

## Money attitude – A review with an Indian perspective

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### Abstract

Money plays an important role in consumer society. The perception of money determines the attitude toward money and in turn determines the behaviour of a person in situations involving money. The objective of this paper is to review and understand different conceptualities of money attitude, especially with India. It also establishes a new conceptualisation of money attitude. This paper provides the exploratory research design, and qualitative research is conducted to develop a behavioral conceptualisation of money attitude. This is a conjectural study constructed on the analysis of various notions on money attitude in literature. The contemporary conceptualisation of money attitude has been developed by comprehensive examination of descriptions and characterisations of money attitude. The novel and contemporaneous proposition of money attitude provides an imperative foundation for research on money and attitude towards money and stipulates a fundamental start point for pragmatic research.

Keywords : Money, money attitude, contemporary conceptualization, Indian perspective.

## **1. Introduction**

An attitude is a driving force that shapes individual's personality and behaviour. Attitude has been defined as a 'persistent tendency to feel and behave in a favourable and unfavourable way towards some object, person or idea' (Reitz, 1987). Attitude of an individual gets developed overtime and is influenced by previous experiences and socialisation. Money attitude of an individual determines one's financial demeanour similar to the way attitude influences one's behaviour.

Money is important, be it any phase of business cycle or life cycle. It plays an important role in consumer society. One's perception of money determines the attitude towards money and in turn determines one's behaviour in situations involved with money.

Money attitude is the manner in which the money is dealt with in a favourable or unfavourable way. Individual's attitude towards money depends on various factors such as individual's childhood experiences, education, financial and social status. Depending on these factors, the attitude towards money varies from individual to individual. Money attitude is developed overtime with observation of family, friends and peers. The individual's perception about money is the main driving force that defines one's money personality and develops money ethics (Dominguez, 1999).

The objective of this paper is to review and understand different conceptualisations of money attitude in general with Indian perspective. It also establishes a new conceptualisation of money attitude.

## **2. Approach**

The research devises the exploratory research design. The qualitative research has been conducted to develop a behavioral conceptualisation of money attitude. The concept of money attitude has been explored with reference to society, especially in India. This is a conjectural study constructed on the analysis of various notions on money attitude in literature.

## **3. Money Attitude and society**

Money attitude is affected by different ethnic and national cultures, cultural diversity and danish variations (Hayes, 2006; Medina, Saegert & Gresham, 1996). Money attitude intrudes not merely on engagements but also on the way one contemplates (Simmel & Frisby, 2004). It has been researched in various cultural settings that people generally associate their success level to the amount of money they hold, and as a result, they work more towards achievement and success (Tang, Baldwin & Frost, 1997). It has numerous aspects and elements as it varies from person to person. The directions and strength of development of individual's attitudes toward money get affected by various social, psychological, individual, sociological and economic aspects, which seem to be acquired through edification, specialisation, know-how, and financial behaviour (Fumham & Argyle, 1998).

## **4. Money Attitude – Indian Perspective**

With persuasion of western ideas on developing countries like India as well as rising pressure of market-driven culture, the importance of money in one's life is increasing day by day.

India is experiencing a sweeping transformation as the influence of development and modernisation taking place in its culture and social order. Money is gradually acquiring on more central position. With increasing significance of money in one's life in contemporary world, as the western principles of individualism and self-indulgence blossom, it is important to understand the attitude of people towards money because it is the money attitude that determines the money behaviour of an individual. There are substantiations which put forward that money attitude paving the way for the development of money-related behaviour (Roberts & Jones, 2001).

Money attitude reflects different categories of behaviours found in relation to money. Money attitude is relatively a new area of research in India. In India, the concept is understudied and requires intense assessment. Very few studies are available on attitude towards money in Indian population and they are at a fundamental phase. Money attitude is a multifaceted term. cursory studies found that people in India are more inclined towards saving for future. They reflect insecure attitude towards money. In comparison, it was found that females were more attached to money than males (Lynn, 1991). This reflects one aspect of money attitude. Along with being squirrel away in terms of money, there is a tendency found in Indian population of being ostentatious and using money to reflect their connection with worldwide consumers (Khare, 2015).

In India, the concept of money attitude is not studied extensively though; it is progressively getting importance due to increasing significance of money in contemporaneous world. Understanding of money attitude reflects one's price-related behaviour and forms an important part in exploring process that one follows while making purchase and consumption decision.

## **5. Money Attitude – Conceptual Review**

The construct of money attitude has been explained by various researchers, as affected by different elements, at different times; thus, we can conceptualise money attitude as one's perception about money. Freud (1908) suggested many individuals subliminally regarded money as waste. Fenichel (1938) contended that money symbolises infinite authority, command and deference. Money represents power and respect (Fenichel, 1938). Murray (1938) recommended that there is a powerful association amid money and his respect and recognition in society. Murray (1938) has explained the attitude towards money as reflection of one's desires for accomplishment, success, possession, acquirement, appreciation and acknowledgment. Money is central for good life. It is one thing that is important in all aspects of life (Feldman, 1957). It facilitates pecuniary happiness and acts as a means of demonstrating our behaviour. As emphasised by Feldman that in this dynamic world only one thing has been constantly important and that is 'Money'. Money is an essential and indispensable factor of our daily living and existence. Although many individual deem about money to be cause of inappropriate conduct and a reason for objectionable deeds, but at the same time several others think of it as most desirable and admired (Freud, 1959). Adler (1964) had put forward the mind-set and approach that makes one accumulate assets and possessions. He advises that people hoard because they are more sensitive and have invariable beliefs of uncertainty and inadequacy. People hoard money because of inadequacy and insecurity (Adler, 1964). Some people perceive the deficiency of money endangers their security and safety. The lack of money causes intimidation to their well-being. Such perceptions thus bring about the feeling of despair and worthlessness (Abraham, 1917/1965). McClelland and Winters (1971) suggested that money conveys individual's accomplishments in life. Money represents accomplishment (McClelland & Winters, 1971) and fulfils one's desire for power and status (Lindgren, 1980). Lindgren (1980) shed light on the concept of money attitude as an impression of primary intentional that varies from being determined for eminence and command for augment sense of self.

