

Self Control in Savings (A Literature Review)

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Abstract

The thing that is most feared by every individual is a situation of uncertainty that will occur in the future. Fear creates a sense of anxiety that will haunt every step the individual takes in navigating the ocean of his life. Uncertainty in financial conditions is one of the many uncertainties faced. Humans are born with various advantages in themselves compared to other living creatures created by God. With the mind that humans have, they try to find solutions to overcome problems, especially the fear of uncertainty, especially in financial matters. Along with the development of science, especially in the field of accounting, it teaches how to make a form of financial management, especially individual finance so that it can overcome problems in its finances. One way to manage finances is to save the money you have so that later it can be used for various predetermined purposes. Through the target to be achieved, the main focus that must be done is how to make every step taken in accordance with the objectives to be achieved. One of the things that supports the achievement of the targets to be achieved is the individual's commitment to carrying out all plans made through self-control which is reflected in his physical and behavior.

Keywords

self control; behavior;
saving



I. Introduction

Life in the future is sometimes full of uncertainties that can never be predicted before. This is one of the things that every individual who lives in a society is afraid of. Uncertainty in the economy, especially the availability of adequate funds is one example of the fear that every individual has. This is a normal and natural thing felt by every individual because every human being is born with various feelings from sadness to joy in facing his life. Reflecting on all of these things from time to time, the knowledge possessed by humans examines ways to manage their fear so that it does not become a barrier that can bring humans to the valley of destruction. One way to overcome the anxiety and fear that haunts the economic life of the family is to make a financial plan as the initial stage of the design of the economic activities of the individual accompanied by the total value of each item of activity he does. Of course, this does not necessarily eliminate uncertainty but can reduce the uncertainty that occurs to a minimum level. Uncertainty will always occur because there are several factors that cannot be predicted with certainty by humans in making financial planning. However, this is certainly a positive thing that can suppress the anxiety and fear faced by humans.

One of the financial planning that individuals do is saving for the future. Saving is an activity to set aside a certain amount of money that is owned to be saved which will be used in the future whose use can be used to finance unexpected things or finance certain activities. In financial planning there is self-control (self control) carried out by individuals

on their physical and behavioral. In the Encyclopedia of Psychology, it is stated that self-control appears in very diverse cultures and religious traditions including Hellenistic Greece which views self-control as an autonomous individual who lives in harmony with society, Muslim ethical self-restraint, Confucian self-sufficiency and internal self-regulation in Christianity and the elimination of worldly desires. While the ancient Hindu teachings in the Bhagavad Gita state that for one's wisdom there is no wide gap between desires (what they want to do) and actions (what they do).

All actions taken in connection with self-control are directed to achieve a desired state that will occur in the future according to a predetermined plan. In order to support the plans that have been made, especially in providing sufficient funds so that all plans can be realized, one of the things that can be done is saving. There is a relationship between the level of income and the amount of a person's savings conveyed by where the higher the income that is owned, the more amount of money that person will save. The reason for doing this research is that there are various saving habits in the household based on various motives for doing so. The purpose of this research with literature review is to provide a theoretical study for future research.

II. Review of Literature

The relationship between the level of income and the amount of one's savings is conveyed by (Sherraden, 2006) where the higher the income owned, the more amount of money that person will save. Saving habits are associated with improving the welfare of the poor, one of which is maintaining family financial stability in dealing with future risks (Sherraden, 2006). Self Control Theory is a theory that explains the mechanism used by humans in controlling their behavior to achieve the desired results (Luria, 1960:397). This means that humans have the sensitivity to read their own situation and their surrounding environment, so that there will be a regulation of physical, mental and behavioral processes. This action is carried out by self-actualization in socializing. Sometimes it is done by covering up his own feelings of rebellion to carry out the process. Thus, self-control is an act to control the body, mind and behavior to achieve the desired result and avoid unwanted consequences. Self control in terms of financial management is an action that encourages a person to reduce the use of his money for consumption and save on expenses (Otto, Davies & Chater, 2007). All efforts will be directed to achieve it and of course there will be sacrifices made if the resources used are limited. Discipline in managing finances to achieve priorities is determined by how much power these priorities affect one's mind. Besides, self-control is also an effort to avoid short-term preferences to achieve long-term preferences (Karlsson, 1998). This means that in the short term there will be things that are limited to achieving a goal in the future. Self control in another sense is a strategy used by a person to make financial savings (Putra, Handayani and Pambudi, 2013). Thus self-control in managing personal finances emphasizes self-discipline which is directed to achieve certain financial priorities in the future by controlling their physical, mind and behavior. Hurlock in Gufron and Risnawita (2016) suggests the level of emotion that individuals do to direct them in a better direction by controlling themselves which is socially accepted, understanding how much control must be exercised in order to meet their own needs and as expected by the group and then do assessment of the situation before giving feedback on a particular action.

