address ability to save, and one question addresses total savings when it comes to saving behavior. The greatest degree of education was selected for the study when the respondents were asked about their parents' educational backgrounds. Both the mother and father's educational levels were asked. The data was evaluated using Likert scale questions, multiple choice questions, and single choice questions. The questionnaire is split into two sections: part "A" asks about the respondents' demographic profiles, while section "B" asks about the dependent variable and three independent factors.

### **3.4 Data Collection Procedure**

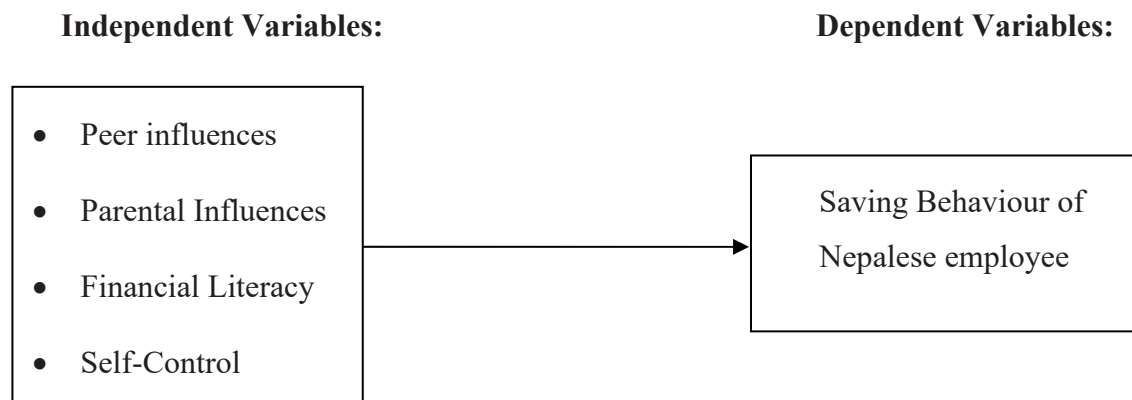
Since the sole objective of this research was academic, an appropriate method was followed in order to perform the research. In essence, both primary and secondary data served as the foundation for this study. The identification process (literature review and expert opinion), initial questionnaire preparation and approval, finalization of the questionnaire, and data collection through questionnaire distribution online and in printed format are all included in the overall data collection procedures.

The secondary data and information came from a variety of publications published by institutions, books, journals, and reports. To gather the data and information needed for this study, visit and submit to social media sites and other electronic media. Structured surveys, respondent interviews, and other contacts with various respondents will all be a part of the data gathering process.

### **3.5 Research Framework and Definition of Variables**

The Conceptual Framework is the foundation on which the entire research project is based. Effect of Peer influences, parental influences, financial literacy and self-control on the saving behavior of the Nepalese employee will be measure using

variables peer influences, parental influences, financial literacy and self-control of the Nepalese employee.



*Figure 1* Research Framework

*Source: Dangol and Maharjan (2018); Khantu (2018)*

### 3.5.1 Definition of Variables

#### **Saving Behaviour**

Many researchers have been done to find out the influences of student saving behavior. But parents are the major influence for the children toward their saving behavior. The research found that family education is the foundation for their children in their future, so they become something based on what they got from the family. This matter becomes important since university students are righteously mature and they are not supposedly good in knowledge and skill only, but also they have to control themselves in controlling their financial problems (Salikin et. al, 2012).

### 3.5.2 Independent Variable

#### **Peer Influences**

According to a research by Jamal, Ramlan, Karim, and Osman (2015), a student's capacity to save money is significantly influenced by their friends. Noor (2016) discovered that even when parents or guardians instill good financial habits in their kids, peer socialization plays a role in shaping kids' saving habits. This is because students' saving habits can be impacted by their peers' ideas exchanged about money management and by participating in spending activities together during social time. Jamal, Ramlan, Karim, and Osman (2015) assert that peer pressure may have an

impact on people's financial decisions. According to Alwi, Amir Hashim, and Ali (2015), peer pressure always has an impact on Generation Y's decision-making.

### **Parental Influences**

According to Buccioli and Veronesi's (2014) research, children's desire to save will rise by around 16% if they are encouraged to do so by their parents. The parental encouragement will cultivate positive behavioral habits in the kids. In addition, Firmansyah (2014) asserts that children pick up their family's attitudes and behaviors from an early age, which might foretell the types of financial decisions and management they will make later in life.

### **Financial Literacy**

The purpose of the six questions is to find out how much respondents agree with the statement on their degree of financial literacy. The majority of these questions are taken from Cude et al. (2006) and Hira and Loibl (2005). Respondents with higher scores on the measure are more financially literate, and vice versa.

### **Self-Control**

To gauge the respondents' impulsivity, an additional six questions have been constructed, drawing on Multistate North Central Research Project 1013 (2007), Otto (2009), and Esenvalde (2011). Respondents with higher scores are more impulsive, which leads to worse self-control, and vice versa.

## **3.6 Methods of Analysis**

This study is based on the secondary data which have been collected from 5 commercial banks based on convenient sampling method. The secondary data will be collected from the annual reports of the selected banks for the years 2012- 2021 for the research. The collected data will be analyzed through SPSS 26 software using Descriptive Analysis, correlation analysis and multiple regressions Analysis.