A study revealed that money is ranked among first three priorities by most of the people (Rubinstein, 1981). Yamauchi and Templer (1982) have acknowledged that money attitude is multi-dimensional. It includes a whole host of dimensions that displays the way one acts out and plays part in subjects associated to money, exploiting it as a means to demonstrate and brag about own supremacy and character. Furnham (1984) described money attitude as an approach demonstrating influence and security. Money attitude reveals the individual reliance on money, which has gone ahead to enduring apprehension in relation to money. Furnham also asserted that money attitudes are undoubtedly not one-dimensional and include an entire swarm of proportions. These propositions when assessed are expected to visibly yield the identified paradigm that may be subjective all the way through other motivations.

Furnham (1984) delineated the money attitude as a channel of inspiration and fortification and revealed one's dependence on money, which highlighted the apprehensions about money.

Tang (1988) explained money attitude as individual's sensitivity towards money, when money acts as a sign of accomplishment and fascination. People relate money with various phases of contentment and discontent amid their professional and personal lives. He also explained that one's money attitude might be supposed as a context and perception which one follows to analyse oneself in routine life. The study of attitude towards money has a noteworthy contribution in the study of consumer behaviour (Prince, 1991). Money attitude may perhaps contribute in manipulation of individual's performance at work place, compensation and compensation practices and their inherent stimulus to execute every assignment (Tang, 1992).

Prince (1991) believed that the money attitude of an individual includes one's point of view and ideals in relation to money. She illustrated that these money attitudes are individual's perspective about people in relation to money. For instance, thinking that a person who has more money would behave improper and repulsively or one might think money is just a veil and one can get success only by working hard. Individuals morals and ethics also hinge on their attitude concerning money such as someone might think that the time to enjoy is at the moment; since future is unpredictable, one should squander their money and take pleasure to the most at present. If one can afford, should spend on expensive clothes, etc. (Prince, 1991). To recapitulate, money is sometimes a source of inspiration and a stimulator for the people (Gupta & Shaw, 1998) but at the same time it becomes an element necessary for unperturbed and stress-free life (Pfeffer, 1998). Money influences one as a controlling device (Furnham & Argyle, 1998) as it is required for executing pecuniary and social actions. Furnham and Argyle (1998) also gave their point of view on money attitude and stated that money attitudes get developed through various experiences in life, in the course of one's education, professional practices and financial practice. It has compoment on one's expenditures, dogmatic viewpoint and enactment (Roberts & Sepulveda, 1999b). Money has undisputed character in broad-spectrum but it is the outlook concerning money that creates the difference.

Tang again together with Chiu (2005) have associated money attitude with negative feelings and proclaimed that one's pessimistic money attitude envisages unconstructiveness in terms of immoral intentions and deceitful behaviours. Money attitudes are ascertained and realised from external environment. They are learned and adapted through past incidents and experiences (Barajas, 2003). Thus, it might be borne in mind that money attitude can be changed only by changing the behaviour concerning money.

Hayes (2006) has asserted that like the general attitude of an individual about anything, money attitudes also represent an important and principal elements, which can play a significant role in determining and demonstrating what is advantageous and valuable or else disadvantageous and immoral.

Scarcity of money causes the anxious behaviour and depression (Furnham, 1996) and abundance of money helps in identity building. Shortage of money provokes fear and anger (Furnham, 1996) but sufficiency makes an individual overoptimistic. Lack of money rouses apprehension and discontentment, and at the same time, plenty can make one overconfident.

Rutherford and DeVaney (2009) gave their explanation on money attitude that it reflects one's outlook, frame of mind or sentiments concerning money, its significance, utilisation and supremacy. Money attitude has been defined as an outlook, approach, or sensitivity on the subject of money, its connotation, implications, handling, control and domination (Rutherford & DeVaney, 2009).

The understanding of attitude towards money happens to be the indispensable option for the reason that these opinions and approaches outline the individual's behaviour, particularly purchasing behaviour (Durvasula & Lysonski, 2010).

Examination of money attitude would endow the field of study with novel contribution into consumer behaviours in financial-related issues such as saving, liability, impulsive buying, etc. (Chen, Dowling & Yap, 2012; Chi & Banerjee, 2013; Furnham & Okamura, 1999; Hanley & Wilhelm, 1992; Hayhoe, Leach & Tumer, 1999; Lau 1998; Lim, Teo & Loo, 2003; Norvilitis, Szablicki & Wilson, 2003; Roberts & Jones, 2001; Roberts & Sepulveda, 1999a, 1999b; Rousseau & Venter, 1999).

## **6. Contemporary Conceptualization of Money Attitude**

The conceptual definition of money attitude was developed after exploring the literature. The money attitude can be defined as ‘a multi-dimensional perception of an individual about money which delineates one’s behaviour in money matters’.

The contemporary conceptualisation of money attitude has been developed by comprehensive examination of descriptions and characterisations of money attitude.

The novel and contemporaneous proposition of money attitude provides an imperative foundation for research on money and attitude towards money and stipulates a fundamental start point for pragmatic research.

## **7. Conclusion**

The present research is a thorough investigation of literature on money attitude. The review of various concepts and notions the new and general conceptualisation has been developed. The significance of money attitude in society has been highlighted. The paper also sheds light on various notions related to money attitude with Indian perspective.

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