Aspects and Types of Self Control (Self Control)

According to Averil in Gufron and Risnawita (2016) self control includes behavior control, cognitive control and decision making control. Behavioral control includes two main things, namely how individuals regulate and control certain situations and how and when individuals react to unpleasant stimuli. In his reaction to an unpleasant stimulus, the individual will use several ways, namely avoiding the stimulus, making a time lag between several stimuli that occur, ending the stimulus before it is time to stop and reducing it. In cognitive control, individuals with their ability to try to interpret and assess unwanted information and make a relationship one event in a cognitive framework to reduce pressure. The trick is to get information and conduct an assessment so that later the individual is able to adapt to the situation. Furthermore, control in making decisions concerns how individuals make choices to take an action in accordance with their beliefs. Internal and external factors of the individual will affect the self-control that exists in the individual (Gufron and Risnawita, 2016). Block and Block in RS (1976) states that excessive control causes limitations in individual movement in their actions against a stimulus. While under control is a person's tendency to react to a stimulus without taking into account all his actions. Appropriate control is behavioral control that is attempted to respond appropriately to the stimulus.

III. Research Method

The research method is carried out by reviewing several literatures related to self-control in saving among individuals. The analysis technique in this study uses descriptive analysis techniques that seek facts, properties and relationships between phenomena with one another from several literatures which will then be interpreted in a literature review.

IV. Results and Discussion

Several previous studies have stated that professional financial advice (PFA) and self control have a positive relationship with financial assets (Liu, Yilmazer, Loibl and Montalto, 2018). This study aims to determine whether there is a relationship between financial advisory, self control and saving behavior in households in Germany. Panel data taken from 2005 to 2009 specifically examine the effects and interactions of financial advisors and self-control on saving behavior. By using three hypotheses, namely (a) individuals with higher self-control save more than individuals with lower self-control; (b) Financial advisory has a positive relationship with saving behavior; and (c) individuals with low self-control benefit more from financial advisors than individuals with high self-control. Several questions about the involvement of financial advisors in overcoming the financial problems of respondents were made to obtain research data. In addition, to measure self-control using a number of proxies for self-control behavior and analyzed by factor analysis. (Trzcińska, Sekścińska & Maison, 2018). This research also contributes that it is important to determine a strategy about financial education in the family that is not only focused and demanding in behaving as desired but also can be done with cognitive activities for skills in self control and focus on implementing certain rules. Gender factors also influence children's economic decision making, especially in saving behavior. This research can be used as a guide for parents that it is important to give pocket money to children and develop saving habits. The role of parents is needed in guiding their children and instilling the importance of self control in managing the pocket money given. (Kamawar et al., 2018). The method used is experimental. The results of this study are

