

Can Time Perspective Proximate Perceived Behavioural Control In Theory of Planned Behaviour : A Theoretical Approach

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Abstract

After the burst of the housing bubble in 2008, the number of changes can be seen in the saving patterns of people. Many behavioural and psychological factors have been considered for understanding this saving pattern or behaviour. By employing the theory of planned behaviour, this paper aims to provide a theoretical framework for examining the impact of the present hedonistic time perspective on the saving intention of the people. To this point, the authors have tried to identify the research to time perspective and saving behaviour. After examining the literature, various conceptual and research issues have been discussed which led to the development of this framework. This model will also be conceptualized and analyzed using the structural equation modeling and considered for future research by the authors.

Key Words

Savings, Theory of Planned Behaviour, Present Hedonistic Time Perspective, Saving Intention, Saving Behaviour

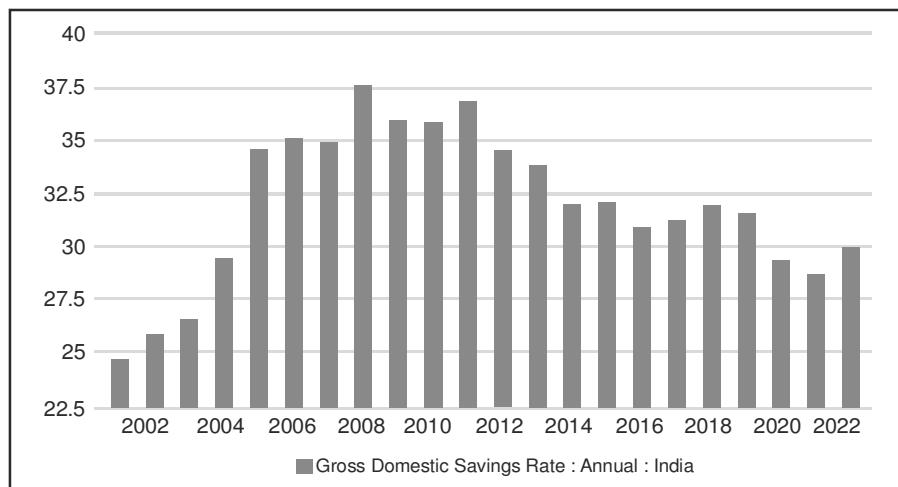
INTRODUCTION

In this decade, we have entered into a space where our future needs regarding emergencies and health can mostly be fulfilled by means of personal savings. Even the governments from different nations have also started focusing on a new approach where they encourage households to be more independent while making financial decisions and they termed it as a responsible

approach to personal finance (Brounen *et al.*, 2016), because they know that fewer funds will be available with them to invest in social and physical infrastructure. If it is difficult to understand the boosterism of governments, an individual need to save to face the economic downturn or financial crisis, which works like insurance against economic shocks and also helps to improve the standard of living (Mahdzan & Tabiani, 2013) (Jamal *et al.*, 2015). Saving money is also important as it helps individuals or households to come out of difficult situations by learning and working on successful financial skills in their lives (Mpaata *et al.*, 2021).

Figure 1

Annual Gross Domestic Savings Rate in India (2001-2022)



Source : CEIC, 2022

At the beginning of 2007, the personal savings rate in the United States was only 2% but at the end of 2007, the personal savings rate began to increase. The savings rate reached a plateau of 5.8% in 2009 (Bureau of Economic Analysis, 2011). Even after so much innovation and development by the banking system of India, there is a continuous decrease in the saving rates that can be seen just after the housing bubble and is trending with an average of 30.2% (CEIC, 2022). Since the Great Recession of 2008, personal saving rates in the US have increased. This suggests that consumers may be concerned about saving for short-term emergencies and long-term financial security (Cho *et al.*, 2014) Turkey also experienced several debt crises, one of them was in 2009 which mainly affected private and public savings rates and caused instability (Copur &

