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Determinants of Financial Well-Being among Public Employees in Putrajaya, Malaysia

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ABSTRACT

People generally see finance as anything that can be associated with the economic situation of the family. Thus, managing finances among individuals may result in satisfaction or dissatisfaction towards their financial situation, which is called financial well-being. Previous research regarding financial well-being has largely focused on factors such as financial stress, financial knowledge and financial behaviour. However, influences by the locus of control and work environment on financial well-being were little explored. Thus, this research studied the factors affecting financial well-being among public employees in Putrajaya, Malaysia. This study is a quantitative study using a set of online structured questionnaire to obtain the necessary data. A total of 207 completed questionnaires, out of 316 responded questionnaires, were analysed using Statistical Package for Social Science (SPSS) version 21. The results indicated that financial stress, work environment, locus of control and financial behaviour were significantly associated with financial well-being. In addition, financial stress was the strongest factor affecting financial well-being followed by work environment. At the end, the outcome of this study can be used for a better understanding of employees' financial behaviour, which can be enhanced through financial education at the workplace.

Keywords: Financial behaviour, financial knowledge, financial stress, financial well-bring, locus of control, work environment

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INTRODUCTION

According to Rath and Harter (2010), well-being consists of five essential elements. Financial well-being is among the five essential elements of well-being aside from community, physical, carrier and social. In recent years, the review in the salary scheme of Malaysian public employees resulted in salary increase. In the same vein, there is an increase in the standard of living, as well as various commitments which could make employees struggle to survive and also experience a great stress financially. Hence, one's job productivity may be affected. This can be supported by Zaimah, Masud, Haron, Othman, Awang, and Sarmila's (2013) study, which found that employee's financial well-being and productivity have a significant association with each other.

Financial well-being level was measured by subjective measurement. Subjective measurement of financial well-being can be beneficial in comprehending individual and family financial situations that are able to provide responses to individuals and family of their present-day and henceforward financial situation. Researchers, financial educators, policy makers and practitioners have been interested on the impacts of financial well-being. This is because financial well-being has an impact on employees and their lives in general, particularly in terms of psychological, social, physical and emotional. Previous studies found that financial stress, financial behaviour and financial knowledge affect financial well-being.

Prior literature indicated that issues relating to employees' financial well-being are influenced by factors such as low level of financial literacy, poor financial management, financial stress (Delafrooz & Paim, 2011; Sabri & Falahati, 2003), financial problem (Delafrooz & Paim, 2013), and money attitude (Dowling, Corney & Hoiles, 2009). As a result, these situations lead to harmful impacts on their daily lives which lower their job productivity (Delafrooz, Paim, Sabri, & Masud, 2010) and their health (Kim, Garman, & Sorhaindo, 2003; O'Neill, Sorhaindo, Prawitz, Kim, & Garman, 2006).

As financial matters aggravate from time to time, employees may be pushed to learn of this phenomenon of financial well-being, either through eroded purchasing power, income instability and decline of employment (Delafrooz & Paim, 2011). Most of the public employees will have to proactively seek for financial education (Lusardi, 2008) and at the same time, tap into positive financial behaviour in order to achieve financial well-being (Lusardi & Mitchell, 2007). Based on the effects of financial issues, this research aims to determine the factors affecting financial well-being among public employees in Putrajaya, Malaysia.

LITERATURE REVIEW

Financial Well-Being

Van Praag et al. (2003) defined financial well-being as one of the personal subcomponents well-being which comprises of the environment, housing, job, health and leisure. Financial well-being is an extensive concept that can reflect in objectives and subjective measures, which can also be known as financial wellness. Nevertheless, financial well-being researchers have invariably conceptualised financial well-being as a subjective appraisal (Gerrans, Spellman, & Campitelli, 2014). Joo (1998) added that financial satisfaction and financial wellness can be proxies of financial well-being. Parallel to that, Shim, Xiao, Barber, and Lyons (2009) and Van Praag et al. (2003) mentioned that financial well-being or financial satisfaction has been used interchangeably in the past research.