### **3.6.1 Descriptive Analysis**

According to Mugenda and Mugenda (2003), descriptive analysis is often the best method for obtaining data that illustrates relationships and presents the world as it is that is, the rate or frequency distribution, mean, and change impacting the share price of commercial banks. This analysis can be helpful in identifying the key points of the examination's data and in providing an overview of the example and metrics.

### 3.6.2 Correlation Analysis

To determine the relationships between the variables, correlation analysis was used. The relationship between the many independent and dependent variables related to the research is ascertained using Pearson's Correlation analysis. Any two variables' linear correlation is measured.

Correlation interpretation is based on following five classical rules:

- A correlation of  $r = 0$  to  $0.20$  suggests little or no association.
- $r(=0.20$  to  $0.40)$  denotes a modest degree of positive association.
- $(r = 0.40$  to  $0.60)$  denotes a moderately positive degree of association.
- The degree of connection is positive and noticeable when  $r = 0.60$  to  $0.80$ .

$(r = 0.80$  to  $1.00)$  denotes a strong and positive connection.

Every variable is handled equally, meaning that dependent and independent variables are not distinguished. When two variables tend to vary in the same direction at the same time, they are said to be correlated. A direct or positive correlation exists when there is a tendency for both variables to rise or decrease together. Inverse or negative correlation occurs when one variable tends to rise while the other tends to decline.

### 3.6.3 Multiple Regression Analysis

Only the presence or absence of a strong link between two variables may be determined by a correlation study. However, even if a correlation coefficient shows that two variables have a significant association, it is impossible to pinpoint the precise nature of that relationship. Regression analysis in this instance offers more details regarding the relationship's slope. It is employed to forecast and characterize the nature of a connection. This section ascertains which independent variable best accounts for result variability as well as the relative significance of dependent variable variability in relation to other factors.

Regression analysis makes the assumption that there is a causal link between two or more variables, whereas correlation analysis makes no such assumption. A single dependent variable is the subject of a simple linear regression, whereas a single dependent variable is the subject of multiple linear regressions, which illustrate the effects of several independent variables. The degree of association between two variables is all that correlation analysis can reveal. Regression analysis is therefore

performed in order to gain a deeper comprehension of the degree of correlation between two or more variables. The influence of several independent factors on a single dependent variable is examined using multiple regression analysis. Therefore, the influence of several independent factors on the saving behavior of Nepalese employees is examined using multiple regression analysis. Additionally, the effects of parents, peers, financial literacy, and self-control on the saving habits of Nepalese employees are examined using multiple regression analysis.

Linear regression analysis was conducted to identify relationship between the independent variable (peer influences, parental influences, financial literacy and self-control) and dependent variables (saving behaviour of Nepalese employee). The advantage of conducting linear regression analysis included the ability to evaluate multiple independent variables that simultaneously affect the dependent variables. Multiple linear regression analysis is used to predict the impact of independent variables of peer influences, parental influences, financial literacy and self-control. The equation for effect of independent variables is express in the given equation:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where,

$\hat{Y}$  = Saving behaviour of the Nepalese employee (dependent variable)

$X_1$  = Peer influences

$X_2$  = Parental influences

$X_3$  = Financial literacy

$X_4$  = Self-control

$\alpha$  = Constant

$\beta_1, \beta_2, \beta_3,$  and  $\beta_4$  = Regression coefficients of factor 1, 2, 3 and factor 4.

$e_i$  = Error term

### 3.7 Reliability

Reliability is “The extent to which measurements are repeatable when different people perform the measurement on different occasion, under different condition, supposedly with alternative instruments which measure the construct or skill”. It can also be defined as the degree to which the measure of a construct is consistent or dependable. For instance, when several people guess your own weight, the value of

the weight might not be necessarily correct since it will be inconsistent with the accurate value hence the measurement is said to be unreliable.

A review of previous research has been conducted to optimize reliability, and a supervisor was given a structured and semi-structured questionnaire to evaluate validity. The necessary repair and change has been made in accordance with the supervisor's advice. In a similar vein, all responder groups received comprehensive guidance on creating clear and concise questions that facilitate the collection of trustworthy data.

Similarly, the Cronbach alpha of every variable is examined to determine the reliability of the gathered data. Cronbach's Alpha coefficients of less than 0.6 are regarded as bad, those of greater than 0.6 but less than 0.8 as acceptable, and those of greater than 0.8 as good, according to Sekaran (2000). The Cronbach alpha for each variable is displayed in Table 2.

Table 2

*Cronbach Alpha of Variables*

Variables	N	Cronbach Alpha
Saving Behaviour	6	0.878
Peer Influences	5	0.767
Parental Influences	6	0.877
Financial Literacy	6	0.833
Self-Control	6	0.918

Table 2 shows that Cronbach alpha of each variable is higher than 0.70 which means the data are reliable. Cronbach Alpha values above 0.7 generally indicate acceptable reliability, with values above 0.8 considered good and above 0.9 considered excellent. Thus, the reliability of the scales used for these variables ranges from acceptable (Peer Influences) to excellent (Self-Control).

For Saving Behaviour, the Cronbach Alpha value is 0.878, indicating high reliability. This suggests that the items used to measure saving behavior are consistently interrelated, providing a dependable measure of this variable. Individuals responding to questions about their saving habits and practices likely gave consistent answers, reflecting stable and coherent saving behaviors.

Peer Influences has a Cronbach Alpha value of 0.767, which falls within the acceptable range. While this value is lower compared to the other variables, it still indicates a reasonable level of internal consistency among the items used to measure the influence of peers. This means that while the responses are somewhat reliable, there might be slight variations in how respondents perceive peer influence, possibly due to differing social contexts or peer group dynamics.