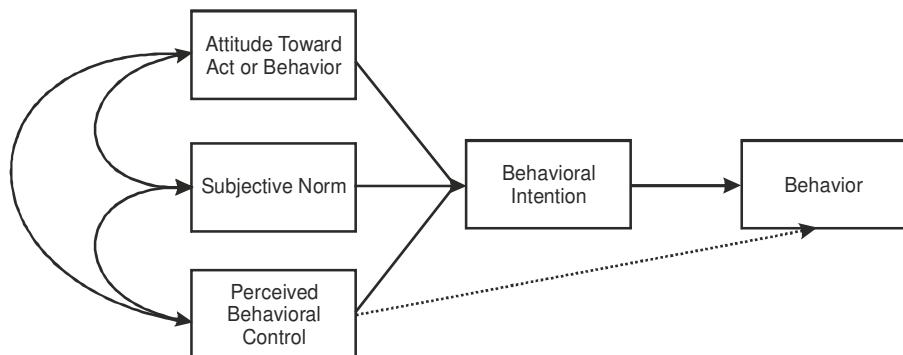
Gutter, 2019). There was a great shift in the savings behaviour of people across the world after the 2008 recession, there can also be a possible change in this behaviour after the pandemic, the effect of which can be seen in the whole world.

Saving Behaviour vis-à-vis Theory of Planned Behaviour

There is a number of theories available that help the reader to understand the complexities of Human behaviour such as Theory of Reasoned Action (Fishbein, 1967), The Theory of Planned Behaviour (Ajzen, 1985) and the Theory of Interpersonal Behaviour (Triandis, 1977). These theories are used to explain the behavioural patterns or decision-making power of an individual (Xiao & Wu, 2008).

Figure 2

Theory of Planned Behaviour



Source : Ajzen, 1991

The authors have tried to explain saving behaviour by using the Theory of Planned Behaviour where the behaviour of an individual is driven by the intention and that intention is the function of individual's attitude towards the behaviour, subjective norms surrounding the performance, and the perception of individual regarding the difficulty of performing the behaviour.

Saving behaviour is based on the potential needs and choices that help an individual in wealth formation (Mpaata *et al.*, 2021). Saving choices made by a person can be intentional or unintentional. For instance, an individual keeping some part of his/her income aside after receiving every paycheck can be termed as an intentional saver. On the other hand, some amount left with the person after meeting all his/her expenditure, being saved can be termed as an unintentional saving. Both these instances lead to saving but show a different behaviour of an individual towards wealth accumulation.

People tend to save or try to achieve a targeted amount to fulfill their desired goals even after when they are not able to do work to earn livelihood (Glick & Lansing, 2011). It is the time perspective that lets the people to think about saving or accumulating wealth for the future as they have learnt that every day is not going to be the same. The time perspective theory is probably going to lead the readers toward the factors that impact the saving behaviour of an individual.

Time Perspective Theory

According to the developers of the time perspective theory (Gonzalez & Zimbardo, 1985), there are certain social or personal experiences in human life based on which, an individual try to give order or meaning to those events. The series of these events leads a person to make decisions that can be rational or otherwise.

In this paper, the authors have tried to identify the effect of the present hedonistic time perspective on the saving behaviour of an individual. Zimbardo & Boyd, (2008), described in their book, the money habits of people having present hedonistic time perspective:

Hedonists use their money to create fun and excitement. Money is to be enjoyed right now, unencumbered by memories of the past or expectations of the future. A dollar in hand is worth two in the bank. If they do save, it is for a faster car, fancier clothes and a bigger ring. They never expect it to rain, so they don't save for a rainy day. When it does rain, they think, they will deal with it then. When the rain stops, they dry out quickly and return to their prodigal ways. They journey from rags to riches and back again repeatedly, max out credit cards, overdrawn bank accounts and lose their homes to foreclosure. (p. 229)

This paper is based on the conceptualization of two theories namely, the Theory of Planned Behaviour (Ajzen, 1991) and the Zimbardo Time Perspective Theory (Gonzalez & Zimbardo, 1985). For the application of the Theory of Planned behaviour, four assumptions must be considered :

