

## ABSTRACT

THESIS : Factors Affecting to Decision Making on Provident  
Fund Alternatives : A Case Study of Aeronautical  
Radio of Thailand Ltd.

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The study investigated the present condition and the factors affecting the company employees' decision making on provident fund.

The subjects included 180 employees in the Aeronautical Radio of Thailand who were members of the provident fund. The female and male subjects were equal in number. Most (38.3%) were 31-40 years of age. They had worked for the company of not more than 10 years. About 65.0 percent were married and 58.9 percent worked in the position of executive assistant.

The descriptive statistics were employed most and Chi-square was used to find out the relationship between variables.

### Findings

1. Saving in the provident fund was a type of welfare for the company employees. All the employees had their salary deducted at different rates to put into the fund and the company would top up the money every month as well. The deduction rate and the topped-up amount were agreed by the Aeronautical Radio of Thailand Ltd, and the financial company. It was found that the employees were interested in saving in

the provident fund. about 73.9 percent decided to increase the saving rate and the rest still kept the same rate as before. Therefore, it could be concluded that the employees were well interested in saving in the provident fund.

2. There were three monthly saving rates: (1) 3-8.5% (2) 8.51-10% and (3) 10.1-12%. Around 82.8 percent were found to be in the first category, 8.9 percent the second, and 8.3 percent the third. therefore, the provident fund could be said to be quite beneficial to the employees.

3. Regarding the reason why they decided to change the saving rate, 63.3 percent stated that they wanted to gain more benefit from the fund. Another 35.2 percent said that it was because they had higher household income and 1.5 percent said that they had more working years. More than three-fourth (90.5%) who changed the rate made the decision by themselves. Only 8.9 percent changed it as conditioned.

4. Benefit from the provident fund. It was also found that more than two-third (73.9%) decided to save more money in the provident fund and only 26.1 percent wanted to keep the same rate. This was because the higher the salary, the more the money was deducted. For example, an employee had a salary of 60,000 baht. Ten percent deducted from the salary was 6,000 baht a month. This money could not be withdrawn. Besides, the change of the saving rate could be done once a year only. Because of this, the number of the employees who decided to put the money into the provident fund was small. Regarding the knowledge and understanding about the fund, it was found that three-fourth of the employees (88.9%) had a good knowledge about it. Two-third (62.8%) did not have much information about it. When making a

decision about the saving in the provident fund, two-third (65.6%) used the relevant information as a basis for consideration, while 34.4 percent did not. Therefore, the provident fund management should disseminate the information more.

When the relationship between variables were analyzed, it was found that the background variables which affected the employees' decision to put the saving in the provident fund were age, number of working years, household income, marital status, and benefit from the fund.

The researcher recommended the following to improve the provident fund:

1. Creating a new attitude toward the provident fund, the members should be made to think that the fund was not just an ordinary type of welfare. More incentives should be introduced, such as increase more benefits for the members, offering a higher interest rate and allowing them to make loans from the fund, etc.

2. Information related to the provident fund should be more widely spread. The financial company should give detailed explanation in different matters: how the fund was managed, what the money was invested in, and what benefits the members would receive.

3. The rules and regulations of the provident fund should be revised. The financial company and the Provident Fund Board of the Aeronautical Radio of Thailand should adjust the saving rate from 3-12 percent of the salary at present to 3-15 percent. At the moment, some members should not increase their saving rate because the existing rate was already very high.

4. The provident fund should find some measures to increase the benefit for the members, such as increasing the interest rate, allowing the members to make housing loans and loans for their children's education. This was believed to attract them to increase their saving in the provident fund.