Joo (2008) stated that financial well-being is a perception of an individual's financial situation that is financially free from anxiety, healthy and happy. Based on Joo's (2008) Model of Financial Wellness, financial wellness consists of financial behaviour, financial satisfaction, financial or subjective perceptions such as financial attitude and financial knowledge, as well as the objective status like financial ratio and income.

Cox, Marwick and Reily (2009) conducted a study on financial well-being at workplace. It investigated the relationship between financial well-being and employees' job performance. Barclays report (2014) also stated that poor financial well-being could impact employees' productivity. In fact, they mentioned that in every ten person, at least one person would experience financial struggle and feel distracted. Furthermore, Employee Financial Well-being Report (Allison, 2015) mentioned that 87% of employees wanted financial education, which could help them to enhance their personal financial knowledge and alleviate their financial well-being.

Financial Stress

According to Davis and Mantler (2004), stress is a certain unpleasant emotion when an individual perceives something valuable has been lost or threatened, and this can be in the forms of material, social, symbolic, or even economic. In general, Kim and Garman (2003) summarised that financial stress has been conceptualised as an individual subjective perception of personal finances. Garman, Leech and Grable (1996) believed that a primary source of stress is personal financial problem. Hence, based on Garman et al.'s (1996), it is vital to understand what most people go through in their lives in effectively 'handling' all the stressors of modern life which occasionally exhibit poor financial behaviour.

Some researchers have investigated factors contributing to financial well-being. Taylor (2009) suggested that financial strain was divulged to be a good predictor of financial well-being. Taylor (2009) also highlighted concern over the inability to pay medical bills and feeling of depressed because of small or no amount of savings. Delafrooz and Paim (2011) found a similar finding when they identified financial stress as the most determinant for financial well-being. On top of that, equivalent to Delafrooz and Paim (2011), Sabri and Falahati (2003) found that financial stress has become the most determinant on financial well-being.

Even though with a different geographical context between Delafrooz and Paim (2011) and Sabri and Falahati

(2003), financial stress indicates a major role in affecting financial wellness and financial well-being, respectively. Aside from that, Joo (1998) stated that financial wellness is closely related to financial stress. Joo (1998) also added that the number of financially stressful events experienced by an individual also affects one's financial wellness. Therefore, financial stress has an association with financial well-being.

Work Environment

Work environment construct is a comprehensive aspect that consists of psychological, social and physical which revolve around working situation (Jain & Kaur, 2014). Chapins (1995) and Mehboob and Bhutto (2012) explained that the environment that people perform their work in as work environment. Similarly, Mike (2010) and Shikdar (2002) mentioned that the environment with an achievable outcome anticipated by the management is known as an effective workplace.

Buffet, Gervais, Liddle, and Eechelaert (2013) and Kompier (2005) stated that a positive work environment is correlated with employees' well-being or health. Even within the same environment, the different individual would feel some work environment aspects may be stressful (Sulsky & Smith, 2005) or perceived as demanding (Sears, Urizar, & Evans, 2000). Consequently, it may permissively impact employees' attitude such as burnout. Employees' negative attitude is also associated with the level of organisational productivity and employees' states of emotion such as satisfaction (Leka & Houdmount, 2010). As an adult, we spend most of our time to do activities that are related to work (Harvey & Pentland, 2004). Keilhofner (2002) and Kielhofnar (2008) mentioned that as our experience engaging in activities that we performed is closely connected with our quality of life. This indicates that our work experience has a great influence on our overall quality of life. Therefore, in this study, it was proposed that work environment has an impact on one's well-being, which can affect their personal finances well-being as well.

Locus of Control

The term 'locus of control' was originally constructed by Julian Rotter in 1966. Since then, locus of control was among the most persistent personality variable that has been used in social science. Rotter (1966) defined locus of control as a general, relatively constant propensity perception towards the world, which involves general beliefs on the causes of rewards and punishments. Rotter utilised rewards and punishment concept that originated from Skinner's (1974) concept known as positive and negative reinforcement, respectively. Furthermore, Rotter (1966) also scrutinised ones to have diverse capabilities to take control of what happened. The term perceived locus of control is introduced to portray individuals' perception of their ability to control and to the level which they feel responsible for what is happening to them. Locus of control was found by Ganster and Fusilier (1989) as a centre component of well-being. In line with that, locus of control has received much deliberation from diverse sub-disciplinary.

