

Determinant of Financial Well-Being Among Academic Staff in Private Higher Learning Institution in Melaka

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Abstract

A group of professional's credit card bad behaviour will lead to awful on personal financial well-being and affect their poor financial planning for retirement as low saving in future plan. Furthermore, the statistic of bankruptcy shows that professionals have seen a significant increase from 2017 in 49 cases to an increase of 834 cases in 2018. Consequently, based on financial well-being issue and difficulty, this study aims to investigate the relationship between money management, financial behaviour and bank information transparency towards financial well-being among professional employees. The data were analyzed using the IBM statistical package for the social sciences (SPSS) version 22.0 software for descriptive statistic and correlation analysis. This study employs 174 participants of staff academic at KUIM. The result of the present study found that the financial well-being has the relationship between money management, bank information transparency and financial behaviour. Nevertheless, future researchers will use other data analysis to analyze the instrument for financial well-being and provide other research outcomes.

Keywords: *financial well-being, financial behaviour, bank information transparency, money management*

1. Introduction

1.1. Background of Research

Malaysia attempts to be a developed nation by the year 2020, one of the government missions to be Malaysia a high-income country by doing that a lot of changes will affect the structure of Malaysia economic. Moreover, based on the concerns of the economic crisis in the three years back affected by the changes in a political issue. Therefore, the element of financial well-being has been raised importantly to discussed as a part of an individual's life skill and has been attracting to both employers and employees. Previously research has proof that poor job performance will reduce the level of employees' financial well-being [9]. A majority of young adults now days face substantial threats to their financial and economic well-being. Meanwhile, in [14] research found people with good self-control in financial behaviour will positively impact their financial well-being. Furthermore, in the banking sector, the financial well-being of the consumer also will increase since the customer received the positive effect of bank information transparency. Thus, it will improve the positive perception towards the bank and perceived financials self-efficacy of customers [7].

Many study on past literature verified that issues with employees' financial well-being are influenced by determinants such as low level of financial illiteracy, poor financial management and stress towards their finances. Consequently, these situations led to damaging effect towards their daily life which lowers their job productivity and health [9]. Hence, it will affect the financial well-being of employees. Furthermore, the high cost of medical expenses has become the most popular issue among employees. As a result, debt, bankruptcy, low level of saving and inadequate money during their retirement stage was affecting their financial well-being [5]. Besides, the statistic of bankruptcy shows that professionals have seen a significant increase from 2017 in 49 cases to an increase of 834 cases in 2018. The percentage increase in these cases from professionals is 94.12% [8]. Consequently, base on financial well-being issue and

difficulty, this study aims to investigate the relationship between money management, financial behaviour and bank information transparency towards financial well-being among employees.

1.2. Financial Well-Being

Currently, financial well-being is becoming a regular topic discuss for academics, public policymakers, financial managers and employers. This issue has recently arisen because of increased awareness for the societies towards financial well-being. Therefore, base ion Table 1 showing concept of financial will-being applies year by year to improve sufficient concept.

Table 1. Concept of financial well-being

Dependent Variable	Definition	References
Financial Well-Being	Financial well-being occurs when someone finally meets current and ongoing financial obligations and financially secure for their future that will allow them to enjoy life to the fullest	[4]
	Financial well-being as stated to be a state of financially happiness, healthiness, and lack of worries and anxiety	[6]

From the previous literature review, there are several elements of financial well-being are influenced by determinants for instances the low level of financial illiteracy, poor financial management, high stress on a financial matter, lower job productivity, and bad health condition [9]. In particular, this study suggests that financial well-being will focus more ion subjective measures, ongoing financial obligations and financially insecure for future and lack of worries and anxiety towards financial freedom.

1.3. Money Management

Money management refers to the skill of budgeting, saving, investing, spending overseeing the money usage of an individual or company [11]. According to individual of attitudes towards debt and money management are continuously influence societies. hence, this study focuses mostly on bad money management and attitudes towards debt as predictors of debt. Common findings from another researcher provide higher debt comes from poor money management skill. However, interestingly, dissimilar the study [4] money management will lead to the financial well-being of individuals.

1.4. Financial Behaviour

Financial behaviour defined as any human behaviour that is relevant to money management like financial behaviours includes cash, credit and saving behavior [2]. A recent study by [3] found that financial behaviour will lead to personal financial well-being. Possible behaviours include bad financial behaviour, stimulating sound financial behaviours, or stabilizing behaviours during life-threatening conditions. However, these results were contradicted by the study of [10] found that there was no significant correlation between financial behaviour and financial well-being. Subsequently, financial stress improved to have no mediating effect ion predicting employee’s financial well-being in the Federal Territory of Labuan, Sabah.

1.5. Bank Information Transparency

When we refer to [13] showing that bank information transparency in this study means the quality of information that banks provide purposely for their customers. Therefore, this study just to justify, all the banker should provide genuine information to all their customer, to encourage their customer or investor to decide the efficient decision making in order makes better personal financial stability. Based on previous literature when the banker provides transparency of bank information is positive, it will to a better outcome on financial well-being [7].

