JURNAL PENGGUNA MALAYSIA

PERSATUAN EKONOMI PENGGUNA DAN KELUARGA MALAYSIA

JILID 34 JUN 2020 ISSN 1511 - 998x

JURNAL TERBITAN PERSATUAN EKONOMI PENGGUNA DAN KELUARGA MALAYSIA

JURNAL PENGGUNA MALAYSIA

JURNAL PENGGUNA MALAYSIA adalah keluaran Persatuan Ekonomi Pengguna dan Keluarga Malaysia. Ia bertujuan untuk menyebar, menambah dan berkongsi maklumat berkaitan hal ehwal, undang-undang, penyelidikan dan isu semasa pengguna. Jurnal ini juga menggalakkan penulisan dan perkongsian idea tentang masalah dan keperluan pengguna dalam bentuk rencana, ulasan dan penyelidikan. Sila rujuk panduan kepada penulis untuk penghantaran bahan artikel.

Ketua Editor,
Jurnal Pengguna Malaysia
d/a Jabatan Pengurusan Sumber dan Pangajian Pengguna
Fakulti Ekologi Manusia, Universiti Putra Malaysia
43400 UPM Serdang, Selangor
Email: macfea@gmail.com

JURNAL PENGGUNA MALAYSIA

MACFEA
PERSATUAN EKONOMI PENGGUNA DAN KELUARGA MALAYSIA

JILID 34 | JUN 2020 | ISSN 151 1 - 998x

Halaman

JURNAL TERBITAN PERSATUAN EKONOMI PENGGUNA DAN KELUARGA MALAYSIA

PENYUMBANG ARTIKEL

Afida Mastura Muhammad Arif	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Amirah Shazana Magli	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Cheng Kai Wah	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Elistina Abu Bakar	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Husniyah Abd. Rahim	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Irwan Syah Md Yusoff	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Leong Yun Yi	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Mohamad Fazli Sabri	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Mohd. Amim Othman	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Muhammad Mustaqim Abdul Malek	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Nur Jasmine Leby Lau	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Nurazlina Dol	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Nurul Fardini Zakaria	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Ogunleye Kemisola-Christianah	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Oladipo Kolapo Sakiru	Fakulti Pengajian Pendidikan, Universiti Putra Malaysia
Shamsul Azahari Zainal Badari	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Syuhaily Osman	Fakulti Ekologi Manusia, Universiti Putra Malaysia
Zuroni Md. Jusoh	Fakulti Ekologi Manusia, Universiti Putra Malaysia

FACTORS INFLUENCING FINANCIAL WELL-BEING AMONG EMPLOYEES IN AN ORGANIZATION IN NIGERIA

Ogunleye Kemisola-Christianah[1]
Mohamad Fazli Sabri[1]
Shamsul Azahari Zainal Badari[1]
Oladipo Kolapo Sakiru[2]

Abstract

With the recent innovation in financial markets, it has now become ever more unavoidable for the employees to be more knowledgeable and proficient in managing their finances. Financial markets terrain has changed so much resulting in the disposal to a wider choice of financial products and services. The aim of this study was to determine the factors influencing financial well-being among employees in an organization in Nigeria. This research focused on employees in Ikeja local government council of Lagos, state Nigeria. Based on the sample size determination, the sample size was estimated at approximately 392 employees. Simple random sampling was used in the selection of the sample. Employees were chosen based on staff profiles in each department. The result of this study is that financial decisions are becoming increasingly complex and demanding. Availability of easy innovative loans and credit products, financial market restructuring and technological advancements in the mode of offering and distributing financial and services have indisputably left many people confused while making decisions on the assortment of savings opportunities. A standard self-administered questionnaire was employed to gather data among 392 selected employees from a local government in Lagos state, Nigeria. It was revealed that the most influential factor for financial well-being is financial strain based on the output of the result. In conclusion, the financial strain of an employee, makes employees to be more cautious of their spending, which will have more effects on their financial well-being.

Keywords: Financial well-being; Financial strain; Financial literacy; Financial management; Employees

Introduction

Financial well-being is one of the key challenges for employees. It has become major concerns among researchers, who coined the term financial well-being, for use in financial studies. Foregoing, in the 1990s, some scholars made efforts towards

[1] Department of Resource Management and Consumer Studies, Faculty of Human Ecology, Universiti Putra Malaysia
[2] Department of Professional Development and Continuing, Faculty of Education Studies, Universiti Putra Malaysia

defining interrelated constructs such as financial well-being, financial satisfaction, and economic well-being. The researchers found that these terms may likely to be used in place of one another. Financial matter is one of the key reasons why many Nigerian employees cannot enjoy their marital life, leading to lots of broken marriages and spousal abuse (Dabu, 2011). Not having effective financial strategies might have led some working employees to have problems with mismanagement of money and having insufficient funds to meet their personal needs. Ibrahim (2015) observed that most employees nowadays are not satisfied with their life because of the issues affecting their financial well-being. Defining well-being is a challenging task, yet experts and common people around the world would agree that it is the evaluation of both the objective and subjective components of life. Objective well-being is fundamental in assessing people's living conditions and quality of life, while subjective components reflect on individuals' experiences in life situations and the cognitive judgment of their own lives, which includes their financial well-being (OECD, 2011).