Parental Influences shows a Cronbach Alpha value of 0.877, almost identical to that of Saving Behaviour. This high reliability suggests that the items designed to measure the impact of parental guidance and attitudes towards financial behaviors are well-correlated. Respondents likely have consistent perceptions of their parents' influence on their financial habits, contributing to the reliability of this measure.

The Financial Literacy variable has a Cronbach Alpha value of 0.833, indicating good reliability. This implies that the items used to assess financial literacy are well-aligned and provide a consistent measure of an individual's understanding and knowledge of financial concepts. High internal consistency here suggests that respondents have a stable grasp of financial literacy topics, contributing to the reliability of the results.

Self-Control has the highest Cronbach Alpha value at 0.918, indicating excellent reliability. This suggests that the items measuring self-control are highly consistent and reflective of an individual's ability to regulate their behavior and impulses. The very high reliability of this scale indicates that respondents consistently understand and respond to questions about their self-control in a similar manner, making this a highly dependable measure.

## **CHAPTER IV**

### **RESULTS AND DISCUSSION**

This chapter tries to accomplish the goals of the research by conducting an empirical analysis of the data that was gathered from the respondents. It does this by outlining the analysis of the outcomes that were produced throughout the data gathering procedure. The goal of this chapter is to provide the findings from the research technique and data analysis that are covered in chapter three. Based on the study questions and hypotheses, the data findings are examined. The information gathered from the process, as detailed in chapter three, was then brought for additional examination and demonstration. Surveys were coded, data was imported into SPSS, and necessary computations were carried out. Almost any kind of file can include data, which SPSS can utilize to create tabular reports, descriptive statistics, plots and charts of distributions and trends, and statistical analyses. Based on primary data collected from 225 participants, the study attempted to investigate the effects of parents and peers on the saving habit of Nepalese employees.

This chapter covers the respondents' demographic profile, variable descriptive statistics, hypothesis testing, and a discussion of the analytically-derived results. Basic details like gender, age, education level, marital status, monthly income, monthly savings, and the respondent's mother's and father's educational backgrounds were summed up in their profile. The study variables' associated items' mean value, standard deviations, correlation, and regression are examined under the analysis section. Lastly, a discussion of the hypothesis is held in order to achieve the study's goals. To make the facts easier to understand, tables and graphs are included.

#### **4.1 Results**

There are five other subsections within this section. The profile and demographic details of the respondents are included in the first section. The acquired data are analyzed using measures of central tendency and frequency analysis in the second section, which is called descriptive analysis. Inferential analysis, which includes correlation analysis and hypothesis testing, is used in the third section to examine the data that has been gathered. Regression analysis is covered in the fourth section. This chapter's fifth and last section discusses inferences and debate.

#### 4.1.1 Demographic Profile of Respondents

The demographic analysis and interpretation of the main data that is gathered from the interviewees are covered in this part. All 225 of the respondents that were chosen for the survey are employees of Nepal. This part contains the respondent's demographic profile, which includes information on gender, age, education level, marital status, monthly income, monthly savings, and the education levels of their mother and father. Tables and figures present the respondent's demographic profile.

Table 3

##### *Demographic Profile of Respondents*

		Frequency	Percent
Gender	Male	130	57.78
	Female	95	42.22
Age Group	16-24	42	18.67
	25-32	97	43.11
	33-40	86	38.22
Educational Level	Plus two	48	21.33
	Graduation	67	29.78
	Masters	110	48.89
Marital Status	Single	139	61.78
	Married	86	38.22
Monthly Income	Less than 15,000	12	5.33
	15,001 - 30,000	89	39.56
	30,001 - 45,000	81	36.00

	45,001 - 60,000	14	6.22
	60,001 above	29	12.89
	Below 5,000	21	9.33
	5,001 - 10,000	28	12.44
Monthly Saving	10,001 - 15,000	47	20.89
	15,001 - 20,000	97	43.11
	20,001 above	32	14.22

Table 3 shows the gender of the respondents. Out of total respondents of 225, there were 130 are males and 95 are females comprising the percentage of male is 57.78% and female is 42.22% which shows that the participation of male respondents was more than that of female respondents in the sample size of 225.

Similarly, the age group of the respondents. Out of total respondents of 225, there were 42 respondents are 16-24 years, 97 respondents are 25-32 years and 86 respondents are 33-40 years comprising the percentage of 16-24 years is 18.67%, 25-32 years is 43.11% and 33-40 years is 38.22% which shows that the participation of 25-32 years respondents was more than the other respondents in the sample size of 225.

Likewise, the educational level of the respondent. Out of total respondents of 225, there were 48 respondents are +2, 67 respondents are graduation and 110 respondents are masters passed comprising the percentage of +2 is 21.33%, graduation is 29.78% and masters is 48.89% which shows that the participation of masters respondents was more than other respondents in the sample size of 225.

In the same way, the marital status of the respondent. Out of total respondents of 225, there were 139 respondents are single, 86 respondents are married comprising the percentage of single respondents is 61.78%, married respondents is 38.22% which shows that the participation of single respondents was more than other respondents in the sample size of 225.

