

THE EFFECT OF DEMOGRAPHIC FACTORS ON PEOPLE'S MOTIVATION IN EXECUTING HOUSEHOLD ACCOUNTING

Attapong Teerakanon¹

Department of Accounting and Finance, Faculty of Business Administration,
Rajamangala University of Technology Thanyaburi

Abstract

This research aimed at 1) studying the people's demographic factors and motivation for household accounting execution and 2) comparing the motivation in household accounting execution classified by people's demographic factors in Thanyaburi District, Pathum Thani province. The samples were of 137 people living in Thanyaburi municipality, Pathum Thani. The data collection employed questionnaires with purposive sampling and convenience sampling method. The statistics used in data analysis included descriptive statistics covering frequency, percentage, mean, and standard deviation and inferential statistics covering the Independent Sample t-test and One-Way ANOVA at the statistical significance level of 0.05.

The results showed that most respondents were female, aged 20 - 29 years old, were student, graduated from bachelor's degree, earned between 10,001 - 15,000 baht and expensed between 5,000 and 10,000 baht. People had opinion about motivation in household accounting execution in terms of benefits, patterns and methods and support from government agencies and others in high level. After hypothesis testing, the study revealed that people with different demographic factors in terms of age, education, monthly household income and monthly household expenditure had motivation toward benefits, patterns and methods and support from government agencies and others differently at the statistically significant level as of 0.05.

Keywords: Demographic Factors, Motivation, Household Accounting Execution, Governmental Support

¹ Rajamangala University of Technology Thanyaburi, 39 Moo 1, Klong 6, Khlong Luang Pathum Thani, 12110
E-mail: attapong_t@rmutt.ac.th

Introduction

Household accounting is to record daily incomes and expenses in each day, week, month, and year in order that it can view the overall family income and expenses. Indeed, successful household accounting requires a learning process, which consists of being aware of problems and finding the related solution. In order to execute the household accounting successfully, the learning process should be adopted (Wutchindanon, 2016). When the household accounting was successfully conducted, the household accounting conductor will know and update sources of income and expenses. It can finally enable to analyze the financial situation of the family (Thananawat, 2013), leading to reduce expenses, increase income, save environmental resources (Wichian, 2016). However, household accounting also encounters with obstacles in the preparation of household accounting conduction because there is a lack of understanding in executing the household accounting (Tonrub, 2008) being consistent with Mongkol (2009). Most people in the communities do not record household accounts because of lack of understanding in household accounting and lack of motivation about household accounting as well as lack of a good attitude towards accounting (Chanthanon et al., 2018). In addition, it also lacks the support from the government and related agencies (Thananawat, 2013). Less household accounting will lead to a lack of financial management plans, which will result in increasing household debt. Based on the survey of current household debt problems, it was found that 74.80% of households have debts. Most of the debts is from assets purchased (36.90 percent) and 32.20 percent for daily expenses (The Economic Forecasting Center Exploration and Business University of the Chamber of Commerce, 2014).

From this, it is very important to study the motivation for setting up household accounting because motivation is a force that drives people to behave in response to stimuli and to set directions and goal. People with high motivated behavior will try to do various things and achieve the goal. In this research, the result will show motivation for setting up household accounting, which it finally can contribute the guideline and direction to promote the household execution in the villages and communities, being beneficial for family, community, society as well as nation.

Objectives

1) to study demographic factors: gender, age, career, educational level, average monthly household income and average monthly household expense, and motivation to execute the household accounting in terms of benefit, pattern and method and support from the governmental agencies.

2) To compare differences in motivation to execute household accounting of people in Pathum Thani Province categorized by demographic factors: gender, age, career, educational level, average monthly household income and average monthly household expense.