Meanwhile, there is a serious alarm on increased cost of living among Nigerians in the present and because of that, employees are now more conscious about their finances (Egbu, 2018). Currently, changes in the economy have impacted on people's habit in spending, saving, investment, and management of their finances in order to ensure optimum standard of living (Agarwalla, Barua, Jacob, & Varma, 2012). A survey carried out by Credit Awareness Nigeria in collaboration with the Central Bank of Nigeria (2013) indicated that majority of the employees in Nigeria are less equipped with the knowledge and awareness about their personal financial responsibility. They further stated that, about 30% of Nigerians have no savings and they live beyond their means. Adeoti (2010) stated that those who are seeking for financial advice from the credit counselling are more of older people who felt that if they have had the ability to manage their personal finances in early life; it would have had encouraged them to aspire to greater goals like saving early and saving often. Consequently, Debt Management Office (2012) indicated that there is a high rate of bankruptcy cases due to hire purchase loans and personal loans. Indeed, bankruptcy has been shown to worsen financial problems whereby some of the financial hardship may be due to personal, physical, and emotional situations which may impact the productivity in a working environment.

Furthermore, life satisfaction is the cognitive component of subjective well-being and involves a self-evaluation of the quality of one's life (Antaramian, 2017) or in what manners people evaluates their life as a whole (OECD, 2011). The cause of employees having insufficient funds to meet their personal needs and falling to bankruptcy is due to their lack of exposure to financial management and their desire for lavish lifestyle. This can be supported by Faizal and Ashhari (2015). Not having effective financial strategies might have led some employees to have problems on mismanagement of money and having insufficient funds to meet their personal needs.

(Zaimah, Sarmila, Lyndon, Azima, Selvadurai, & Suhana, 2013) observed that most employees are struggling to survive and also not satisfied with their life because of the issues affecting their financial well-being. Hassana (2008) stated that majority of pension schemes in the public sector had been under-funded due to inadequacies in budgetary allocations. Researches conducted by Kunle and Iyefu (2004), and Taiwo (2006), observed that the organization of the pension scheme was weak, inefficient, and lacks transparency. If employees are not financially stable during their working life, they might face several problems after retirement, as income from pension scheme does not ensure better financial well-being of the employees.

Study gap

Most previous studies on financial well-being have been conducted among family or employees living in Western countries (Joo, 2008; Malone *et al.*, 2010). There is a dearth of research on financial well-being of employees in sub-Saharan Africa especially Nigeria as the most populous nation in Africa (Ogunleye, 2019). Thus, this study intended to impact future research that targets the assessment of financial well-being in Nigeria. To date, no definitive measure of financial well-being has been advanced for Nigerian.

Research Framework

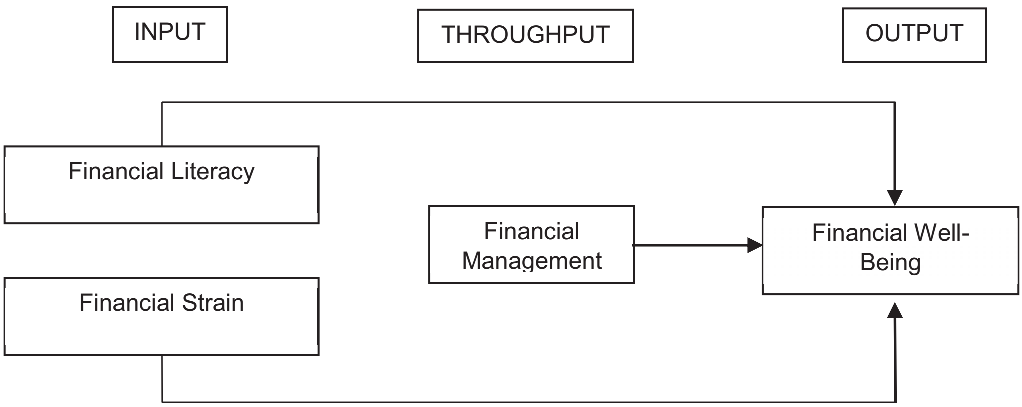

Figure 1: Research Framework

The framework for this study was conceptualized using the Family Resource Management Theory introduced by Deacon and Firebaugh (1988). Based on theory, the conceptual framework contains three main components which are input, throughput, and output. For this study, the inputs include financial literacy and financial strain. The behavior of an individual, as well as the use of resources by individuals to achieve goals, is also part of the throughput process (Rice & Tucker, 1986). The output stage is the stage in which goals are met. The final decision made by people is a result of the choices which they have made. The satisfaction or dissatisfaction in relation to great achievements, increasing knowledge or high positive attitudes according to Rice and Tuckler (1986), are all part of the final output.

Literature Review

Financial well-being

Financial well-being consists of both objective and subjective phases of one's financial situation, capturing the level of contentment of employees with regards to their material and non-material financial positions (Plagnol, 2011). Aside from income, debt and financial assets are also determinants of well-being at later stages of the life cycle (Plagnol, 2011). Few studies on the determinants of financial well-being have incorporated objective, subjective, and behavioral measure into a single empirical test of one's financial contentment as stated by Plagnol (2011). Previous research also found that demographic variables such as sex, age and income affect financial well-being. (Conger, Lorenz, O'Neal, Surjadi, & Wickrama, 2012) and Plagnol (2011) found that older people with higher income level have high level of financial well-being. Zaimah (2011) conducted a study on 325 teachers between range age of 24 to 57 years old found out that age, house ownership, and income affect the level of financial well-being of the employees or teachers.