Furthermore, previous researchers such as Hira and Mugenda (1999), Onkivisit and Shaw (1987) and Prince (1993) also showed that individuals' self-concept or self-perception influences financial and non-financial preferences and behaviour. Additionally, there is also a study that constructed locus of control in a financial context besides those by Zakaria, Jaafar, and Marican (2012) and Sarah (2009). Zakaria et al. (2012) and Sumarwan and Hira (1993) revealed that locus of control has a significant influence on financial status. Apart from that, Zurlo (2009) and Danes, Rettig, and Bauer (1991) have also studied the effects of locus of control on financial well-being and financial status, respectively. In all, locus of control plays a significant role in personal finance context.

Financial Behavior

Xiao (2008) defined financial behaviour as any individual behaviour that is related to money management. According to Hilgert and Hogarth (2003), common financial behaviour includes credit, saving and cash management. Xiao (2008) further elaborated that this financial behaviour refers to desirable or positive behaviour, which is suggested by consumer economists as methods to improve financial well-being.

In a previous study, financial behaviour was found as one of the contributors of financial well-being. Past literatures have shown that financial behaviour contributes to predicting financial satisfaction (Shim et al., 2009). The related literature also demonstrated that consumers who reported greater frequency of negative financial behaviour (e.g., late in paying bills) reported less perceived lower financial wellness (O'Neill et al., 2006). In fact, Xiao, Tang, and Shim (2009) and Joo (2008) declared financial behaviour as the main contributor to one's financial status satisfaction. In all, it indicates that good financial behaviour is positively associated with financial well-being (Shim et al., 2009; Xiao et al., 2009), while poor financial behaviour is negatively correlated to financial well-being (Kim et al., 2003). Not only that, Xiao et al. (2009) disclosed that financial behaviours such as credit management, saving and cash management are positively related to individuals' overall well-being.

Financial Knowledge

According to Bowen (2003), financial knowledge is described as a function of understanding financial terms and concepts in daily life. Joo and Grable (2004) have proven that financial knowledge has a significant effect on financial well-being. Delafrooz and Paim (2011) and Robb and Woodyard (2011) also have similar findings, whereby they disclosed that financial knowledge and financial well-being have an association with each other through the National Financial Capability Study managed by Financial Industry Regulatory Authority (FINRA). In addition, Falahati et al. (2012) and Sabri and Falahati (2003) are also interested in predicting financial well-being among college students and employees, respectively. Even with different respondents and in different contexts, financial knowledge has been shown to have important role on one's financial well-being.

THEORETICAL FRAMEWORK

The current study utilised Family Resource Management Theory (Deacon & Firebaugh, 1988), which comprises of the three stages of input, throughput and output to understand how public employees perceived their financial well-being. The input stage consists of respondents' resource and demand, while the throughput stage involves managerial subsystem. Despite that, input can concur with throughput, whereas the output stage shows results from the resource and demand changes to examine financial well-being of employees. Pertinent to Deacon and Firebaugh's classifications, the dependent variable, which is a respondent's financial well-being, was included as an output, whereas independent variables (financial stress, work environment, financial knowledge and locus of control; financial behaviour) were listed as input and throughput, respectively.

CONCEPTUAL FRAMEWORK

Input or the first element of the model can be in the form of resources or demands (Deacon & Firebaugh, 1988). Demands are input entering the system, which motivates response that drives to stimulate action. Besides demands, Leichtentritt and Rettig (2000) mentioned that a resource is anything that can be used to fulfil goals or desired. As for this study, locus of control acts as an example for resources, whereas work environment and financial stress act as examples for demands.

Former researchers like Hira and Mugenda (1999) and Onkivisit and Shaw (1987) have the same opinion towards locus of control, which has impacts on both financial and non-financial preferences and behaviour. In line with that, a study administered by Sarah (2009) involved the relationship between locus of control and financial behaviour. Nonetheless, not many studies have conducted those correlations in this context. For this reason, locus of control is proposed as the input variable in this study. Internal locus of control would lead to a better financial management, which then influences individuals' financial well-being.