Likewise, the monthly income of the respondent. Out of total respondents of 225, there are 12 respondents who earned Less than 15,000, 89 respondents who earned, 15,001 - 30,000, 81 respondents who earned 30,001 - 45,000, 14 respondents who earned 45,001 - 60,000 and 29 respondents who earned 60,001 above comprising the percentage of respondents who 5.33%, 39.56%, 36.0%, 6.22% and 12.89% respectively which shows that the participation of 15,001 - 30,000 income holder respondents was more than other respondents in the sample size of 225.

Lastly, the monthly income of the respondent. Out of total respondents of 225, there are 21 respondents who save below 5,000, 28 respondents who save, 5,001 - 10,000, 47 respondents who save 10,001 - 15,000, 97 respondents who save 15,001 - 20,000 and 32 respondents who save 20,001 above comprising the percentage of respondents who 9.33%, 12.44%, 20.89%, 43.11% and 14.22% respectively which shows that the participation 15,001 - 20,000 saving holder respondents was more than other respondents in the sample size of 225.

#### **4.1.2 Descriptive Statistics**

This study part describes the descriptive analysis of the information gathered from respondents via questionnaires during the investigation. Descriptive analysis uses statistical metrics and methods to provide an explanation for the data. The three statistical metrics are the standard deviation, mean, and frequency. The tabular version of this mean and standard deviation is displayed. A "Five Point Likert Scale" of questions was administered to Nepalese employees during this survey. The scale ran from:

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

The mean and standard deviation of independent and dependent variables are shown in Table 4.

Table 4

*Mean and standard deviation*

Variables	N	Mean	Std. Deviation	Minimum	Maximum
Peer influences	225	3.18	0.697	1.00	5.00
Parental influences	225	3.23	0.584	1.00	5.00
Saving behaviour	225	3.25	0.479	1.00	5.00
Financial Literacy	225	3.15	0.896	1.00	5.00
Self-control	225	3.49	1.004	1.00	5.00

Table 4 shows the mean and standard deviation of all independent and dependent variables. As shown in the table there is self-control have the highest Mean which is 3.49 presenting with standard deviation 1.004 and the financial literacy have the lowest mean 3.15 presenting with standard deviation 0.896. It shows self-control factor influences more towards the saving behaviour of the Nepalese employee as compared to the saving behaviour of Nepalese employee. As shown in the above tables all means are higher than 3 which show that there is most of the customer are save money in Nepal.

#### **4.1.3 Inferential Analysis**

This section's primary goals are to outline the methodology for evaluating the empirical data and to test the hypothesis that was established and developed in the previous chapter. Through the application of inferential statistics, researchers can draw conclusions or extrapolate findings from sample data to the entire population. It permits the use of one or more observational sample to comprehend population values. To ascertain whether observed differences between groups or variables are true or the result of random variation, inferential analysis tests hypotheses. It generates new data by extrapolating generalizations and predictions from samples. There are two analytic tools in this section, which are:

- i. Correlation analysis
- ii. Regression analysis

The relationship between the several independent and dependent variables related to the research is ascertained using correlation analysis. Any two variables' linear correlation is measured. Regression analysis is also performed in order to have a deeper comprehension of the degree of correlation between two or more variables. The influence of several independent factors on a single dependent variable is examined using multiple regression analysis. Therefore, to examine the effects of several independent factors on job-hopping behavior, multiple regression analysis is employed. The influence of perceived risk on the relationship between behavioral intention and willingness to learn and adapt is also examined using multiple regression analysis.

### **Correlation Analysis**

To determine the relationships between the variables, correlation analysis was used. The relationship between the many independent and dependent variables related to the research is ascertained using Pearson's Correlation analysis. Any two variables' linear correlation is measured.

Correlation interpretation is based on following five classical rules:

- A correlation of  $r = 0$  to  $.20$  suggests little or no association.
- $r(=.20$  to  $.40)$  denotes a modest degree of positive association.
- $(r =.40$  to  $.60)$  denotes a moderately positive degree of association.
- The degree of connection is positive and noticeable when  $r =.60$  to  $.80$ .
- $(r =.80$  to  $1.00)$  denotes a strong and positive connection.

Every variable is handled equally, meaning that dependent and independent variables are not distinguished. When two variables tend to vary in the same direction at the same time, they are said to be correlated. A direct or positive correlation exists when there is a tendency for both variables to rise or decrease together. Inverse or negative correlation occurs when one variable tends to rise while the other tends to decline.

Table 5

*Correlation Analysis*

Variables	Saving Behaviour	Peer Influences	Parental Influences	Financial Literacy	Self-control
Saving Behaviour	1				
Peer Influences	.442** (0.00)	1			
Parental Influences	.521** (0.00)	.427** (0.00)	1		
Financial Literacy	.174** (0.00)	.041** (0.00)	.254** (0.00)	1	
Self-control	.381** (0.00)	.221** (0.00)	.148** (0.00)	.247** (0.00)	1

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

N= 225

Table 5 shows the relationship between dependent and independent variables.

**a. Relationship between peer influences and saving behaviour of Nepalese employee**

According to the correlation study results displayed in the above table, there is a positive association between the two variables peer influences and the saving behavior of Nepalese employees with a Pearson Correlation Coefficient of  $r = 0.442$ . Additionally, this number shows a positive, modest degree of link between the saving habits of Nepalese employees and the influence of their peers. At the 1% level of significance, the correlation is considered significant since the p-value is less than alpha, or  $(0.000 < 0.01)$ .