Diener, Lucas, and Oishi (2018) study on the role of work in psychological health and well-being, which used demographic characteristics like gender, age, and monthly gross employee income. The results showed that few people are financially satisfied and more than two-thirds of them are keen to learn financial education that is supported by their employers. It further indicated that people with high age possess higher level of financial well-being, while gender and income are mostly contributed to financial well-being. Evidence from literature has shown that financial well-being is subjective, and it depends on factors such as gender (Western & Tomaszewski, 2016). There are other important factors which influence the financial well-being of employee; such factors include health status, educational level, and work status (MacKerron, 2012). The political environment in which people live also influences their financial well-being (Frey & Stutzer, (2010). Asides the mentioned factors, other researchers have found other social variables like religion (Abdel-Khalek, 2012), and social capital like the quality of government (Binder & Coad, 2013) to be predicting factors of financial well-being.

However, previous researchers have shown that problem with financial well-being of the employees is due to factors such as non-stable jobs, high living expenses, debt burden, non-existent financial knowledge, and lack of financial planning (Brüggen, Hogreve, Holmlund, Kabadayi, & Löfgren, 2017). These situations had negative influence on their living habits and in turn lowers their productivity, and may adversely affect their health condition (Xiao, Sorhaindo, & Garman, 2006; Erdogan, Bauer, Truxillo, & Mansfield, 2012) noted that financial well-being is amongst one of the five chief components of general satisfaction or happiness. The other major contributors are job satisfaction, leisure satisfaction, health satisfaction, and housing and environment satisfaction.

Factors affecting financial well-being

Financial literacy

Financial literacy denotes the ability to balance bank accounts, saving use as well as making budgets, saving for the future, and learning programs that are useful in debt management. Financial literacy involves the ability of the employees to grasp basic financial concepts while applying such knowledge in making informed decisions (Farrell, Fry, & Risse, 2016). The employees are considered to be financially literates when they utilize their personal finance to transform their lives and the larger society. Kinyanjui and Ocholla (2017) described financial literacy as being understandable and confident in the areas of saving and spending, budgeting, and other areas of financial literacy required to be known by the employee. The UK National Foundation for Education Research (2014) defines it as “as the ability to make informed judgments and to take effective decisions regarding the use and management of money”.

Huston (2010) stated financial literacy as an understanding of how to deploy financial awareness and tools. For employees to be able to achieve this, they should have valuable perceptions and possess skills in this area while being able to perceive the impact of their financial decisions on themselves, others, and their environment (Raymond, 2010). Financial literacy goes beyond measuring knowledge; but rather focus on competency in active management of one’s own money from the point of accumulation to the point of consumption (Remund, 2010). Previous research made attempt to find a relationship between financial literacy and financial behavior (Lusardi & Tufano, 2015). The tendencies of financial mistakes are higher among employees that lack financial literacy and information. Their capacity to handle daily financial problems can be affected by low level of financial literacy and the negative consequences can be multiplied.

Bierstaker Brazel, Caster, and Reed (2010) defined financial literacy as the ability of employees to efficiently access and manage their own finance in order to accomplish their goals and have a high level of financial well-being. (Rajola, Frigerio, & Parrichi, 2014) described financial literacy as the ability to make good judgments and take effective actions with regards to the current and later use and management of money. Briefly, financial literacy can be said to be the employee’s ability to undertake effective management of their finances while making informed decisions regarding their finances, thereby leading to the financial well-being of employees. This implies that employees may not be financially well if they lack the ability to effectively make informed decisions about their finances.

Financial strain

Financial strain denotes the judgments and responses to a person's financial condition (Drentea, Garman, Kim, Neill, Prawitz, & Sorhaindo, 2006). Financial strain also can be seen as an unpleasant feeling that employees might face if they are unable to meet their financial demands. Financial strain is a broad concept that was used to capture different types of financial pressure (Grafova, 2011) that derived from the financial hardship especially scarce of financial resources. Hilton and Devall (1997) defined financial strain as a perception of one's financial position, with attendant financial concerns and worries. They further described financial strain as a subjective component of financial distress.

Financial strain has become public concern in many countries as it is affecting employees with limited resources and those that need help from others (Wei & Chen, 2013). Besides that, financial strain was conceptualized as the amalgamation of financial need, burden, and insecurity (Ponnet, 2014). Financial strain used to determine the financial problems that were faced by the employees and how it was affecting their lives. The everyday financial strains confronting low-income employees has been duly noted by researchers and policy makers (Blank, Danziger, & Schoeni, 2006). In the study by Ponnet (2014), it was shown that employees with low income has higher level of financial strain.

Huang, Nam, and Lee (2014) described financial strain as problems people experience during economic hardship which lead people to complications in meeting their needs. Moreover, Xiao (2008) also stated that low-income employees face financial constraints resulting from limited income source, assets and health insurance coverage affect the ability of low-income employees to endure financial hardship and pressures of financial insecurity. Besides that, there is a higher level of financial literacy in low-income among employees (Ponnet, 2014). Low-income employees usually have severe consequences due to insufficient financial resources (Ponnet, 2014).

Financial strain is usually theorized and operationalized through processes of financial strain (Sheets & Craighead, 2014; Wrosch, Heckhausen, & Lachman, 2000). The researchers defined financial strain as an apparent economic pressure faced by employees (Vinokur, Price, & Caplan, 1996). Previous studies also revealed that financial strain, unemployment, and poverty are related with mental health and well-being of the employees (Butterworth, Rodgers, & Windsor, 2009; Conger & Donnellan, 2007; Taylor, Budescu, Gebre, & Hodzic, 2014). There are many researchers that have linked financial strain to clinical depression, reduced physical health and in order to lower life quality and satisfaction (Chou, Chi, & Chow, 2004; Mattsson, Topor, Cullberg, & Forsell, 2008).