1.6. The Research Framework Proposed

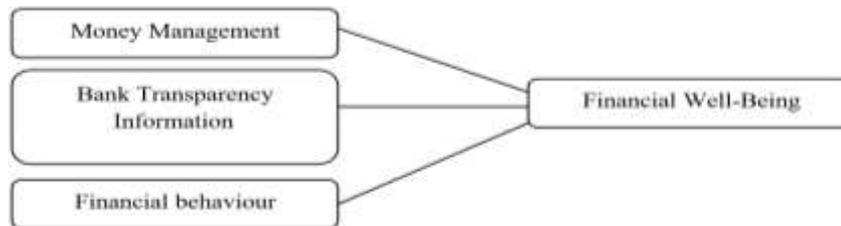


Figure 1. The research framework for the determination of financial well-being

Few published studies have been conducted to the determinant the possible relationship of financial well-being. Based on the past literature review, this study showing that money management, bank transparency information and financial behaviour have a relationship to financial well-being. Thus, this study has the hypothesis will be accepted when the p-value is less than 0.05. This study provides three hypotheses to be tested in a quantitative as follow such as these is a positive relationship between money management and financial well-being, there is a positive relationship between bank transparency information and financial well-being and there is a positive relationship between financial behaviour and financial well-being.

2. Materials and Methods

The target population of this study was full-time academic staff from the University College of Islam Malacca. Those respondents from staff academic. The questionnaires were distributed by survey form. A total of 74 questionnaires were completed and returned for analysis.

3. Results and Discussion

Data were analyzed using the IBM statistical package for the social sciences (SPSS) version 22.0 software for descriptive statistic and correlation analysis. This study employs 74 participants of staff academic at KUIM. Table 2 describes the demographic factor of this research. The sample consist of 74 (36.49%) male and (63.51%) female which is categorized into three groups of ages and all of the respondent are Malay. The majority of the respondent (47.29%) among 31-40 years old level. Based on the educational background most of the respondents hold a master degree, but there 19 (25.68%) respondents who hold a bachelor degree. The respondents were grouped into three levels of monthly household income which are the most respondent were lead 43 (58.11%) respondent within the level of monthly income RM6001-RM9000.

Table 2. Profile of respondents

Variable	n (%)
Gender	
Male	27 (36.49%)
Female	47 (63.51%)
Status	
Single	19 (25.68%)
Married	55 (74.32%)
Divorce	-
Not above	-
Age	
20-30-year old	21 (28.38%)
31-40-year old	35 (47.29%)

41-50-year old	16 (21.62%)
51-60-year old	-
60 year old above	-
Monthly Household Income	
Below RM3000	-
RM3001-RM6000	-
RM6001-RM9000	43 (58.11%)
RM9001-RM12000	27 (36.49%)
RM12000 above	4 (5.40%)
Race	
Malay	74 (100%)
Chinese	-
Indian	-
Others	-
Level of Education	
SPM	-
Diploma	-
Degree	19 (25.68%)
Master	-

Table 3 provides the result of the correlation between variable money management, bank information transparency, financial behaviour and financial well-being. Accordingly, the hypotheses will be accepted, the finding of the present study suggest that the financial well-being has the relationship between money management, bank information transparency and financial behaviour. As hypotheses tested, the direct relationship between money management ($p: <0.000, r: 0.528$) it also support by [12], bank information transparency ($p: 0.000, r: 0.540$) also accepted study by [7] and financial behaviour ($p: 0.000, r: 0.449$) [3] all it means there was proven an insignificant relationship towards financial well-being.

Table 3. Correlation between dependent and independent variable

Variable		Money Management	Bank Information Transparency	Financial Behaviour
Financial Well-being	Pearson Correlation	.528**	.540**	.449**
	Sig. (2-tailed)	.000	.000	.000
	N	74	74	74

This result explains that when the respondent received the accurate and right information from the banker about the product or service providers from the financial institution, this knowledge will to the accurate financial decision making thus, it also will affect their financial well-being. It because from that knowledge they will be avoided from any risk on financial obligation or investment decision [3]. Moreover, if the respondent has a good attitude towards money management, it will lead to better on their financial will-being [1]. Also, if there have good in financial behaviour such as attitude, subject to the norm and perceived control towards the financial matter, thus it will affect the financial well-being [14].

4. Conclusion

The objective of this article was to review and suggest the current discussion of research on financial well-being, a topic that is of increasing importance for an academic, financial institution alike a banker and policymaker such as government. From our empirical research in financial well-being, we have addressed these findings of this study, were provide abroad of financial well-being review from the differences of communities. The contribution of this study consist of bank information transparency, money management and financial behaviour will have a direct relationship to the personal financial well-being. However, a lot of studies can

review on financial well-being concept. Moreover, future researchers will use other data analysis to analyze the instrument for financial well-being and provide other research outcomes.

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