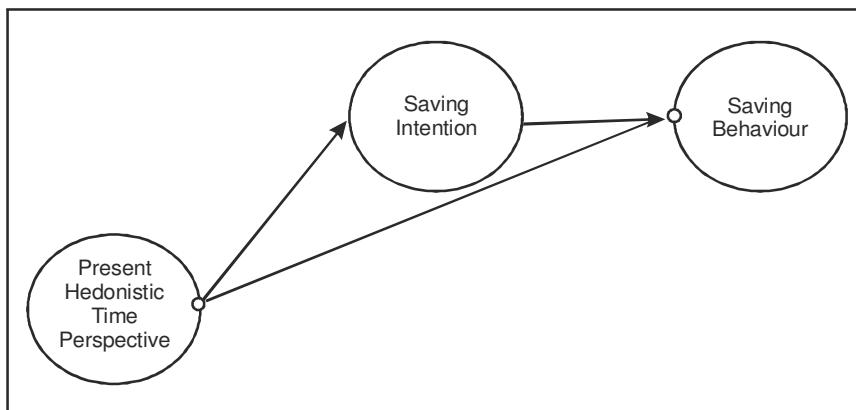
1. Intention is the immediate antecedent of the actual behaviour.
2. Intention is determined by attitude towards the behaviour, subjective norms surrounding the performance, and perceived behavioural control on the performance of behaviour.
3. The factors above, respectively, are a function of underlying behavioural, normative, and control beliefs.
4. Due to the function of a wide range of background factors, behavioural, normative, and control beliefs can vary.

CONCEPTUALIZATION of the THEORIES

Present hedonistic time perspective, from the Zimbardo Time Perspective Theory (Gonzalez & Zimbardo, 1985), will be used to examine its effect on saving intention as well as saving behaviour because it is a major contributor while considering the perceived ease or difficulty in performing the behaviour i.e. actually saving money. Ergo, present hedonism can be proxies as a perceived behavioural control factor that can be used as an exogenous variable in the theory of planned behaviour (Rodermund, 2012).

In Figure 3, the authors have proxied the present hedonism with perceived behavioural control. People with present hedonism (Zimbardo & Boyd, 2008) enjoy all things that give pleasure and avoid the factors that endure pain. Generally, their life revolves around relationships or activities that are stimulating, arousing, or pleasurable. These kinds of people tend to avoid situations tedious which requires more effort, or activities that are recurring nature. For instance, people who have a desire to earn instant money and when they earn it, tend to spend it faster than they have earned. (Zimbardo & Boyd, 1999) conducted interviews and focus groups on college students first when they were developing the standardized scales for Time Perspective Theory.

Figure 3
Conceptual Framework



Source : Author's Presentation

DISCUSSION

With the change in generation and time, it is important to understand the time perspective of young people today (Zhang *et al.*, 2013) concerning saving money. Most of the authors in behavioural research specifically related

to savings are studying the behavioural characteristics of older people who are retired or on the verge of retirement (Jacobs & Hershey, 2005; Copur & Gutter, 2019; Brounen *et al.*, 2016). The ZTPI has a set of five subscales which can be induced in research to gather an understanding of the time perspective of any generation. The authors will use the items of the present hedonistic time perspective which are presented in Table 1. Present hedonistic time perspective is used because the latest generation is more inclined towards the present rather than the future but if the future time perspective exerts an influence on saving behaviour, then, the current question is about whether the present hedonistic time perspective will show a similar pattern or will it bring certain new patterns in the future research.

Table 1
Present Hedonistic Time Perspective Items

Sr. No.	Time Perspective Items
1.	I believe getting together with one's friends to party is one of life's important pleasures.
2.	I do things impulsively.
3.	When listening to my favourite music, I often lose all track of time.
4.	I try to live my life as fully as possible, one day at a time.
5.	Ideally, I would live each day as if it were my last.
6.	I make decisions on the spur of the moment.
7.	It is important that I have some excitement in my life.
8.	I feel that it's more important to enjoy what you are doing than to get work done on time.
9.	Taking risks keeps my life from becoming boring.
10.	It is more important for me to enjoy life's journey than to focus only on the destination.
11.	I take risks to put excitement in my life.
12.	I often follow my heart more than my head.
13.	I find myself getting swept up in the excitement of the moment.
14.	I prefer friends who are spontaneous rather than predictable.

LIMITATIONS OF THE STUDY

Since, the ZTPI includes five sets of subscales, Zhang, 2013 was of the view that to understand the impact of time perspective, every researcher should

use all sets of scales that holds 56 items. As it will be difficult to collect data on these items from today's time the bound generation, the authors have only used the present hedonistic time perspective scale. On the other hand, this paper can to show the groundwork or the theoretical framework for the study that the authors are going to perform in the future, reliability and validity of the scales are not available.

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