Financial management

Financial management of employees concerns itself with answers to the critical questions of how the employees would plan for, source, organize, allocate and/or utilize the financial resources available with them in order to accomplish nominated objectives (Muoghalu, 2006). Financial management is not merely concerned with the operative and efficient use of economic resources in the firm. Financial management offers the information needed to reduce the asymmetries between managers and shareholders (Layr, 2013). Furthermore, Xiao (2008) explained that this financial management describes desirable or positive behavior towards financial matters. A research conducted by Joo and Grable (2004), on financial management which was measured using their respondent's income, cash management, relative to economic status compared to others and consumer shopping skills. He further suggested that with good management on financial matters, employees have better attitude and behavior towards their financial matters.

Past study has shown that employees that fail to make accurate financial decisions will be faced with a high level of financial distress and problem like debt load (Borden, Collins, Lee, & Serido, 2008: Charness & Gneezy, 2013). Dowling, Engle, and Festing (2009), in a study used items consisting of cash and credit management, budgeting and planning, as well as general money management to determine the financial management, while items like planning and savings was used to determine financial management. On the other hand, Fanslow, Hira and Mugenda, (1990) used estimated income and expenses as well as evaluating spending habits to determine financial management. In addition, risk management was also been used as one of the financial managements (Porter & Garman, 1993; Deacon & Firebaugh, 1988; Sumarwan & Hira 1992). Similarly, Miller *et al.* (2014) revealed that common financial management includes practices with regards to cash, credit and savings management, for which an efficient management behavior is a way to improve financial well-being. The most commonly used items are saving, credit management, planning or budgeting, and risk management. Lusardi and Tufano (2015) stated that common financial management includes credit, saving and cash management.

Methodology

Sample size and sampling

This research focused on employees in Ikeja local government council. The total number of employees in the local government is 3969 that cut across five departments of the local government. Based on the sample size determination, the sample size was estimated at approximately 392 employees. Therefore, eighty (80) questionnaires were distributed among the five departments selected. Simple random sampling was used in the selection of the sample. Employees were chosen based on staff profiles in each department.

Instrumentation

The current study used a self-administered structured questionnaire to collect data from the respondent, together with the help of trained research assistants. There are four major sections in the set of questionnaires.

Financial well-being

The questionnaire of Garman and Sorhaindo (2005) and Prawitz *et al.* (2006) was adopted for Financial Distress/Financial Well-being (IFDFW) for the measurement of financial well-being. The scale was measured based on ten items in a four Likert scale type, which ranges from one to four “Very Dissatisfied” to “Satisfied”. In this study, financial well-being variable was measured using the financial or perceived income adequacy of the respondents.

Financial Management

Ten items were used in measuring the financial management for this study. The questions ranged from 1 (very disagree) to 5 (very agree) to measure an important aspect of respondent’s financial management practice (Perry & Morris, 2005). The items include controlling the way they spend, payment of bill on time, saving and investment, keeping a record of monthly expenses, fending for oneself and family, and saving money and planning for the financial future.

Financial literacy

Sabri, Masud, and Paim (2006) instrument was used to measure financial literacy for this study based on ten items measurement using an instrument that was created. The measure of this financial literacy scale is based on a true or false answer test. Hence, general knowledge, credit card, debt and loan, products, and savings were asked from the respondents in this section. Each correct answer carried one point while the false answer was given zero point.

Financial strain

The scale measured based on ten items adopted from Aldana and Liljenquist (1998). The scale used for measuring financial strain was Likert scale type, and this ranged from one to five (strongly disagree to strongly agree).

Results and Discussion

The percentage distribution by gender indicated that 164 males' and 228 females' respondents were recorded representing 41.8 percent and 58.2 percent respectively in this study. While the age of the respondent ranges from a minimum of 20 years to a maximum of above 60 years. The highest percentage of respondents are in the age group of between 31 to 40 years old (36.7 percent), followed by 41 to 50 years (29.1 percent) and between 20 to 30 years old (26.8 percent). Maximum of the respondents had tertiary education 98.2 percent. The percentage distribution by marital status indicated the majority of the respondents were married 72.2 percent. In terms of religious affiliation, percentage distribution indicated that 140 Muslim respondents participated in this study, constituting about 34.7 percent while 252 Christian's respondents representing 64.3 percent of the respondent participated in the study (Table 1).

Table 1: Profile of Respondents

Variables	n	%
Gender		
Male	164	41.8
Female	228	58.2
Age (years old)		
20-30	105	26.8
31-40	144	36.7
41-50	114	29.1
51-60	29	7.4
Marital Status		
Married	109	27.8
Single	283	72.2
Religion		
Christian	252	64.3
Islam	140	34.7

Table 1 (continues)

Variables	n	%
Education		
Primary	2	0.5
Secondary	5	1.3
Tertiary	385	98.2

Table 2 shows the socio-economic status of the employees in Ikeja local government, Lagos state Nigeria. Results of household income indicates that a higher percentage 43.9 percent of the respondents had income between 15,000 to 51,000 while respondents who had income between 51,000 to 80,000 had (30.4%) and the rest of the respondent with higher income shows percentage (14.3%) and (11.5%) meaning that lots of Nigerians are still poor. Clearly, the true image of what is happening in Nigeria is not reflected by the average income per capita because of the disparity in income. According to the World Resources Institute's environmental resource portal Earth Trends (2014), about 71 percent of Nigerians survive on less than $1 a day and about 92 percent survive on less than $2 a day. Based on these result, it indicated that the majority of them had low monthly income, also from the results it was indicated that they are not financially well since the higher percentage revealed that their debt is more than their asset and this may be due to their low income.

