INFLUENCE OF KNOWLEDGE, UNDERSTANDING AND BENEFITS ATTAINED THAT AFFECT THE TREND OF BECOMING MEMBERS OF SUAN SUNANDHA RAJABHAT UNIVERSITY PROVIDENT FUND

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Abstract— The purposes of this study were to examine and compare the trend of becoming membership of SuanSunandhaRajabhat University Registered Provident Fund and to study the relationship between knowledge and understanding towards the Registered Provident Fund and the privilege attainable to the members relating to the trend of becoming membership of SuanSunandhaRajabhat University Registered Provident Fund. The samples consisted of 542 employees who had not been members of the Provident Fund classified as university employees, government employees and temporary employees. A Questionnaires was used to collect data. All statistical analyzed were performed using statistical software. Data was described through frequency, percentage, mean, and standard deviation and was analyses by t-test for 2 groups of independent variables, one – way ANOVA for more than 2 groups of independents variables, and also multiple regression analysis.

The results indicated that 1.The trend of becoming membership of SuanSunandhaRajabhat University Registered Provident Fund classified by personal data (sex, age, status level of education, income, year of working, and personnel class) showed no statistically significant difference at 0.05% 2.Knowledge and understanding related to the Provident Fund had no statistically significant effect to the trend of becoming membership of SuanSunandhaRajabhat University Registered Provident Fund at the level of 0.05%; 3.The privilege that the members obtained from the Registered Provident Fund was satisfied by the employees membership the annual term of payment. The more money and length of time they accumulated, the more money they got from the Registered Provident Fund. These factors were related to the trend of becoming membership of SuanSunandhaRajabhat University Registered Provident Fund.

Keywords— Knowledge and understanding / benefit attained / the trend of becoming membership of the Provident Fund

I. INTRODUCTION

Provident fund is a fund set up by employers and employees altogether, the money of which comes from "savings" paid the employees and "counterpart fund" paid by the employers in an equal or larger amount. In other words, the more money the employees save, the more money the employers deposit. The provident fund is a characteristic of welfare provided by the employers to the employees in order to be financial guarantees to the employees of both private and state enterprises companies under the supervision of "Provident Fund Act". The significance of establishing the provident fund is not only to allow the employees to save their income regularly with discipline and with the assistance from the employers but also to organize and gain interests that will be shared to all the member depending on the proportion of the sum available in the fund (CIMB PrinCipal).

The provident fund was first established in Thailand before 1984 and has been carried on from the Fifth National Economic and Social Development Plan to the present. The government encouraged the employers to set up the provident fund to comply with the regulatory requirements by using tax incentives to motivate the employers and employees to jointly start the fund. The establishment of the provident fund is a type of welfare that the employers (e.g., companies, shops, or organizations) provide to their employees, the sum of money of which can benefit them after retirement. In addition, the provident fund is significant welfare motivating the employees to work, which directly affects the working performance and encourages them to work longer. When the economy and society has changed, the majority of people become older; however, it is likely that they cannot rely on their descendants. Therefore, it is drawn to the government to take care of this issue. Moreover, the provident fund plays a role in long-term investment to stabilize the system. With the previous establishment of the provident fund, it aimed to gather the savings into the system which will indirectly result in increase of state revenues (Sapasamai, 1999, 41-42).

Later in 1987, the Provident Fund Act was passed under the supervision and authorization of the Minister of Finance. The Fiscal Policy Office, Ministry of Finance was appointed as the registrar. On March 31, 2003, there were approximately 1,327,954 members, 5,379 of which were company's employers, the provident fund with the total sum of 250,733 millions Baht. Later, Ministry of Finance transferred the supervision from the Fiscal Policy Office, Ministry of finance to the Securities and Exchange Commission (SEC) and the Provident Fund

Act and the Securities and Exchange Act was amended to be able to transfer such tasks, both of which have been in force since March 30, 2000.

In order to encourage and motivate the establishment of the provident fund, it is appropriate to pass the laws to regulate and support the establishment of the provident fund with the objectives as follows (Provident Fund, 1987, 1-2).

1. To be the welfare for employees to ensure that employees and their families will have money for a living after retirement
2. To build a good relationship between employers and employees as, build up good reputation for the employers, motivate the performance of the employees, and make the employees work longer
3. To mobilize the savings from both the public and private sectors to develop the economy of the nation

SuanSunandhaRajabhat University sees the importance of the provident fund; hence participating in the establishment of the Rajabhat University provident fund on February 8, 2012 and initially recruiting members in May, 2012. The saving and contribution rate was set as 2 percent in 2012 and 3 percent in 2013 onwards. Thailand Commercial Asset Management Company is the fund manager creating a better welfare for university staff (University Notice).

SuanSunandhaRajabhat University, officially registered, has a policy encouraging its personnel to join the fund to make their long-term savings, which will benefit both the university and the staff. The public relation and the subscription were launched. As a result, off the 1,207 total number of the university staff (1,107 university staff, 25 government officers, 75 temporary employees, representing 54 percent) (Administration Conference Document, 05-27-2014), there were only 655 members in the fund from 2012 to 2014 (Provident Fund, 2014). The university staff may consider the fund rate low and not attractive to deposit. Meanwhile, the university staff with low salary did not want to have their salary deducted into the fund at high rate, which was not enough for their living. Another factor may be lack of public relations resulting in lack of knowledge and understanding. Therefore, this issue is important to be studied.

Thus, provided that the SuanSunandhaRajabhat University provident fund, officially registered, want to succeed in having an increasing number of members, it is essential to know factors related. The researcher, as a SuanSunandhaRajabhat University Provident Fund staff, would like to study the influence of knowledge and understanding as well as benefits attained that affects the trend of joining the fund. The results of the study will guide a way to encourage more university staff to join the fund.