Sumarwan and Hira's (1993) study revealed locus of control as significantly associated with financial well-being, whereby perceived locus of control was the second highest predictor of financial satisfaction. Results disclosed that individuals who possessed an internal locus of control as more satisfied with their situation. Hoffman et al. (2000) stated that internal locus of control reflects an individual belief regarding their behaviour, which will produce an expected outcome due to the sense of responsibility of what is happening.

Most importantly, Garman et al. (1996) believe that stress, which acts as the demand in the model, has an association with personal financial problems that will unveil poor financial behaviour. As for Delafrooz and Paim (2011a), they manifested that higher level financial stress would significantly lower financial wellness. Respective to the locus of control, financial stress was also found to have an association with financial behaviour and financial well-being. Hence, locus of control and financial stress have correlations with financial behaviour and financial well-being.

Additionally, work environment that acts as demand in this study has been included in the organizational behaviour field. Stern (1970) classified work environment as a demand or a feature characteristic perceived by the participants. Therefore, this explains that individual's responses to activities associated with a particular personal need orientation such as adaptability and achievement. Moos and Billings (1991) indicate that a work environment perception is an important determinant of ones' work environment-related behaviour. The effects of work environment were commonly studied on job satisfaction (Lai et al., 2013) and job performance (Lim et al., 2012). Furthermore, Cooper and Cartwright (1994), and Kompier (2005) mentioned that there is a positive impact of work environment employees' well-being or health.

In Rath and Harter's (2010b) report regarding well-being, financial well-being is among the five essential elements of well-being. As Cooper and Cartwright (1994), and Kompier (2005) found that work environment has had a positive effect on well-being, thus work environment is suggested to have a positive effect on financial well-being. So far, no study divulges the association between work environment and financial matter, particularly financial behaviour and financial well-being. As a result, work environment is proposed as an input variable in this study.

Locus of control acts as the resource in this study which relates with financial stress and work environment that represents demand under the input element. The interaction between resource and demand exerts an influence on the plan's implementation which is called throughput. A study by Wang, Bowling, and Eschleman (2010) found that locus of control produced stronger relationships with work-related criteria. Similarly, the study by Karimi and Alipour (2011) showed that locus of control was significantly related to job stress. Additionally, locus of control was found by Hayes (2006) to have an association with financial stress.

Joo and Grable (2004) have proven that financial knowledge has a significant effect on financial well-being. Robb and Woodyard (2011) also have a similar findings, whereby they disclosed that financial knowledge and financial well-being has an association with each other through the National Financial Capability Study managed by Financial Industry Regulatory Authority (FINRA). In addition, Falahati et al. (2012) and Sabri and Falahati (2003) were also interested in predicting financial well-being among college students and employees, respectively. Even with different respondents and contexts, financial knowledge showed to have an important role on one's financial well-being. Therefore, the interaction between resource and demand formulates a behaviour plan as an adaptation or coping behaviour towards the perceived crisis or stress situation which is called throughput.

Financial behaviour or throughput acts as adaptation behaviour. It also has the decision-making process to achieve an outcome, which is known as financial well-being. According to the formulated plan, financial behaviour is executed based on the interaction between resources and demands in order to adapt accordingly to the perceived stress or crisis. Adaptation behaviour and decision-making process are performed to achieve financial well-being as an output. The output is the core focus of the resource management model that reflects the desired goals.

In conclusion, financial stress, work environment and locus of control are the inputs in this study. All these inputs being processed in the throughput via financial behaviour to achieve an outcome or goal (output) called financial well-being.

METHODS

This study employed the approach of quantitative analytic. The quantitative data produced by the techniques established from the quantitative method (Neuman, 2007). A multi-staged random sampling technique was used to select the sample in the Federal Territory of Putrajaya. The first stage of the cluster random sampling technique is as follows: (i) ascertaining and determining the total of public employees in Putrajaya, and (ii) deciding the desired number of ministries in Putrajaya. In the second stage, random selection of 125 public employees from selected ministries in the Ministry of Human Resource, Ministry of Domestic Trade, Co-Operatives and Consumerism, Ministry of Education and Ministry of Youth and Sport, respectively (subtotal of 500 employees). An officer was appointed by the human resource department to be in-charge of distributing the questionnaires to the respondents. Then, the respondents were directed to a Web-based survey to answer the questionnaire.