Conceptual Framework and Hypotheses

Conceptual Framework

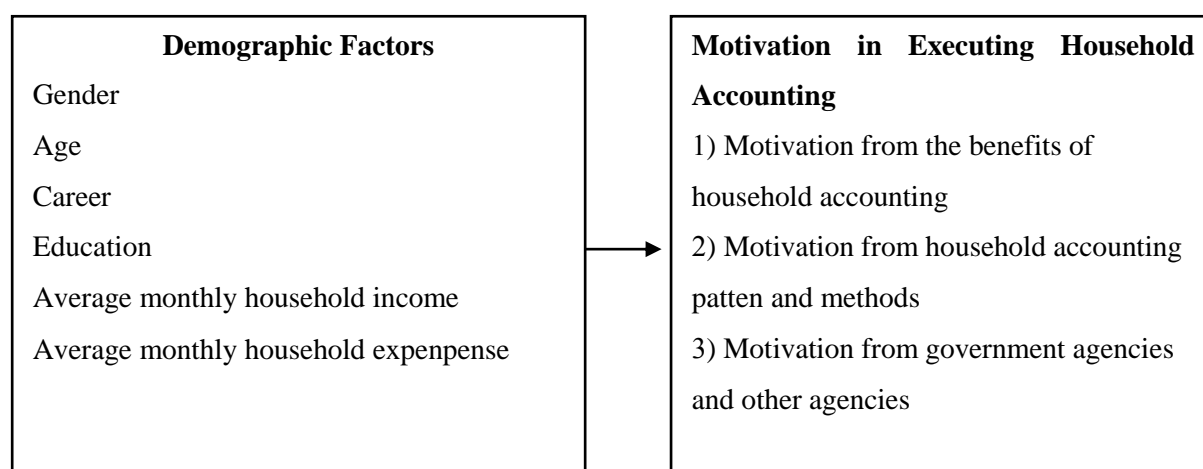


Figure 1 Research Conceptual Framework

Hypotheses

Hypothesis 1: People in Thanyaburi district, Pathum Thani Province with different gender had different motivation in executing household accounting.

Hypothesis 2: People in Thanyaburi district, Pathum Thani Province with different age had different motivation in executing household accounting.

Hypothesis 3: People in Thanyaburi district, Pathum Thani Province with different career had different motivation in executing household accounting.

Hypothesis 4: People in Thanyaburi district, Pathum Thani Province with different education level had different motivation in executing household accounting.

Hypothesis 5: People in Thanyaburi district, Pathum Thani Province with different average household income per month had different motivation in executing household accounting.

Hypothesis 6: People in Thanyaburi district, Pathum Thani Province with different average household expense per month had different motivation in executing household accounting.

Concepts, Theories, and Related Research

Concepts of household accounting

Accounting means the collection of financial information, which starts from recording, classifying, analyzing, and then creating various financial reports in order to use the information from these reports for further management and decision making (Sinnpinya, 2011). A household accounting is a record of personal income and expenditure, which also include the cost of production of small businesses in order to be aware of expenditures and incomes of the people or operators (Sinnpinya, 2011), which is consistent with Chanthanon et al. (2018) who advocated that household

accounting is to regularly record daily income and expenses in each day, week and month in order to see the movement in terms of how, why and when income and expenses are used. The Federation of Accounting Professions under the royal patronage (2014) mentioned that the result of accounting is to provide financial information that is useful for decision making. Indeed, the household accounting is necessary to consider the learning process for household accounting, which consists of being aware of problems and finding a way to fix it. The family needs to know the problems of household accounting execution by analyzing the problems that occur in the family and after that they need to find a solution to the problem. The solution can include household accounting training in order to how to execute and assess the effective household accounting (Wutchindanon, 2016). The benefits of household accounting are numerous, such as knowing the source of income and expenses that occur and then analyze the financial situation of the family (Thananawat, 2013), with an appropriate approach (Khotcharat, 2012) that can reduce expenses and increase income as well as conserve valuable resources (Wichian, 2016). Nevertheless, conducting the household accounting encounters with obstacles in the preparation of various household accounting, such as people lacking understanding of household accounting (Welcoming, 2008), consistent with Mongkol (2009) advocating that most of communities do not record household accounts because of lack of understanding in household accounting. Meanwhile, Chanthanon et al. (2016) said that the obstacles in creating household accounts are the behavior of the people that are still not cooperating in the preparation of their own household accounting since it is considered complicated and difficult. This is in accordance with Lomchimplee (2014) which stated that the preparation of household accounts was complicated. In addition, households do not want to disclose income and expense information as well as they cannot remember their income and expense transaction.