Income adequacy result shows the higher percentage of 46.7 percent for those stated that the money is only enough to buy basic needs. Furthermore. 41.3 percent of them revealed not to have enough money followed by 12.0 percent of them stated that they have enough money to buy all their wishes and could save. Saving for old age results reveals that more than half percentage of the respondents 57.4 percent state that money is not enough to save for old age while 39.0 percent of the respondents shows that they have sufficient money to save for old age, followed by 3.6 percent of them have more than enough to save for old age. This indicated that they find it hard to save for their old age, as this may be due to lack of money left after they had bought the basic things needed according to the earlier result. Resources for retirement results revealed that highest percentage of the respondents, 33.7 percent, had saving and investment; this is not surprising because the earlier result on monthly savings has unfolded that the respondents still manage to save little despite of their low income. The rest are pension/gratuity represent 2.8 percent, investment 12.5 percent, saving 13.5 percent, life insurance 6.1 percent, pension/gratuity, investment and saving represent 8.4 percent, pension/gratuity, investment, saving and life insurance represent 8.9 percent and the last which is investment, saving and life insurance represents 14.1 percent.

Table 2: Respondent's Socio-Economic Profile

Socio Economics	Characteristics	n	%
Household Income	₦15,000-50,000	172	43.9
	₦51,000-80,000	119	30.4
	₦81,000-100,000	45	11.5
	₦101,000-130,000	56	14.3
Monthly Saving Percentage	No Saving (0%)	81	20.7
	1% - 10%	199	50.8
	10% -20%	87	22.2
	>20%	25	6.4
Financial Status on Debt-to-Asset Ratio	Asset less than debt	143	36.5
	Asset equal to debt	130	33.2
	Asset more than debt	119	30.4
Income Adequacy	Not enough	162	41.3
	Enough for basic needs only	183	46.7
	Enough to buy all wished and could save	47	12.0
Saving for Old Age	Not enough	225	57.4
	Enough	153	39.0
	More than enough	14	3.6
Resources for Retirement	Pension /Gratuity	11	2.8
	Investment	49	12.5
	Saving	53	13.5
	Life insurance	24	6.1
	Pension /Gratuity, Investment and Saving	33	8.4
	Pension /Gratuity, Investment, Saving life Insurance	35	8.9
	Investment & Saving	132	33.7
	Investment, Saving & Life Insurance	55	14.1

Table 3 reveals a relationship between financial management and financial well-being, ($r=0.399$; $p=0.000$) where employees with greater financial plan and management skills may experience greater financial well-being. Financial management of the employees in this study shows employees demonstrated management skill towards their finances which involve planning and implementation of management of resources which influence their financial well-being. Studies have proven that better management contributes to better financial well-being of individuals by enhancing life expectancy, providing serenity, and reducing stress, depression and anxiety (Abdel-Khalek, 2010; Minhat, 2014; Noor, 2008; Sternthal & Williams, 2007). According to Fazli and Farhana (2015), there are significant relationships between financial well-being and financial management where they believe if the employees, especially young employees, were exposed with consumer experiences to improve financial literacy therefore in turn will affect their financial management and will increase the financial well-being among them.

Table 3: Pearson Correlation Matrix

Variables	Pearson correlation	p-value
Financial Literacy	0.127	0.012
Financial Strain	-0.616	0.000*
Financial Management	0.399	0.000*

$^*p \leq 0.05$; $^{**}p \leq 0.01$

Multiple regression analysis was conducted to explore the determinants factor contributing to the financial well-being of the employees among the independent variables that were financial literacy, financial management, and financial strain (Table 4). A moderately significant relationship between the independent and dependent variable was shown by the multiple R (R = 0.632). The significant F value (F = 85.821; p = 0.000) was the proof that the research data is suitable for the model. Hence, concluding that there exists a linear relationship between the predictor and the employee's financial well-being. VIF (variance inflation factor) was utilized in checking the multicollinearity among the independent variables.

The result shows that all VIF values are below the usual threshold value of 10.00. Therefore, multicollinearity issue between the predictor variable does not exist. In addition, the R^2 for the model was 0.4; this means that the factors (financial literacy, financial strain and financial management) explained about 40.0 percent of the variance in financial well-being in Ikeja local government. Pallant (2001) said the reason why the standardized coefficient (column labelled Beta) is used to compare variables as the conversion of different variables into the same scale. However, the unstandardized coefficient values listed B will be used if the construction of a regression equation is the interest. Beta values were utilized in comparing what each predictor has contributed. The largest beta coefficient is for financial strain (B = -0.550, p = 0.000). This implies that this factor makes the strongest and exceptional contribution to explaining the dependent variable, which is employee's financial well-being. The other factors also contribute towards financial well-being, but not as much as financial strain. From the three variables, financial management and financial literacy also shows to be significant to financial well-being. In Nigeria culture, where power distance and uncertainty are high, financial strain is more suited in order to achieve the target of employee's financial well-being, in which this view supported the outcome of the result. This suggested that if employer want to improve the financial well-being of the employees in organization, financial management, financial literacy and financial strain are effective factors needed for employee's financial well-being in the organization.