The purpose of using Internet-based survey (Web-based survey) in this study is that data can be organised and collected in an effective way. In line with the increasingly recent widespread use of the Internet to carry out social surveys, social researchers also are among the ones who take full advantage of it. In this regard, recent works by Viscusi, Huber, and Bell (2008), and Bech, Kjaer, and Lauridsen (2011) used the web-based surveys techniques in their studies for the reason that the Internet-based research method is more cost-effective in terms of money and time (Bryman, 2012).

According to Cobanoglu, Warde, and Moreo (2001), Web survey has a wider embellishment variety in term of appearance such as colour, response style, formatting and so on. McCabe (2004) stated that both The Web and paper-based questionnaire findings are similar. Later in 2006, Denscombe confirmed McCabe's study which found that the administration modes made little significant different towards the findings.

The population of this study comprised of employees who are working in the public sector administrative. Due to the desirability to study individuals' well-being, this study emphasised on the public employees' financial well-being. Since financial behaviour may differ across individuals, there was a need to investigate the financial behaviour of public employees. The public sector has the third biggest Initial Public Offering (IPO) in the world due to the Urban Transformation Centres (UTCs) and Rural Transformation Centres (RTCs), which affects government innovativeness and responsiveness. Hence, public employees are said to be more affected by the impacts of government evolutions as compared to employees of the private sector.

Besides that, public employees are essential human resources to the government, particularly the nation, to ensure that domestic and global challenges meet the public or society (rakyat) demands to be competent as a world-class service. Public employees are also involved both directly (primary) and indirectly (secondary) in the growth activities of the Malaysian economy and national development. Based on the OECD (2011) standards, Malaysia possesses the highest total population of public employees in the world. Apropos to that, public employees are required to be more responsible for their general well-being, particularly in finances. Therefore, to meet the intention of the researcher to survey those respondents, public employees were considered appropriate for this study.

The sample size was determined using the formula by Dillman (2007) (Equation 3.1), whereby it takes into consideration sampling error, target population size and variation responses, and the desired sample size was employed in the current study. A 50/50 split precision level was used in this study, whereby it was assumed that the population was totally segregated in their responses. It consists of 50% believe that population answers favourably and another 50% vice versa. Also, 95% confidence level and ±5% sampling error from the sample population is the most desirable approximation to be attained in this study.

$$N_s = \frac{(N_p)\,(p)\,(1 - p)}{(N_p - 1)\,(B / C)^2 + (p)\,(1 - p)}$$

Equation 3.1. Formula for Estimating Desired Sample Size
Source. Dillman, 2007

Where:

Ns = completed sample size needed (notation often used is n)

Np = size of population (notation often used is N)

p = proportion expected to answer a certain way (50% or 0.5)

B = acceptable level of sampling error (0.05 = ±5%; 0.03 = ±3%)

C = Z statistic associate with confidence interval (1.645 = 90% confidence level; 1.960 = 95% confidence interval; 2.576 = 99% confidence interval)

In this study, a 50/50 split in the population that comprised of 81,862 registered public employees in Putrajaya (Human Resource

Management Information System (HRMIS), 2013), a sample size of 382 was required to reach 95% confidence that the sample estimation is within ±5% of the true population value. Therefore, the formula application is shown as in Equation 3.2 below:

$$N_s = \frac{(81{,}862)\,(0.5)\,(1 - 0.5)}{(81{,}862 - 1)\,(0.05 / 1.96)^2 + (0.5)\,(1 - 0.5)}$$

= **382 samples required**

Equation 3.2. Application of Formula by Dillman (2007) in the Study

A total of 500 employees were selected as the respondents. Out of the 500 questionnaires, 316 were responded to by the respondents. However, out of 316 only 203 respondents have successfully completed the questionnaires. Therefore, the total return rate of this study was 52.7%, which is considered as good (Babbie, 2003).