The concept of motivation in executing household accounting

Motivation is the power to motivate people to behave in response to the temptation and to set the direction and goal of such behavior. People with high motivation will try to do various things, to achieve the goal without abandoning. However, people with low motivation will not show behavior for keeping their goals or sometimes they will stop their work. In addition, motivation also means the desire to do something. Motivation can be divided into two parts: positive motivation and negative motivation (Robbins & Everitt, 1996). The motivation has important components: 1) needs, which is a state of scarcity, 2) driving, which means impulse or momentum that occurs both from the inside and the outside. The inside or internal motivation means the motivation arises internally from reasons within one's self, which is the motivation for self-satisfaction, not because of the fear caused by that, but it can also be a reward from self's action or behavior. In the meanwhile, the external motivation refers to external factors that entice or inspire self's action to complete or achieve the goal. A persons who was motivated by external factor will be inspired by reward distribution or they will receive something in return when they can reach a curtain goal. The motivation has resulted in behavior in the preparation of household accounting consuction (Poomcharoen, 2016), which may include

understanding and attitude about household account management (Thippayasothi, 2016). Household accounting according to the sufficiency economy approach for sufficient life can enable the family to have a better quality of life (Thananawat, 2013). Preparation of household accounting can also help save money and help be aware of financial transactions including income and expense (Lomchimplee, 2014), which it was promoted (Silaparasamee, 2015). In addition, the household accounting can create the solution for poverty (Sawangwarodom, 2014) as well as accounting can be sustainable (Wutchindanon, 2017).

Research Methodology

The population used in this study were people who conducted household accounting in the area of Thanyaburi district, Pathumthani Province. By employing Yamane (1973) by determining the confidence level at 95 percent and error level at 5 percent, there were 137 people, representing 43.22 percent, being selected. Purposive sampling and convenience sampling method were employed for the study. In data collection, the questionnaires with 2 parts were used as the research tool. Two parts of questionnaire can be divided into 2 parts including demographic factors: gender, age, career, education, monthly income per month and household expenditure per month, and motivation in executing household accounting: received benefits, pattern and process and governmental agency and support. The question items related to demographic factors were based on multiple choices with ordinal or nominal. In the meantime, motivation factors in executing household accounting were based on rating scale with scale. The rating scale included 5 levels: strongly agree, agree, moderate, disagree and strongly disagree.

In terms of data validity and reliability, the researcher used the Index of Item-Objective Congruence (IOC) by sending the question items to three experts in the fields in order to inspect the data validity. In the meantime, the researcher used coefficient of Conbach's Alpha in order to test the reliability of the research questionnaire derived from 30 sets of questionnaire distribution, which the coefficient of Conbach's Alpha should be higher than 0.70. After the study, the study revealed that the questionnaire had total coefficient of Conbach's Alpha as of 0.937. When separating by each dimension, motivation in executing household accounting: received benefits, pattern and process and governmental agency and support had Conbach's Alpha as of 0.855, 0.830 and 0.937, respectively. When the score is greater than 0.7, meaning that this set of questions can be used to analyze the data in order to have further analysis.

For data analysis, the researcher used descriptive statistics such as frequency, percentage, mean, and standard deviation as well as used inferential statistics such as the Independent Sample t-test and One-Way ANOVA with a statistical significance of 0.05 or 95% confidence level.

Study Results

Study of demographic factors

The results showed that from 137 respondents, most of them were female (94 persons, accounting for 68.6 percent), aged between 20 - 29 years old (55 people, accounting for 40.1 percent), were students (34 people, accounting for 24.8 percent), graduated from bachelor degree education (78 people, accounting for 56.9 percent), had average household income between 10,001 - 15,000 baht (32 people, accounting for 23.4 percent), and had average household expenses between 5,000 - 10,000 baht (37 people, accounting for 27 percent).

Study of People's Motivation in Executing Household Accounting

The results of the study revealed that people in Thanyaburi, Pathumthani Province, had opinions towards motivation in executing household accounting in terms of benefits from household accounting in high level with mean score as of 3.76 (S.D. = 0.60) by giving importance to the question "Household accounting can help update income - expenditure status". Meanwhile, people had opinion towards motivation in executing household accounting in terms of pattern and process in high level with mean score as of 3.65 (S.D. = 0.60) by giving importance to the question "Having knowledge and understanding about household accounts can make household account accounting more accurate". Lastly, people had opinion towards motivation in executing household accounting in terms of governmental agency and support in also high level with mean score as of 3.46 (S.D. = 0.87), giving importance to the question "Obtaining the opportunity to invest some business".

Hypothesis test results

The researcher will use the results from the model to test the equation as specified. The details are as follows.

Table 1 Shows the results of hypothesis testing.