**b. Relationship between parental influences and saving behaviour of Nepalese employee**

The Pearson Correlation Coefficient between parental influences and the saving behavior of Nepalese employees is  $r = 0.521$ , according to the correlation analysis findings displayed in the above table. This suggests a positive association between the two variables. Furthermore, this figure shows a positive, modest degree of link between the saving habits of Nepalese employees and the impact of their parents. At the 1% level of significance, the correlation is considered significant since the p-value is less than alpha, or ( $0.000 < 0.01$ ).

**c. Relationship between financial literacy and saving behaviour of Nepalese employee**

According to the correlation analysis results displayed in the above table, there is a positive link between the two variables financial literacy and the saving behavior of Nepalese employees with a Pearson Correlation Coefficient of  $r = 0.174$ . Furthermore, this number suggests that there is a positive but weaker association between Nepalese employees' saving habits and financial knowledge. At the 1% level of significance, the correlation is considered significant since the p-value is less than alpha, or ( $0.000 < 0.01$ ).

**d. Relationship between self-control and saving behaviour of Nepalese employee**

- e. The findings of the correlation study, which are displayed in the above table, indicate that there is a positive link between the two variables: the Pearson Correlation Coefficient between the saving behavior and self-control of Nepalese employees is  $r = 0.381$ . Furthermore, this number shows that the saving behavior of Nepalese employees and self-control have a positive but weak link. At the 1% level of significance, the correlation is considered significant since the p-value is less than alpha, or ( $0.000 < 0.01$ ).

**Regression Analysis**

Only the presence or absence of a strong link between two variables may be determined by a correlation study. However, even if a correlation coefficient shows that two variables have a significant association, it is impossible to pinpoint the

precise nature of that relationship. Regression analysis in this instance offers more details regarding the relationship's slope. It is employed to forecast and characterize the nature of a connection. This section ascertains which independent variable best accounts for result variability as well as the relative significance of dependent variable variability in relation to other factors.

Regression analysis makes the assumption that there is a causal link between two or more variables, whereas correlation analysis makes no such assumption. A single dependent variable is the subject of a simple linear regression, whereas a single dependent variable is the subject of multiple linear regressions, which illustrate the effects of several independent variables. The degree of association between two variables is all that correlation analysis can reveal. Regression analysis is therefore performed in order to gain a deeper comprehension of the degree of correlation between two or more variables. The influence of several independent factors on a single dependent variable is examined using multiple regression analysis. Therefore, the influence of several independent factors on the saving behavior of Nepalese employees is examined using multiple regression analysis. Additionally, the effects of parents, peers, financial literacy, and self-control on the saving habits of Nepalese employees are examined using multiple regression analysis.

The link between the dependent variables (saving behavior of Nepalese employees) and the independent factors (peer influences, parental influences, financial literacy, and self-control) was determined using linear regression analysis. One benefit of using linear regression analysis was being able to assess several independent factors that influence the dependent variables at the same time. Financial literacy, self-control, parental influence, and peer influence are examples of independent variables whose effects are predicted using multiple linear regression analysis. This is the equation that represents the impact of independent variables:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where,

$\hat{Y}$  = Saving behaviour of the Nepalese employee (dependent variable)

$X_1$  = Peer influences

$X_2$  = Parental influences

$X_3$  = Financial literacy

$X_4$  = Self-control

$\alpha$  = Constant

$\beta_1, \beta_2, \beta_3,$  and  $\beta_4$  = Regression coefficients of factor 1, 2, 3 and factor 4.

$e_i$  = Error term

The results of model summary, analysis of variance (ANOVA) and beta coefficients of influences of independent variables the saving behaviour of the Nepalese employee are presented in the following tables.

Table 6

*Model summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.650 <sup>a</sup>	0.422	0.416	0.41727

a. Predictors: (Constant), peer influences, parental influences, financial literacy, self-control

Table 6 shows that the model summary indicates the R- square also known as coefficient of determination which can help in explaining variance. The value of R-square value as evident from Table 6 is 0.703 which means 70.3% variation in the saving behaviour of the Nepalese employee is explained by the peer influences, parental influences, financial literacy and self-control. However, the remaining 29.7% (100% - 70.3%) is still unexplained in this research. In other words, there are other additional variables of saving behaviour of Nepalese employee that are important in explaining the saving behaviour that have not been considered in this research.

Similarly, adjusted R-square is 0.487 which means 48.7% in the saving behaviour of Nepalese employee is explained by the peer influences, parental influences, financial literacy and self-control after adjusting degree of freedom (df). Model summary also indicates the standard error of the estimate of 0.343 which shows the variability of the observed value of the saving behaviour of the Nepalese employee.

Table 7

*ANOVA*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.722	4	13.181	40.186	0.000 <sup>b</sup>
	Residual	72.256	220	0.328		
	Total	124.978	224			

a. Dependent Variable: Saving behaviour of Nepalese employee

b. Predictors: (Constant), peer influences, parental influences, financial literacy, self-control

In Table 7, F value is 71.731 and p value is .000 i.e. p value is less than alpha which indicates that independent variables influences on the saving behaviour of the Nepalese employee.

Based on ANOVA, the p-value is 0.000 which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (peer influences, parental influences, financial literacy, and self-control) are significant in explaining the variance in the saving behaviour of the Nepalese employee.