INSTRUMENT AND MEASUREMENT

Financial Well-Being

Financial well-being in this study is defined as one's satisfaction towards their financial situation. Financial well-being was measured by using an instrument developed by Garman and Jariah in 2006, based on the Malaysian context which was originally from Prawitz et al. (2006) known as InCharge Financial Distress/Financial Well-Being (IFDFW) Scale consist of 12 items. These measurement items were responded on a 10-point scale. The Cronbach alpha for IFDFW in the original study was 0.96. In particular, Jariah (2007) acknowledged this instrument's validity in a Malaysian context with a coefficient alpha of 0.93.

Financial Stress

Financial stress in this study is defined as the self-perception about one's financial stress. Financial stress was measured by an adaptation of seven items of Aldana and Liljenquist (1998). This measurement was established by Aldana and Liljenquist to evaluate those who might have faced financial stress. Apart from the evaluation from the financial professional, this measurement was developed through literature and also control groups, as well as counselling. The initial Cronbach's alpha was 0.79, as stated by Aldana and Liljenquist (1998). In the current study, Cronbach alpha for financial stress was 0.86.

Work Environment

The work environment is classified as a set in place that has significant negative and positive influences on employee's engagement, morale and productivity (Chandrasekar, 2011). That is to say, the respondents consider their financial well-being as an outcome of their workplace environment that may affect various aspects such as commitment, self-esteem, and efficiency. The measurement of Faisal (2010) was used to measure this construct with 14 items. This scale consists of three-dimensional to assess rewards and promotions, facility and safety, as well as interrelationship (Faisal, 2010). Rewards and promotions have three items, while facility and safety have four items, and interrelationship has seven items. The scale was adapted to accordingly reflect the local work context. Cronbach alpha for this construct indicated the value of 0.81 (Faisal, 2010). In this study, the Cronbach alpha of work environment was 0.91.

Locus of Control

Ng, Sorensen, and Eby (2006) defined locus of control as the extent to which people believe they are in control of their destiny. In other words, respondents reflect their financial well-being as the outcome of their actions or massively affected by the situation naturally, influences from others or because of the chance determinants. Locus of control, measured by eight items from Sumarwan and Hira (1993), was adapted from Rotter's Locus of Control (Rotter's I-E Scale). Sumarwan and Hira (1993) altered it to suit the financial context such as 'When I make plans, I am almost certain that I can make them work' and 'Many times I feel that I have little influence over the things that happen to me'. These statements of locus of control were used to identify the locus of control's appraisal via respondents' agreement or disagreement with the statements. Sumarwan and Hira (1993) found that the Cronbach alpha acquired for this scale was 0.75. As for this study, the Cronbach alpha was 0.63. According to Nunnally and Bernstein (1994), data with value that is at least bigger than 0.5 of Cronbach alpha is acceptable in practical application.

Financial Behaviour

Financial behaviour reflects the habits of how individual manage their finance. There are 32 items which were adapted from Hilgert and Hogarth (2003), Hogarth and Anguelov (2004), Kapoor, Dlabay, and Hughes (2001), O'Neill (2002), Xiao, Sorhaindo, and Garman (2004). Each item was rated on a five-point scale ranging from '1 = never' to '5 = very often', which comprised of cash management, credit management, financial planning, risk management, as well as investment and savings. The internal consistency reliability ties were between 0.81 and 0.92. In this study, the Cronbach alpha for financial behaviour was 0.94.

Financial Knowledge

Financial knowledge of the respondents was evaluated through the correct answers of 34 questions established by Sabri, Masud and Paim (2006), according to the Malaysian context that focuses on general knowledge, credit card, investment and saving, debt and loan, which are represented in the form of True or False scale. The Cronbach alpha for financial knowledge was 0.80.

DATA ANALYSIS

Statistical Package for Social Science (SPSS) version 21 was used to analyse the data. Descriptive and multiple regression analyses were conducted in this study. Descriptive analysis was conducted to provide socio–economic characteristics of the respondents. In order to determine factors that contribute to the financial well-being of employees, multiple regression analysis was used. Parallel with the concern over the variance size in this study, enter method was utilised to fit the purpose (Pallant, 2013). Exploratory Data Analysis (EDA) designated all assumptions for the multiple regression analysis (i.e., normality, linearity, independence, multicollinarity, outliers and homoscedaticity).

