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The Impact of Financial Planning on Tax Saving Strategies for Salaried Employees at LMS Hyundai Private Limited

Dr. Uma Maheswari[1] Mr. B. Sathish Kumar[2]
Assistant Professor, School of Management Studies, Sathyabama Institute of Science and Technology
School of Management Studies, Sathyabama Institute of Science and Technology

ABSTRACT

This article investigates how effective financial planning contributes to tax-saving strategies for salaried employees at LMS Hyundai Private Limited. In a corporate landscape shaped by evolving tax regulations and increasing financial complexity, this study explores how employees manage their income, investments, and tax obligations. Utilizing both qualitative interviews and quantitative analysis, the study assesses the financial behaviour, literacy levels, and planning strategies of employees. The results suggest that enhanced financial awareness and tailored tax planning significantly improve employees' financial well-being and disposable income. The research emphasizes the role of employer-supported financial education in fostering a culture of tax efficiency and long-term stability.

INTRODUCTION

In today's fast-paced corporate environment, financial planning has evolved into a vital skill for salaried employees, particularly in dynamic sectors like the automotive industry. LMS Hyundai Private Limited, a prominent dealership in the Andaman and Nicobar Islands, offers a representative case for understanding how structured financial planning can improve employee satisfaction and tax savings.

As income tax regulations shift and investment options grow, the need for personalized financial strategies becomes more urgent. This study identifies how LMS Hyundai employees navigate financial decisions, with particular attention to tax-saving instruments, goal-setting, and risk tolerance. The aim is to derive actionable insights that benefit both employees and the organization.

KEYWORDS

Financial Planning, Tax Saving, Salaried Employees, Investment Behaviours, LMS Hyundai

OBJECTIVES

Primary Objective

- To analyse the impact of financial planning on tax-saving strategies among salaried employees at LMS Hyundai Private Limited.

Secondary Objectives

- To evaluate employees' understanding and prioritization of financial planning.
- To examine awareness and usage of tax-saving investment options.
- To assess satisfaction levels among employees utilizing financial advisors.
- To understand behavioural patterns in saving and investment.

METHODOLOGY

This research follows a **descriptive quantitative design** using a structured questionnaire administered to **150 salaried employees** of LMS Hyundai. The data was collected over a period of **three months** through **Google Forms** and analysed using **SPSS**, employing tools such as **percentage analysis, chi-square test, correlation, and ANOVA**.

The questionnaire included demographic questions and Likert-scale items measuring financial behaviour, investment habits, and perceptions of tax-saving strategies.

HYPOTHESIS HYPOTHESIS 1

H_1: There is a significant correlation between understanding financial planning and prioritizing it.
H_0: There is no significant correlation between understanding financial planning and prioritizing it.

HYPOTHESIS 2

H_1: There is a significant relationship between reviewing financial goals and knowledge of tax-saving options.
H_0: There is no significant relationship between reviewing financial goals and knowledge of tax-saving options.

HYPOTHESIS 3

H_1: There is a significant difference in satisfaction levels based on whether employees rely on professional advisors.
H_0: There is no significant difference in satisfaction levels based on professional advisor usage.

LIMITATIONS OF THE STUDY

This study, while insightful, is not without its limitations. The research was confined to a sample of 150 salaried employees within LMS Hyundai Private Limited, which may restrict the generalizability of the findings to other organizations or industries. As the data was collected through self-reported questionnaires, there is a possibility of response bias or inaccuracies due to varying levels of understanding of financial concepts among respondents. Additionally, the study was conducted over a limited period of three months, which may not adequately capture long-term financial behaviour or the evolving impact of tax regulations. The dynamic nature of income tax laws also presents a challenge, as changes in legislation could influence the applicability of the study's recommendations. Furthermore, the absence of longitudinal data limits the ability to establish causal relationships between financial planning practices and tax-saving outcomes.

FINDINGS AND SUGGESTIONS

Key Findings:

- **47.3%** of employees are aged 20–30; **55.3%** are undergraduates.
- **39.3%** have moderate confidence in financial planning; **42%** consider it a moderate priority.
- **31.3%** moderately value tax-saving through investment planning.
- **30%** occasionally rely on professional financial advisors.
- **34.7%** believe tax-saving strategies moderately impact their overall financial well- being.

Statistical Results:

- **Chi-square** confirmed a significant link between financial planning understanding and prioritization (**$p < 0.05$**).
- **Correlation ($r = 0.943$)** revealed strong positive association between using financial advisors and

satisfaction levels.

- **ANOVA** showed a significant relationship between financial goal reviewing and knowledge of tax-saving investments.

Suggestions:

- Conduct financial literacy workshops for employees.
- Provide access to certified financial advisors.
- Create digital dashboards for tracking investments and tax benefits.
- Encourage early saving and structured goal setting.

CONCLUSION

This study concludes that structured financial planning significantly enhances the tax-saving capacity and financial satisfaction of salaried employees. Organizations like LMS Hyundai can benefit by investing in employee financial education, aligning tax strategies with personal goals, and integrating advisory services. A data-driven, employee-centric approach to financial wellness ensures sustainable growth for both individuals and the company.

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