II. RESERARCH OBJECTIVES

1. To study and compare the trends of becoming a SuanSunandhaRajabhat University Provident Fund member, officially registered, classified by personnel data
2. To study the knowledge and understanding regarding the provident fund that affect the trend of becoming a SuanSunandhaRajabhat University Provident Fund member, officially registered
3. To study the benefits attained that affect the trend of becoming the SuanSunandhaRajabhat University Provident Fund member, officially registered

III. METHODOLOGY

The population in this research study is the SuanSunandhaRajabhat University personnel who have not joined the provident fund consisting of 542 university staff, government officers, and temporary employees. The sample group includes the SuanSunandhaRajabhat University personnel who have not joined the provident fund consisting of 230 university staff, government officers, and temporary employees. Yamane formula is used in sampling (Yamane, 1973) along with the Proportion Stratified random sampling. The formula is as follows:

Sample group from each sector =

$$\frac{\text{Total sample group x Total number of the population in each sector}}{\text{The total population}}$$

IV. RESULTS

According to the results, it was found that the SuanSunandhaRajabhat University personnel who had not joined the provident fund consisted of females aged 25-35 years old with single marital status, most of which had education lower than bachelor degree with average monthly income of 20,001 Baht, and they had worked in the organization for less than 5 years. In addition, most of the personnel were temporary employees. The SuanSunandhaRajabhat University personnel who had not become members of the provident fund could answer the questions regarding the knowledge and understanding of the provident fund correctly, considered to be in a medium level. The SuanSunandhaRajabhat University personnel who had not become members of the provident fund expressed opinions at a high level on the benefits attained from the provident fund. In addition, the

SuanSunandhaRajabhat University personnel who had not become members of the provident fund expressed opinions at the highest level on the trend of becoming members of the SuanSunandhaRajabhat University Provident Fund, officially registered.

After testing the hypothesis, it showed that the knowledge and understanding regarding the provident fund did not tend to affect the subscription of the SuanSunandhaRajabhat University Provident Fund, officially registered. As a result, the hypothesis "the benefits attained affect the trend of joining the provident fund" was proven false, consisting of satisfaction towards the repay criteria depending on the subscription duration; the more the subscription, the more the money and satisfaction towards the deposit into the provident fund. The correlation efficient values were .369, .027 and .245 respectively. In terms of factors determining the trend of joining the provident fund, the "benefits attained", "satisfaction towards the benefits attained from the fund", "satisfaction towards the saving rate deposited monthly", "satisfaction towards the repay rate after retirement" factors were not related to one another.

V. DISCUSSION

The SuanSunandhaRajabhat University staff who had not become members of the provident fund had knowledge and understanding about the provident fund in a medium level, especially savings gathered from the deduction of the salary. The objective of this provident fund was to provide welfare for the personnel after retirement or resignation. However, most of the personnel were not member of the provident fund due to misunderstanding of the fact that the members could re-enter the provident fund after resigning from the fund without leaving the job and that the membership began from the first working day to the last working day. Another misunderstanding was that the members did not receive the salary for a particular month but the employers still had to deposit saving into the fund. Such misunderstanding could result from lack of knowledge which was relating to the concept proposed by Milton J. Rosenberg Carl I. Hovland(n.d., cited in Ungkerdchok, 1986, 28). They explained that understanding involved beliefs, concepts, or conception toward a particular object both positively and negatively. Such understanding was passed on by community to community. For example, if a person understood and acknowledge how good the democracy was, that person would have a positive attitude towards the democracy.

It was observed that most of the SuanSunandhaRajabhat University personnel who were not members of the provident fund expressed opinions towards the benefits attained at the highest level, especially the satisfaction towards the establishment of the SuanSunandhaRajabhat University Provident Fund and the longer the savings were deposited, the larger sum of money the employees would get. The counterpart fund from the employers showed how important the saving in the provident fund was and helped the personnel understand what welfare SuanSunandhaRajabhat University provided to its personnel. This was related to the research study of Pacharaporn Ungpananon(2006) stating that the provident fund was an option that encourage saving which emphasized on those with long-term income or wage. Interestingly, the SuanSunandhaRajabhat University personnel who were not members of the provident fund expressed opinions towards the trend of becoming members of the SuanSunandhaRajabhat University Provident Fund, officially registered, at a high level overall, specifically the trend of becoming members of the SuanSunandhaRajabhat University Provident Fund resulting from the increasing benefits. They were also satisfied with the counterpart fund and the benefits from the subscription. In addition, the personnel considered the provident fund beneficial for their retirement, all of which were good signs towards the trend of becoming members of the provident fund. The reason may be that the university personnel were government officers who needed stability after retirement compared to employees who had stable income guarantee.

In terms of factors affecting the trend of becoming members of the provident fund, it was found that the university personnel were satisfied with the benefits and the payment criteria depending on the subscription duration. Savings in the provident fund made the personnel realize the significance and understand the objectives of the SuanSunandhaRajabhat University Provident Fund and that the saving was one of the future income guarantees. However, the results from this research study showed that the understanding about the provident fund was in a medium level. The administrative team should encourage those personnel who were not members to see the benefits and hold a session giving information about the provident fund. This was related to the research study of PattawanOmsanang(1999) that studied the factors influencing the subscription of the provident fund of the state enterprise employees in Bangkok area. The study showed that the state enterprise should motivate more employees to subscribe to the provident fund by providing knowledge and understanding about the provident fund and showing the benefits attained from the fund.

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