RESULTS AND DISCUSSIONS

Characteristics of the Respondents

Respondents' characteristics show that 53.2% of them are female. Higher percentage of the respondents (39.4%) was found to age between 33-39 years old and most of the respondents were married (85.2%). In term of level of education, slightly more than three quarter (77.8%) possessed a tertiary education level. Meanwhile, half of the respondents (50.2%) earned more than RM3500 as their monthly income which was reflected in the highest percentage scoring in the asset value more than the outstanding debt, at 58.1%.

Similar to human life-cycle, financial status too has several stages. In the early stage of earning, i.e. at 20s to 30s years old, post-college era or right after graduation, people undergo a process of learning in adapting personal finance such as budgeting and cash-flow, while paying for their education loan at the same time. As they enter the age of 30s and 40s, they encounter greater financial commitments which demand them to apply for several loans such as personal and housing loans. As they reached 40s and 50s, the 'empty nest' will happen, which lessens the financial dependency of their children because they have fully grown up and started to explore the world independently. Thus, they start to build up their assets instead of debts. As for those in their 50s, they are preparing to settle down through a retirement planning. On the contrary, respondents' income adequacy is only enough for basic needs, at 39.4%. All this information is summarised in Table 1.

Table 1
Respondents' Characteristics

Demographic Characteristics	Frequency	Percentage (%)
Gender		
Female	108	53.2
Male	95	46.8
Age (years old)		
Less than 32	68	33.5
33 - 39	80	39.4
More than 40	55	27.1
Marital Status		
Single	27	13.3
Married	173	85.2
Others	3	1.5
Education Level		
Secondary	45	22.2
Tertiary	158	77.8
Income (RM)		
Less than 1500	17	8.4
1500 - 3500	84	41.4
More than 3500	102	50.2
Financial Status		
Asset value less than outstanding debt	40	19.7
Asset value equal to outstanding debt	45	22.2
Asset value more than outstanding debt	118	58.1

Pearson Correlation Analysis

Pearson Correlation analysis was performed first in order to fulfil the assumptions of multiple regressions beforehand. Table 2 shows the correlations between locus of control, work environment, financial stress, financial knowledge and financial behaviour towards financial well-being.

The findings show a significant correlation between financial stress and financial well-being (r = -.628**, p = .000), indicating that the lower the financial stress of an individual, the higher the level of financial well-being. Apopos to Falahati et al.'s (2012) study, they found that employees' financial stress has a significant negative impact on their perceived financial well-being. The result is in line with the previous studies by Delafrooz and Paim (2013) and Joo and Grable (2004). Moreover, this is also consistent with Delafrooz et al. (2010) who exclaimed that financial stress is among the essential factor in influencing financial well-being.

Besides that, there is a significant relationship between financial behaviour and financial well-being (r = .430**, p = .000). Higher level of financial well-being is affected by good practices in one's financial management. The finding is consistent with past studies by Delafrooz and Paim (2011) and Zaimah (2011). These studies stated that financial behaviour as the prominent determinant of financial well-being. Xiao et al. (2009) mentioned that individuals with better financial behaviour would experience a higher financial well-being.

Furthermore, locus of control was found to be correlated with financial well-being as well (r = .264**, p = .000). Studies by Zurlo (2009) and Sumarwan and Hira (1993) support the finding of this study, which found that locus of control is significantly associated with financial well-being. In fact, they indicated that locus of control is one of the financial well-being predictor.

For future consideration, work environment and financial well-being remarkably exert influence on each other (r = .301**, p = .000). Despite work environment variable that is normally incorporated in the organisational behaviour field, researchers such as Buffet et al. (2013) and Kompier (2005) discovered a positive work environment impact on individual's well-being. Hence, the results of this study show that work environment characteristics are perceived by individuals as associated with financial well-being.