Table 4: Multiple-Regression Results

Variables	B	Beta	t	p
(constant)	31.398		10.321	0.000
Financial Literacy	-0.096	-0.016	-0.399	0.690
Financial Strain	-0.407	-0.550	-12.255	0.000
Financial Management	0.183	0.157	3.572	0.000

R = 0.632; R^2 = 0.400 Adjusted R^2 = 0 .395; F = 85.821; Sig F = 0.000

Conclusion

Based on the findings, the following conclusion has been drawn: financial well-being of the employees in an organization depends on financial strain, financial literacy and financial management of individuals. The research yields several important results and contributes to the fillings an empirical and conceptual gap in the organizational literature nationally and internationally. In this regard, the study is significant in the effort to understand the factors influencing financial well-being relations in organization and perhaps look at avenues to improve this relationship. This study is extremely helpful for employees in an organization in Nigeria, Lagos state to improve their financial wellbeing. There is a need for more variables to be discovered in future studies to add knowledge regarding this topic. Although subjective measures offer better explanation to understand financial well-being, these are also subjective such as retirement planning, financial health, financial inclusion, or financial sustainability can be included in the studies related to the financial well-being of the employees in the organization.

Meanwhile, further studies could also be conducted using another organization or local government area from a wider variety of backgrounds as well as a comparative analysis between the employees of the organization or in other local government. This will also help researchers to understand if there are other strong factors like environmental and socio-economic factors, which can be strong determinants of financial well-being of employees in Nigeria. With the confinement of research on financial well-being in the developed world and limited attention in the developing world especially in Africa, the current study suggests that the result of the research is valid in the Nigerian organizational context.

References

Abdel-Khalek, A.M. (2010). Quality of life, subjective well-being, and religiosity in Muslim college students. *Quality of Life Research, 19*(8), 1133-1143.

Adeoti, A. & Adeoti, J. (2010). Hiv/aids and farms' production efficiency in Benue state Nigeria. *African Journal of Biomedical Research, 11(2),* 145-153. doi:10.4314/ajbr.v11i2.50699.

Agarwalla, S.K., Barua, S.K., Jacob, J., & Varma, J.R. (2012). Effectiveness of financial literacy interventions in improving financial literacy among rural women in North India (Report). Indian Institute of Management, *Ahmedabad.*

Aldana, S.G. & Liljenquist, W. (1998). Validity and reliability of a financial strain survey. *Financial Counseling and Planning, 9*(2), 11-19.

Antaramian, S. (2017). Assessing psychological symptoms and well-being: Application of a dual-factor mental health model to understand college student performance. *Journal of Psychology Educational Assessment, 33,* 419-429. doi:10.1177/073428914557727.

Bierstaker, J.L., Brazel, J., Caster, P., & Reed, B.J. (2010). American Institute of Certified Public Accountants'(AICPA) Professional Ethics Executive Committee's (PEEC) Omnibus Proposal of Professional Ethics Division Interpretations and Rulings. *Current Issues in Auditing*, *4*(1), C10-C11.

Binder, M. & Coad, A. (2013). Life satisfaction and self-employment: A matching approach. *Small business economics*, *40*(4), 1009-1033.

Blank, R., Danziger, S., & Schoeni, R. (2006). *Working and poor*. New York*: Russell Sage Foundation.*

Borden, L.M., Lee, S.-A., Serido, J., & Collins, D. (2008). Changing college students' financial knowledge, attitudes, and behavior through seminar participation. *Journal of Family Economy Issue, 29,* 23-40.

Brüggen, E.C., Hogreve, J., Holmlund, M., Kabadayi, S., & Löfgren, M. (2017). Financial well-being: A conceptualization and research agenda. *Journal of Business Research*, *79*, 228-237.

Butterworth, P., Rodgers, B., & Windsor, T. (2009). Financial hardship, socio-economic position and depression: Results from the PATH Through Life Survey. *Social Science and Medicine, 69*(2), 229-237.

Central Bank of Nigeria (2013). Kick-starts Financial Literacy Programme for Nigerians Retrieved from http://leadership.ng/news/281013/cbn-kick-starts-financial-literacy-programme-nigerians.

Charness, G. & Gneezy, U. (2013). Strong evidence for gender differences in risk-taking. *Journal of Economic Behavior and Organization, 83*, 50–58.

Chou, K., Chi, I., & Chow, N. (2004). Sources of income and depression in elderly Hong Kong Chinese: Mediating and moderating effects of social support and financial strain. *Aging and Mental Health, 8*(3), 212-221.doi:10.1007/s10826-012-9688-8.

Conger, R. & Donnellan, M. (2007). An interactionist perspective on the socioeconomic context of human development. *Annual Review of Psychology, 58,* 175-199.

Dabu, J.T. (2011). Impact of spousal abuse on marital adjustment of couples in North-West Senatorial. District of Benue State. *MED Dissertation,* Faculty of Education, Benue State University, Makurdi.

Deacon, R. & Firebaugh, F. (1988). *Family Resource Management: Principles and Applications (2nd ed.) Boston*: Allyn and Bacon.

Diener, E., Lucas, R.E., & Oishi, S. (2018). Advances and open questions in the science of subjective well-being. *Collabra. Psychology*, *4*(1), 15. doi: 10.1525/collabra.115.

Dowling, Festing, & Engle (2009). *International Human Resource Management (5th ed.).Mason, OH:* Thomson Higher Education.

Egbu, C.A. (2018). *A Study of the Impact of Financial Literacy on Nigerian Public Sector Employees' Financial Outcome*. Ph.D Thesis, St. Clements University.

Erdogan, B., Bauer, T.N., Truxillo, D.M., & Mansfield, L.R. (2012). Whistle while you work: A review of the life satisfaction literature. *Journal of Management*, *38*(4), 1038-1083.

Farrell, L., Fry, T.R., & Risse, L. (2016). The significance of financial self-efficacy in explaining women's personal finance behaviour. *Journal of Economic Psychology*, *54*, 85-99.