different from previous studies which stated a positive relationship between self control and saving behavior. According to Mpaata, Koske & Sain (2021) stated in his research using a survey where self-control measurements were made for adults with higher education where for older ages had a lower self-control scale than younger ages because for older people self-control was not important anymore. Someone who has self control who has a clear direction towards his finances and is very competitive in every goal of his life. Given the importance of self-control in determining behavior, self-control is measured by the performance of the desired behavior and the inhibition of unwanted behavior (de Ridder et al., 2011). A meta-analytic study to obtain evidence of the relationship between dispositional self-control and behavior was conducted and this study briefly describes the theories of self-control and implicitly identifies them. This study obtained the results that from 102 studies conducted (total N = 32,648) which examined the effects of self-control behavior using the self-control scale, Barratt's impulsiveness scale, and low self-control scale. Small to medium positive effects of self-control on behavior were found for the three scales. Only the self-control scale allows a subtle analysis of the conceptual moderator of the self-control behavior relationship. In particular, self-control as measured on the self-control scale is related to the performance of the desired behavior and the inhibition of the undesired behavior. Various kinds of effects generated from this measurement both in terms of achievement and adjustment. The relationship between self-control and behavior is significantly stronger for uncontrolled behavior when compared to controlled behavior. Meanwhile, when compared between the imagined behavior with the actual behavior, self-control has a significantly stronger relationship for the imagined behavior.

Discussion

From several literature studies related to self-control, most of which have been described in the results of the analysis can be conveyed that the role of self-control in shaping behavior has long been studied and some state that there is a positive relationship between self-control and saving behavior. individual saving behavior in accordance with the results of the analysis that has been submitted. From the previous research submitted, only one stated that self-control was not related to saving preschool children (Kamawar et al., 2018). Gender factors also play a role in examining the effect of self-control on saving behavior (Trzecińska, Sekścińska & Maison, 2018) where female children have higher self-control than boys in shaping their saving behavior. Previous research has also conducted measurement of self-control for adults who are highly educated where older people have a lower self-control scale than younger people because for older people self-control is not important anymore in their lives. One thing that can be underlined from some of these statements is that as an individual created by God, self-control will shape his behavior in terms of various demographic aspects, both gender and age. Other studies have made it easy to measure self-control that shapes individual behavior.

V. Conclusion

Based on the results and discussions that have been presented, several important points can be drawn regarding self-control in saving habits for individuals who look at various perspectives and various stages of individual life. In general, self-control plays a role in the formation of saving behavior for individuals for several reasons including through self-control the individual will focus on the desired goal which is always an alarm in him that always reminds him if he goes out of the way that has been set. Physical formation and behavior as expected which is sometimes not in accordance with his own

wishes and sometimes even with a little force in order to please others and achieve a certain goal. Sometimes self control is a sacrifice that is felt by individuals to get something that they aspire to in the future. There is an interesting thing from the research that has been described previously that the older the age, self-control does not play a role in shaping saving behavior among individuals. However, for children and young people, self-control plays a role in shaping individual behavior so that the role of parents is very necessary in providing a positive climate in developing self-control in saving among children and those belonging to the younger generation. Giving examples and always bringing children closer to situations that show the importance of saving for their future lives can be done by parents. However, nowadays, the challenge as a parent is quite big in building self-control for children and adolescents. The rapid development of technology, which was accelerated by the pandemic situation, caused children and teenagers to stay indoors and spend more time with gadgets. Gadgets with various features that sometimes affect children and teenagers are consumptive. Besides, sometimes in the virtual world there are expressions that are sometimes used to promote an item but the effect sometimes forms consumptive behavior. For example, the following expression "don't hesitate to spend your small amount of money" or the phrase "you can save later because the discount on goods is not necessarily when it will be." This is certainly something that hinders the formation of saving behavior in children and adolescents. This is the role of parents or those who are more mature in directing these children and adolescents to be able to prioritize consumption for things that are needed not things that are desired. Religion is one of the important things that can be used to build self control in saving because all Religion teaches its people to live frugally, utilize all resources carefully and efficiently which is used to achieve prosperity without harming the environment and the natural surroundings. The implication of this research is of course the individuals involved in the research and also the policy makers in terms of absorbing savings in society. With this literature review, it is hoped that it will provide guidelines, the foundation of theoretical studies and the development of other theories that can be used in researching individual saving behavior in future research. The limitation of this literature review is due to the limited ability of the author in summarizing the existing literature and interpreting it as well as the limited amount of literature used, but with these limitations it is hoped that it can contribute to providing a literature review in research on self-control theory in saving.

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