On the contrary, there is no significant relationship between financial knowledge and financial well-being (r = .015, p = .831). Surprisingly, this result contradicted with that in the previous studies which displayed financial knowledge and financial well-being positively correlated with each other (Joo & Grable, 2004; Robb & Woodyard, 2011). Perhaps, even with financial knowledge, employees feel that it does not necessarily contribute to their financial well-being. All the information regarding the significant relationship and their strength is summarised in Table 2 below.

Table 2
Pearson Correlation Analysis

Variables	Financial Well-Being	
	p	*r*
Financial Stress	.000	-.628**
Financial Knowledge	.831	.015
Financial Behaviour	.000	.430**
Locus of Control	.000	.264**
Work Environment	.000	.301**

Note: **$p \leq .01$

Multiple Regression Analysis

Based on the Pearson Correlations results, all the variables would be included in the multiple regression analysis to determine the factors that contributed towards financial well-being except financial knowledge due to the insignificant relationship with financial well-being.

As shown in Table 3, the multiple coefficient (R = .701) is a Pearson Correlation Coefficient between the independent variables (locus of control, financial behaviour, work environment and financial stress) and the actual score of the dependent variable (financial well-being). In this situation, there are positive and negative relationships between the independent variables and dependent variable. The multiple correlation square (R^2 = .504) stands for the variance degree explained by the independent variables. The adjusted results symbolise 49% variation of financial well-being accounted for all the independent variables (locus of control, financial behaviour, work environment and financial stress). The ANOVA test investigates the degree to which of the independent variables and dependent variable relationships is parallel. On that account, results show that there is a significant relationship between both independent variables and dependent variable (financial well-being) with F = 50.101, $p < .01$. Financial behaviour (β = .285, $p < .01$) and work environment (β = .144, $p < .01$) have a positive relationship with financial well-being, whereas financial stress has a negative relationship with financial well-being (β = -.527, $p < .01$).

Table 3
Multiple Regression Analysis for financial well-being

Variables	Beta	Sig.
Financial Stress	-.527	.000
Financial Behaviour	.285	.000
Locus of Control	.029	.589
Work Environment	.144	.006

Note: R^2 = .504; Adjusted R^2 = .494; F = 50.101

Previously, work environment has been associated with organisational behaviour context. Therefore, this study highlights the research gap which implemented work environment in the personal financial context. Based on the result, a positive working environment was found to have an effect on individuals' financial well-being.

CONCLUSION

This study was conducted to determine the factors affecting the financial well-being of public employees in Putrajaya, Malaysia. The population for this study was 203 of public employees who were chosen through the multi-stage sampling technique. The factors that had been explored were financial knowledge, financial stress, work environment, locus of control and financial behaviour. The study formed significant associations between financial stress, locus of control, work environment and financial behaviour on financial well-being. Financial stress, work environment and financial behaviour were the factors that contribute to the employees' level of financial well-being. It can be concluded that lower financial stress, positive working environment and good financial behaviour will enhance employee's financial well-being.

RECOMMENDATIONS

For consideration of future consequence, the results indicated that there is a significant relationship between work environment and financial well-being, and there is also no significant relationship with financial well-being. There is little evidence to show how locus of control is linked with financial well-being and there is none for work environment. Besides, this study employed a self-administered cross-sectional survey among public employees in the Federal Territory of Putrajaya only. Thus, there is a need to expand the research framework to more states and federal territory or private sector to investigate whether the current findings can generalise to different working groups and industrial climates.

IMPLICATIONS

The findings of this study could restore several implications to the research outcome of financial well-being. Personal finance researchers could incorporate the related personal financial domain (i.e., locus of control and financial management) into their inventories of personal finance studies. Since perception of a person can influence his/her information processing, individuals should get used to taking part in more thinking while managing their finance. The personal financial domain related, which focuses on the locus of control and financial management, has to be magnified in personal finance studies. In fact, self-control could be perceived as an essential trait that is capable of describing individual differences (Goldberg, 1993). In a way, this could serve as an educational basis in general. To be competent individuals that possess rational management perspective and satisfaction maximisation consideration, manageable self-control and financial behaviour should be enhanced. Hence, individuals should reflect carefully on their financial planning and goals to achieve satisfaction.

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