Table 8

*Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.596	0.186		3.208	0.001
Peer influences	0.204	0.035	0.239	5.847	0.000
Parental influence	0.329	0.040	0.345	8.264	0.000
Financial literacy	0.121	0.039	0.125	3.086	0.002
Self-control	0.215	0.029	0.301	7.496	0.000

a. Dependent Variable: Saving behaviour of Nepalese employee

Taking two dimensions of on the saving behaviour of the Nepalese employee i.e., peer influences, parental influences, financial literacy, and self-control as independent variable ( $X_1, X_2, X_3$ , and  $X_4$ ) in the saving behaviour of the Nepalese employee as the dependent variable, the model is constructed with equation as below:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where,

$\hat{Y}$  = Saving behaviour of the Nepalese employee (dependent variable)

$X_1$  = Peer influences

$X_2$  = Parental influences

$X_3$  = Financial literacy

$X_4$  = Self-control

$\alpha$  = Constant

$\beta_1, \beta_2, \beta_3$ , and  $\beta_4$  = Regression coefficients of factor 1, 2, 3 and factor 4.

$e_i$  = Error term

Based on the coefficients, the regression equation for in the saving behaviour of the Nepalese employee can be written as:

$$\hat{Y} = 0.596 + \beta_1 0.204 + \beta_2 0.329 + \beta_3 0.121 + \beta_4 0.215 + e_i$$

Regression coefficient of peer influences, parental influences, financial literacy, and self-control are 0.204, 0.329, 0.121 and 0.215 respectively.

Table 8 also shows the beta for all the attributes or independent variables undertaken in the study to determine their influence on the saving behaviour of the Nepalese employee. It shows that peer influences of saving has Beta of 0.204, Further the beta coefficient implies that 1-unit change in the saving behaviour of the Nepalese employee leads to 0.204 unit change in peer influences factor with other factors remain unchanged and parental influences of saving has Beta of 0.329, Likewise, the beta coefficient signifies that 1-unit change in the saving behaviour of the Nepalese employee leads to 0.329-unit change in parental influences factor with other factors remain unchanged.

Similarly, financial literacy of saving behaviour has Beta of 0.121, Further the beta coefficient implies that 1-unit change in the saving behaviour of the Nepalese employee leads to 0.121 unit change in financial literacy factor with other factors remain unchanged and self-control of saving has Beta of 0.215, Likewise, the beta coefficient signifies that 1-unit change in the saving behaviour of the Nepalese employee leads to 0.215-unit change in self-control factor with other factors remain unchanged.

#### **4.1.4 Hypotheses Testing**

Hypothesis testing is the use of statistics to determine the probability that a given hypothesis is true. Hypothesis testing is done using inferential analysis. Inferential analysis test hypotheses to determine if observed differences between groups or variables are real or occur simply by chance. The best way to determine whether a statistical hypothesis is true would be to examine the entire population. Since that is often impractical, researchers typically examine a random sample from the population. If sample data are not consistent with the statistical hypothesis, the hypothesis is rejected.

Each hypothesis is tested and analyzed individually and the analysis is done with a system designed for statistical analyses (SPSS). Two alternate hypotheses were drawn for the purpose of identifying relationship between dependent and independent variables in this study. Each hypothesis is tested on the basis of the Regression analysis presented in Table 9. Test on each of these hypotheses is discussed below:

Table 9

*Hypothesis Testing*

Hypothesis	p-value	Beta	Result
H <sub>1</sub> : There is a significant effect of peer influences on the saving behavior of the Nepalese employee.	0.000	0.204	Accepted
H <sub>2</sub> : There is a significant effect of parental influences on the saving behavior of the Nepalese employee.	0.000	0.329	Accepted
H <sub>3</sub> : There is a significant effect of financial literacy on the saving behavior of the Nepalese employee.	0.002	0.121	Accepted
H <sub>4</sub> : There is a significant effect of self-control on the saving behavior of the Nepalese employee.	0.000	0.215	Accepted

**H<sub>1</sub>: There is a significant of peer influences on the saving behavior of the Nepalese employee.**

The effect of peer influences against the saving behavior of the Nepalese employee by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables as shown in Table 9 the p-value of peer influences, is less than 0.01(0.000<0.01), alternative hypothesis is accepted at 1% level of significance. There is significant impact of peer influences on the saving behavior of the Nepalese employee. Therefore, alternative hypothesis (H<sub>1</sub>) is accepted.

**H<sub>2</sub>: There is a significant effect of parental influences on the saving behavior of the Nepalese employee.**

Pearson correlation and regression analysis were used to examine the impact of parental influences on the Nepalese employee's saving habit. The findings demonstrate a positive correlation between the two variables, as seen in Table 9. The alternative hypothesis is accepted at the 1% level of significance as the p-value for parental effects is less than 0.01 ( $0.000 < 0.01$ ). The saving habits of the Nepalese employee are significantly influenced by their parents. As a result, the alternate hypothesis (H<sub>2</sub>) is approved.

**H<sub>3</sub>: There is a significant effect of financial literacy on the saving behavior of the Nepalese employee.**

Pearson correlation and regression analysis were used to examine the relationship between financial literacy and the saving habits of Nepalese employees. As can be seen in Table 9, the findings demonstrate a positive link between the two variables. The alternative hypothesis is accepted at the 1% level of significance since the financial literacy p-value is less than 0.01 ( $0.000 < 0.01$ ). The saving habits of Nepalese employees are significantly influenced by their level of financial knowledge. Thus, it is decided to adopt alternative hypothesis (H<sub>3</sub>).