Demographic Factors	Motivation in Executing Household Accounting			
	Overall	Received Benefits	Pattern and Process	Governmental Agency and Support
Gender	t = -0.516 Sig. = 0.607	t = -0.558 Sig. = 0.578	t = -0.455 Sig. = 0.650	t = -0.354 Sig. = 0.724
Age	F = 3.082 Sig. = 0.018*	F = 2.727 Sig. = 0.032*	F = 3.027 Sig. = 0.020*	F = 2.624 Sig. = 0.038*
Career	F = 2.024 Sig. = 0.057	F = .816 Sig. = 0.576	F = 2.888 Sig. = 0.008*	F = 3.182 Sig. = 0.004*
Education	F = 4.646 Sig. = 0.000*	F = 6.053 Sig. = 0.001*	F = 4.974 Sig. = 0.000*	F = 2.873 Sig. = 0.008*
Monthly income per month	F = 2.548 Sig. = 0.023*	F = 1.914 Sig. = 0.083	F = 2.041 Sig. = 0.065	F = 3.212 Sig. = 0.006*

Table 1 Shows the results of hypothesis testing. (Cont.)

Demographic Factors	Motivation in Executing Household Accounting			
	Overall	Received Benefits	Pattern and Process	Governmental Agency and Support
Household expenditure per month	F = 2.931 Sig. = 0.007*	F = 1.125 Sig. = 0.351	F = 4.039 Sig. = 0.000*	F = 4.062 Sig. = 0.000*

From the Table 1, it was found that people with different age, education, Monthly income per month and household expenditure per month had different overall motivation in executing household accounting. When considering into each dimension, it was found that people with different age and education had different motivation in executing household accounting in terms of received benefits. Meanwhile, people with different age, career, education, and household expenditure per month had different motivation in executing household accounting in terms of pattern and process. Lastly, people with different age, career, education, monthly income per month and household expenditure per month had different motivation in executing household accounting in terms of governmental agency and support at the significant level as of 0.05.

Conclusion and Discussion

From the study of demographic characteristics, it was found that a total of 137 questionnaires, most of them were female (94 persons, accounting for 68.6 percent), aged between 20 - 29 years old (55 people, accounting for 40.1 percent), were students (34 people, accounting for 24.8 percent), graduated from bachelor degree education (78 people, accounting for 56.9 percent), had average household income between 10,001 - 15,000 baht (32 people, accounting for 23.4 percent), and had average household expenses between 5,000 - 10,000 baht (37 people, accounting for 27 percent). This because most people who conducted the household accounting were housewives or their daughter who have more time, knowledge and know how much that have been spent per day. Also, people in Thanyaburi District Pathum Thani Province are also working as private employees, farmers and students since this area of Pathumthani consisted of industrial zones, universities from public and private sectors and farms. Even though Pathumthani has more industrial zones, and universities zone, but the cost of living is not high, which people can spend less money to get certain things.

The results of the study of opinions regarding the motivation for household accounting, in terms of benefits, format and methods in conducting household accounting and motivation from governmental agencies in high level. This means that most people in the studied area have knowledge in conducting household accounting since it can be beneficial for household members to accurately trace their income and expenses. However, there should be a support from the governmental agencies

or business corporations to create some events or activities to motivate people to be interested in having household accounting.

From the study of demographic factors identifying whether people who have different characteristics will have different motivation for conducting household accounting, the result indicated that different demographic factors including age, education level, average household income per month, average household expenditure per month affected different motivation for continuous household accounting. This is because people with different age, education level, average household income per month, average household expenditure per month will have different opinions towards the financial usage. In addition, the older people will understand that there should be the right time to keep the information of income and expenses in order to save money to be used for other purposes. However, people with different gender, and occupation will have no different motivation for having household accounting. This is because gender and occupation factors do not have a significant influence on the motivation that leads to conduct the household accounting, which corresponds to Robbins and Everitt (1996) who mentioned that motivation is important for making one action successful. For the motivation, it can consist of 1) needs and 2) motivation, which are will be differed by each person characteristics such as age, education level, and household income. In addition, it is consistent with Thippayasothi (2016) who found that knowledge and understanding about household account management arising from individual households is a factor that results in motivation to conduct the household accounting. Finally, motivation from government agencies is also an important incentive for household accounting, such as the promotion of household accounting (Silaparasami, 2015).

Recommendation from research

From the said study results, involved community responsible persons, governors from government agencies, or education from schools or universities should present the benefits of household accounting and how-to knowledge by proving such as training to do simple accounting to community so that they can know how to execute the household accounting. Related to the study result, it is recommended that people who are working as agriculturalist, and students and private employees are more willing to learn how to about household accounting execution. In addition, people who have higher education level (bachelor's degree) are recommended to do household accounting.