Fazli, M.S. & Farhana, N.Z. (2015). The influences of financial literacy, money attitude, financial strain and financial capability on young employees' financial well-being. *Pertanika Journal Social Science and Humanities, 23*(4), 827-848.

Frey, B.S. & Stutzer, A. (2010). *Happiness and Economics: How the Economy and Institutions Affect Human Well-being*. Princeton University Press.

Garman, E.T. & Sorhaindo, B. (2005). Delphi study of experts' rankings of personal finance concepts important in development of the in charge financial distress: financial well-being scale. *Consumer Interests Annual, 51,* 184-194.

Grafova, I. (2011). Financial Strain and Smoking. *Journal of Family and Economic Issues, 32*(2), 327-340. doi:10.1007/s10834-011-9247-2.

Hassana A.K (2008). Pension fund hits 4.4bn. *Abuja, Daily Trust*, http://allafrica.com /stories/20080240987.

Hayhoe, C.R. & Wilhelm, M.S. (1998). Modeling perceived economic well-being in a family setting: A gender perspective. *Financial Counseling and Planning, 9*(1), 21-34.

Hilton, J.M. & Devall, E.L. (1997). The family economic strain scale: Development and evaluation of the instrument with single- and two-parent families. *Journal of Family and Economic Issues, 18*(3), 247-269.

Huang, C.-C., Fang, S.-C., Huang, S.-M., Chang, S.-C., & Fang, S.-R. (2014). The impact of relational bonds on brand loyalty: The mediating effect of brand relationship quality. *Managing Service Quality, 24*(2), 184-204.

Huston, S. (2010). Measuring financial literacy. *Journal of Consumer Affairs*, *44,* 296–316.

Ibrahim, S. (2015). A binary model of broken home: Parental death-divorce hypothesis of male juvenile delinquency in Nigeria and Ghana. *Contemporary Perspectives in Family Research*, *9*, 311-340.

Idris, F.H., Krishnan, K.S.D., & Azmi, N. (2017). Relationship between financial literacy and financial distress among youths in Malaysia: An empirical study. *Geografia-Malaysian Journal of Society and Space*, *9*(4), 106-117.

Igbo, H.I. (2005). Role of Communication in Resolving Marital Conflicts in Benue State. Ph.D Thesis. Faculty of Education, Benue State University, Makurdi.

Joo, S. & Garman, E.T. (1998). The potential effects of workplace financial education based on the relationship between personal financial wellness and worker job productivity. In E.T. Garman, S. Joo, I.E. Leech, & D.C. Bagwell (Eds.), *Personal Finances and Worker Productivity, Proceedings of the Personal Finance Employee Education Best Practices and Collaborations Conference, Roanoke, VA, 2*(1), 163-174.

Joo, S. (1998). *Personal Financial Wellness and Worker Job Productivity*. Unpublished doctoral dissertation. Virginia Polytechnic Institute and State University, Blacksburg.

Joo, S.H. & Grable, J.E. (2004). An exploratory framework of the determinants of financial satisfaction. *Journal of Family and Economic Issues, 25*(1), 25-50.

Kinyanjui, J. & Ocholla, D. (2017, September). Financial literacy competencies of women entrepreneurs in Kenya. In *European Conference on Information Literacy* (pp. 348-358). Springer, Cham.

Kunle, A. & Iyefu, A. (2004). Why pension scheme fail in Nigeria. *Abuja*. This day online http//www.globalaging.org/pension/ world/ 2004/ Nigeria.htn.

Layr, C. (2013). Strategic Finance and Firm Governance, Status-quo and Perspectives of Strategic Financial Management within the Framework of Corporate Governance, Evidence from *Swiss Stock-listed Companies*.

Lusardi, A. & Tufano, P. (2015). Debt literacy, financial experiences, and overindebtedness. *Journal of Pension Economics and Finance*, *14*(4), 332-368.

MacKerron, G. (2012). Happiness economics from 35 000 feet. *Journal of Economic Surveys*, *26*(4), 705-735.

Malone, K., Stewart, S.D., Wilson, J., & Korsching, P.F. (2010). Perceptions of financial well-being among American women in diverse families. *Journal of Family and Economic Issues, 31, 63-81. Management Association Conference,* 71-81.

Mattsson, M., Topor, A., Cullberg, J., & Forsell, Y. (2008). Association between financial strain, social network and five-year recovery from first episode psychosis. *Social Psychiatry and Psychiatric*. Epidemiology, *43*(12), 947-952.

Miller, R.L., et al. (2014), CMIP5 historical simulations (1850–2012) with GISS ModelE2, J. Adv. Model. Earth Syst., 6, 441–478, doi:10.1002/ 2013MS000266.

Minhat, H.S. (2014). Why Malay elderly female frequently engaged in religious activities during leisure: a qualitative approach in Selangor. *Malaysian Journal of Public Health Medicine, 14*(1), 39-46.

Mugenda, O., Hira, T., & Fanslow, A. (1990). Assessing the causal relationship among communication, money management practices, satisfaction with financial status, and satisfaction with quality of life. *Lifestyles: Family and Economic Issues, 11*(4), 343-360.

Muoghalu, C.B. (2006). Financial management, imperatives of intermediation function of financial institutions: Empirical evidence from Nigeria. *Banks and Bank Systems, 9*(1), 116-131.

Noor, N.M. (2008). Malaysian women's state of well-being: Empirical validation of a conceptual model. *The Journal of Social Psychology, 146*(1), 95-115.

OECD (2011). Climate Finance in 2013-14 and the USD 100 billion Goal: A Report by the OECD in Collaboration with *Climate Policy Initiative"*, OECD Publishing, Paris, doi: 10.1787/9789264249424.