**H<sub>4</sub>: There is a significant effect of self-control on the saving behavior of the Nepalese employee.**

Pearson correlation and regression analysis were used to examine the relationship between the Nepalese employee's saving practice and self-control. As can be seen in Table 9, the findings reveal a positive link between the two variables. The alternative hypothesis is accepted at the 1% level of significance since the p-value for self-control is less than 0.01 ( $0.000 < 0.01$ ). The Nepalese employee's saving habit is greatly impacted by self-control. As a result, the alternate hypothesis (H<sub>4</sub>) is approved.

## **4.2 Discussion**

The findings of this study demonstrated that self-control, financial literacy, peer and parental influences, and observation may all help to foster saving habit. Numerous academics, including Jorgensen & Savla (2010), Kim et al. (2011), Shim et al. (2009), and others, have supported their position with this empirical data. It is a noteworthy

discovery that parents may have a significant impact, either directly or indirectly, on their children's development of saving behavior from an early age. This is corroborated by data demonstrating a robust positive correlation between parental effects and the observation of saving behavior. It concludes that the coefficient is statistically significant at the one percent significance level with regard to parental effects. The two factors have a favorable association, according to the data. It suggests that a Nepalese employee's saving habit may be influenced by their parents. The outcomes go counter to Falahati and Paim's (2012) conclusions.

It concludes that the coefficient is statistically significant at the one percent significance level with regard to peer influences. The two factors have a favorable association, according to the data. It suggests that a Nepalese employee's saving habit may be influenced by peer pressure. Prior studies have indicated that peers have an impact on the choice of saving behaviors (Bachmann et al., 1993). As such, individuals should seek advice from their peers when making retirement savings decisions in order to minimize costs. In addition to the fact that parents play a significant role in influencing a child's financial behavior, the consumer needs to take a more active role in practicing sound money management and learn from other socialization agents like peers, the media, and consumer organizations in order to handle more complex financial challenges.

The study conducted by Delafrooz and Paim (2011) found that parental factors have the greatest influence on saving behavior. Additionally, the study looked at the impact of demographic characteristics such as gender, marital status, ethnicity, age, income, and level of education on saving behavior. Additionally, the study identified factors such as financial literacy, financial management practices, and demographic variables that affect saving behavior among Malaysian employees. Their findings showed that saving habits varied significantly by age, income, and educational attainment. Moreover, the most significant determinants of saving behavior were determined to be age, income, financial management, and financial literacy.

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## CHAPTER V

### SUMMARY AND CONCLUSION

The study's summary of results and conclusion are presented in this chapter. Additionally, it presents the study's conclusions and findings, which are supported by the data analysis and hypothesis testing completed in the preceding chapter. The findings are summarized in the first section, the conclusion is presented in the second, and recommendations are presented in the third portion of this chapter.

#### 5.1 Summary

The primary goal of the research is to determine which factors have a greater impact on the saving behavior of Nepalese employees by looking at the affects of peers and parents. The research contributes to our understanding of the ways in which and the extent to which peer effects affect the saving behavior of Nepalese employees. Parents and peers are taken into account as influencing variables for saving behavior. The thorough evaluation of earlier research served as the basis for this consideration.

The purpose of this study was to determine which variables have a greater influence on the saving behavior of Nepalese employees and to investigate the effects of parents and peers on that behavior. This research contributes to our understanding of the ways in which and extent to which peer influence affects the saving behavior of Nepalese employees. Parents and peers are taken into account as influencing variables for saving behavior. The thorough evaluation of earlier research served as the basis for this consideration. Few fundamental and significant facts were obtained in this way by a careful and in-depth analysis of the literature, as well as through the interested researchers' own self-conceptualization and comprehension. many demographic factors, such as age, gender, education, marital status, monthly income, and savings per month. The outcome is based on responses from 225 respondents.

The correlation analysis's findings indicate a favorable relationship between the Nepalese employee's saving habits and the impacts of their parents and peers. Furthermore, this value demonstrates a somewhat favorable association between the saving habits of Nepalese workers and the effects of their parents and peers. Because the p-value is smaller than alpha, the correlation is significant at the 1% threshold of significance. As in the previous case, the correlation results indicate a favorable relationship between the self-control and financial literacy and saving behavior of

Nepalese employees as measured by the Pearson Correlation Coefficient. Furthermore, this figure demonstrates a weak but positive association between the saving habits of Nepalese workers and their level of self-control and financial knowledge.

The p-value is a lower value than the alpha value. As a consequence, the model can forecast the connection between the independent and dependent variables with accuracy. For this reason, the independent variables—financial literacy, self-control, peer and parental influences, and financial literacy—have a significant role in explaining the difference in the saving behavior of customers from Nepal. According to the beta coefficient, if the Nepalese employee's saving behavior changes by one unit, the peer influences component will change by 0.204 units, with all other factors being the same. Similarly, the beta coefficient indicates that the parental effects component changes by 0.329 units for every unit change in the customer's saving behavior. The beta coefficient for self-control in saving is 0.215, meaning that a one-unit change in the saving behavior of a Nepalese employee results in a 0.215-unit change in the self-control component, while all other factors stay the same. • The beta coefficient for financial literacy of saving behavior is also 0.121, meaning that a one-unit change in the financial literacy factor results in a 0.121-unit change in the financial literacy factor while the other components stay the same.

The fundamental data used in this study were gathered via a series of questionnaires, which served as the foundation for its conclusions. The questionnaire was split into two sections: the customer's demographic profile about their saving behavior and peer-influencing variables, and the customer's saving behavior and parental-influencing factors.