Recommendation for future study

For future studies, the interested researchers firstly may have expanded the sample size in order to provide more clear information. Secondly, the researchers should collect additional data by using in-depth interviews in order to received insight related to household accounting conduction. Thirdly, the researchers should study the problems and obstacles conducting the household accounting

in the villages because there are still few people interested in setting up household accounting in their house. Lastly, the researchers should study about how to use the technology such as mobile phone applications, computers, tablets and others since now it is the era of technology and digitalization, which finally can help create more conduction of household accounting.

References

- Chanthanon, J., Kulakul, S, Nuengsittha, N., & Rueangchan, N. (2018). Factors affecting household accounting in Huay Yang Subdistrict, Mueang Sakon Nakhon District, Sakon Nakhon Province. *Academic Journal of Suvarnabhumi Institute of Technology*, 3(2). 153-167
- Economic and Business Forecasting Center, University of the Chamber of Commerce. (2014). Status of household debt.
- Federation of Accounting Professions under the royal patronage. (2014). *Conceptual framework for financial reporting (adjusted 2014)*. Accessed on 15 July 2015 from http://www.fap.or.th/images/column_1359010309/framework_clean-PostWeb_Up_031057.Pdf.
- Khotcharat, P., Ratniyom, O., Cheychit, R., Fuangfuulskul, P., Wongrattanachai, T., & Satanuwat, W. (2012). *An analysis of household income and expense accounts, Ongkarak Sub-district, Ongkarak District, Nakhonnayok Province* (Research Report). Bangkok: Srinakharinwirot University.
- Lomchimplee, K. (2014). *Factors affecting public house accounting in Ban Pak Khlong, Bang Pho Nuea Community, Pathum Thani Province*. (Master's thesis, Rajamangala University of Technology Phra Nakhon).
- Mongkolsamai, W. (2009). *Accounting knowledge management based on sufficiency economy concepts* (Research report), Chiang Mai: Chiang Mai Rajabhat University.
- Phumcharoen. P. (2016). *Factors affecting farm income and expense accounting and guidelines for promoting farmers to have an appropriate income and expense accounting*. (Master's thesis, Thammasat University).
- Robbins, T. W., & Everitt, B. J. (1996). Neurobehavioural mechanisms of reward and motivation. *Current opinion in neurobiology*, 6(2), 228-236.
- Rueangsinpinya, P. (2011). Household accounting, a near story, but is overlooked. *Journal of Management Science and Information Science Naresuan University*, 7(1), 20-28.
- Sawangworot, A. (2014). Guidelines for creating household accounts for solving the poverty of villagers in Huai Chorakheam District, Mueang District, Buriram Province. *Journal of Research and Development Buriram Rajabhat University*, 9(2), 30-39.
- Sillaparasami, K. (2015). *The study of household accounting promotion organization: A case study of rubber plantation farmers in Bang Khan Subdistrict, Bang Khan District, Nakhon Si Thammarat Province*. (Master's thesis, Dhurakij Pundit University).

- Thananawat, P. (2013). *Household accounts according to the sufficiency economy guidelines for sufficient lives* (Research Report), Phra Nakhon Si Ayutthaya: Phra Nakhon Si Ayutthaya Rajabhat University.
- Thippayasothi, N. (2016). Understanding and attitude of people in household accounting, Phra Nakhon Si Ayutthaya Province. *The 1st Rajamangala University of Technology Suvarnnabhumi National Conference* (pp. 941-952). Phra Nakhon Si Ayutthaya: Phra Nakhon Si Ayutthaya Rajabhat University.
- Tonrub, S. (2008). *Household Accounting for Farmers, Bank for Agriculture and Agricultural Cooperatives Clients in Chiang Mai Province* (Research Report). Chiang Mai: Chiang Mai University.
- Wichian, D. (2016). Effectiveness of household account management of Phunphin District, Surat Thani Province. *Journal of Nakhon Ratchasima College*, 10(1), 295 – 311.
- Wutchindanon, S. (2017). A study of learning processes for sustainable household accounting for farmers. *Journal of Community Development Research (Humanities and Social Sciences)*, 10(3), 61-69.
- Yamane, T. (1973). *Statistics: An introductory analysis*. 2nd Ed., New York: Harper and Row.