Pallant, J. (2001). *SPSS Survival Manual. A Step by Step Guide to Data Analysis using SPSS for Windows*. Buckingham, Open University Press.

Perry, V.G. & Morris, M.D. (2005). Who is in control? the role of self-perception, knowledge, and income in explaining consumer financial behavior. *Journal of Consumer Affairs, 39,* 299-313.

Plagnol, A.C. (2011). Financial satisfaction over the life course: The influence of assets and liabilities. *Journal of Economic Psychology, 32*(1), 45–64.

Ponnet, K. (2014). Financial stress, parent functioning and adolescent problem behavior: an actor-partner interdependence approach to family stress processes in low-, middle-, and high-income families. *Journal of Youth and Adolescence, 43*(10), 1752-1769.

Porter, N.M. & Garman, E.T. (1993). Testing a conceptual model of financial wellbeing. *Financial Counseling and Planning, 4, 135-165.*

Prawitz, A.D., Garman, E.T., Sorhaindo, B., O'Neill, B., Kim, J., & Drentea, P. (2006). The in-charge financial distress/financial well-being scale: Development, administration, and score interpretation. *Financial Counseling and Planning, 17*(1), 34-50.

Rajola, F., Frigerio, C., & Parrichi, M. (2014). Financial well-being in active ageing. *Health Technology and Informatics, 203*, 69.

Ramli, Z. (2011). The influence of knowledge factor, financial behavior and decision making on financial welfare of public sector employees married, *unpublished Thesis Doctor of Philosophy,* Universiti Putra Malaysia.

Raymond, S.U. (2010). *Nonprofit Finance for Hard Times: Leadership Strategies when Economies Falter.* Hoboken, NJ: Wiley. Regional Family Economics and Resource.

Remund, D.L. (2010). Financial literacy explicated: the case for a clearer definition in an increasingly complex economy. *The Journal of Consumer Affairs, 44*(2), 276.

Rice, A. & Tucker, S. (1986). *Family Life Management (6th ed.)*. New York*: MacMillan.*

Sabri, M.F., Masud, J., & Paim L. (2006). Financial Literacy, Attitude and Practice among Malaysian IPTs Students'. Serdang: UPM Press.

Sheets, E.S. & Craighead, W.E. (2014). Comparing chronic interpersonal and noninterpersonal stress domains as predictors of depression recurrence in emerging adults. *Behaviour Research and Therapy, 63,* 36-42. doi: 10.1016/j.brat.2014.09.001.

Shim, S., Xiao, J.J., Barber, B.I., & Lyons, A.C. (2009). Pathways to life success: a conceptual model of financial well-being for young adults. *Journal of Applied Developmental Psychology, 30,* 708-723. http://dx.doi.org/10.1016/j.appdev.2009.02.003.

Sumarwan, U. & Hira, T.K. (1992). Credit, saving, and insurance practices influencing satisfaction with preparation of financial emergencies. *Family and Consumer Sciences Research Journal, 21,* 206-227.

Taiwo, O. (2006). Pension reform matters arising'. http//www.pwc.com/exweb/ pwcpubliccations.nsf/docid.

Taylor, R., Budescu, M., Gebre, A., & Hodzic, I. (2014). Family financial pressure and maternal and adolescent socioemotional adjustment: Moderating effects of kin social support in low income African American families. *Journal of Child and Family Studies, 23*, 242–254.

Titus, P.M., Fanslow, A.M., & Hira, T.K. (1989). Networth and financial satisfaction as a function of household money manager's competencies. *Home Economics* Research Journal, 17(6), 309-317. http://dx.doi.org/10.1177/1077727X8901700404.

Vinokur, A.D., Price, R.H., & Caplan, R.D. (1996). Hard times and hurtful partners: How financial strain affects depression and relationship satisfaction of unemployed persons and their spouses. *Journal of Personality and Social Psychology, 71*(1), 166-179. doi: 10.1037/0022-3514.71.1.166.

Wei, H. & Chen, J. (2013). The relationships between families financial stress, mental health problems, child rearing practice, and school involvement among Taiwanese parents with school-aged children. *Journal of Child and Family Studies, 23*(7), 1145-1154.

Western, M. & Tomaszewski, W. (2016). Subjective wellbeing, objective wellbeing and inequality in Australia. *PloS one*, *11*(10).

Williams, D.R. & Sternthal, M.J. (2007). Spirituality, religion and health: Evidence and research directions. *Medical Journal of Australia, 186*(10), S47.

Wrosch, C., Heckhausen, J., & Lachman, M.E. (2000). Primary and secondary control strategies for managing health and financial stress across adulthood. *Psychology and Aging, 15*(3), 387-399. doi: 10.1037/0882-7974.15.3.387 *www.allenandunwin.com/spss.*

Xiao, J.J., Sorhaindo, B., & Garman, E.T. (2006). Financial behavior of consumers in credit counseling. *International Journal of Consumer Studies, 30*(2), 108–121.

Zaimah, R., Sarmila, M.S., Lyndon, N., Azima, A.M., Selvadurai, S., Suhana, S., & Er, A.C. (2013). Financial behaviours of female teachers in Malaysia. *Asian Social Science, 9*(8), 34-41.

Zaimah, R. (2011). *The Influence of Knowledge Factors, Financial Behavior and Decision Making on the Financial Well-Being of Married Public Sector Workers*. Unpublished Ph.D Thesis, Universiti Putra Malaysia.

Jurnal
Pengguna Malaysia

ISSN 1511-998X