Regression analysis was used to test the hypothesis. Peer and parental influences are the independent variables, whereas the reporting standard was examined using the saving behavior of a Nepalese employee as the dependent variable. The results show that there is a considerable impact of peer influences on the saving behavior of Nepalese employees when compared to the impacts of peer influences against that behavior. Furthermore, the results of the impacts of parental influences against the saving behavior of Nepalese employees show that these influences have a major impact on the saving behavior of Nepalese employees.

## 5.2 Conclusion

A research on the impact of parents and peers on saving behavior is carried out among Nepalese employees. It is investigated how peer and parental factors affect saving behavior. The global economy is expanding and changing quickly on a daily basis, with savings being a key component of this expansion and ensuring its continuance. The developing nations are making an effort to stay up with this process of development in order to improve their position in the world of survival. Savings may be used more quickly in this economic growth cycle if they are saved. The younger generations in Nepal are starting to spend more and more carelessly these days. Compared to earlier generations who are less engrossed in the materialistic world, they generally place a lower value on money. Nepal has seen changes in lifestyle and spending patterns as a result of the young generations being given more freedom to buy and choose their own consumption options as the country's standard of living has significantly increased.

This study shows that the saving habits of Nepalese employees are influenced by their parents and peers. Peer pressure has a major influence on how the Nepalese employee saves money. The younger generations in Nepal are growing more irresponsible with their spending habits these days. Compared to earlier generations who are less interested in the materialistic world, they place a lower value on money. Additionally, Nepal's quality of living has significantly increased. As a consequence of changes in the country's spending patterns and lifestyle, the younger generations are now allowed more freedom to choose their own products and make their own purchases. In this instance, friends' saving habits are influenced by their peers. When they go shopping, they ask their friends for advice, demonstrating to the younger generation that they are incapable of taking care of themselves. Peer pressure therefore has an impact on Nepali customers' saving habits.

Furthermore, there is a notable effect from parents on the saving habits of the Nepali worker. Getting financial education leads to increases in one's skills, willingness, and total savings. When their parents urge their children to save, Nepalese employees are more likely to continue good saving habits because parents facilitate and promote saving behavior. There was a proverb in Nepal that said "home is the first school to learn" and "parents are the first teachers." Therefore, a Nepalese employee's saving behavior is influenced by their parents.

This study's findings suggest that Nepalese employees take their parents' and peers' input into account while making financial decisions and acting in certain ways. In order to enable their children to make wise financial decisions, parents must mentor and assist them in this area.

### **5.3 Implications**

The purpose of the study is to determine which factors have a greater impact on the saving behavior of Nepalese employees and to evaluate the affects of peers and parents on that behavior. The study's findings have the following ramifications:

#### **5.3.1 Managerial Implications**

In many facets of life, parents have a significant effect in Nepalese communities. Parents are in charge, they bear responsibility, and kids learn to respect them. Because they have such a strong effect on customers, parents should take advantage of this chance to show their kids how to save responsibly while also preparing them for adult life in the global market. In addition, some rural locations have restricted internet access, which makes it challenging for customers to obtain financial information. For this reason, it's critical for parents to set an example of responsible saving behavior. In order to help kids understand the value of money and develop into savvy consumers, parents should teach their kids about the difference between buying necessities and wants and to prioritize their purchases.

In a similar vein, parents must provide their kids the chance to learn the value of sound money management. by outlining the advantages of saving and providing guidance on how to handle everyday spending. Having candid conversations about money matters between kids and parents might help them develop sound financial habits later on. However, in light of the present financial difficulties, the client should also be aware of the necessity of possessing the necessary financial knowledge in order to take a more active and accountable role in their own finances. Parents tend to have limited financial expertise, thus customers should try to engage with and emulate the successful peers' conduct.

This study facilitates banks' creation of savings accounts. Because only after the banker's parents and peers have been persuaded can they persuade their own peers or children. According to this study, parents have a greater effect on their kids than peers

do. If banks have any schemes, they should start by focusing on the parents of their consumers.

### **5.3.2 Future Research Implications**

This study only covers the area around the Kathmandu. In the future research may be conducted in the taking data of the zones, province and whole nation. That type of study helps to provide clear vision about the peer and parental influences on saving behaviour of customer and it may more accurate. And also, future research should be conducted to identify impact of financial knowledge on saving behaviour of customer. This shows the educational level of the customers and its effectiveness on the saving behaviour of the customers. Furthermore, future research should be done in the relating factor effecting saving behaviour of households.

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ABSTRACTS The primary goal of the research is to determine which factors have a greater impact on the saving behavior of Nepalese employees by looking at the affects of peers and parents. The aim of this research was to ascertain which factors are more significant in influencing the saving behavior of Nepalese workers and to look into the impact of peers and parents on that behavior. a wide range of demographic characteristics, including age, gender, marital status, education level, monthly income, and monthly savings. Based on replies from 225 respondents, the result was produced. This study's core data, which formed the basis for its results, were acquired through a series of questionnaires. The customer's demographic profile about their saving behavior and peer-influencing factors, as well as their saving behavior and parental-influencing factors, made up the two portions of the questionnaire. This study demonstrates how parents and friends have an impact on the saving behaviors of Nepalese workers. Peer pressure has a significant role in the way the Nepalese employee manages their savings. These days, Nepal's younger generations are becoming