EFFECTS OF FINANCIAL WELLNESS ON WORK PERFORMANCE OF PRIVATE SECTOR EMPLOYEES IN KLANG VALLEY

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ABSTRACT

The research is based on analyzing the effect of financial wellness on work performance of private sector employees working in Klang Valley. The research highlights the issue that financial wellness criteria varies from person to person and managing the factors will not be possible. The objective of this study is to identify the relationship and effect of financial wellness on work performance of employees working in private sector of Klang Valley. The underpinning theory is related to employee motivation which comes from financial wellness and will make a direct impact on work performance of employees. The sampling technique used in research is simple random sampling, 262 questionnaire data is collected and SPSS is used for identifying the variables of research. The results mentioned that three components of financial wellness i.e. financial wealth, financial health, and financial security has significant impact on work performance of employees working in Klang Valley. On theoretical grounds this study helps in understanding the importance of financial wellness and its role in keeping employee morale high so that they will be able to manage their work performance. Lastly, the practical implications of this research will focus on making management well aware of adopting appropriate financial compensation models to increase employee morale so that they will be able to work at their maximum efficiency.

ABSTRAK

Penyelidikan ini berdasarkan analisis kesan kesejahteraan kewangan terhadap prestasi kerja pekerja sektor swasta yang berkerja di Lembah Klang. Penyelidikan ini menekankan isu bahawa kriteria kesejahteraan kewangan berbeza dari individu ke individu dan pengurusan factor-faktor ini mungkin tidak memberikan kesan. Objektif kajian ini adalah untuk mengeal pasti kesan kesejahteraan kewangan terhadap prestasu kerja pekerja sektor swasta di Lembah Klang. Teori yang mendasari berkaitan dengan motivasi pekerja yang berasal dari kesejahteraan kewangan dan akan memberikan impak langsung terhadap prestasu kerja pekerja. Teknik persampelan yang digunakan dalam penyelidikan ini ada persampelan rawak mudah, dengan 262 borang soal selidik dikumpulkan dan SPSS digunakan untuk mengenal pasti pembolehubah penyelidikan. Keputusan menunjukkan bahawa tiga komponen kesejahteraan kewangan iaitu kekayaan kewangan, kesihatan kewangan dan keselamatan kewangan mempunyai impak yang signifikan terhadap prestasi kerja pekerja di Lembah Klang. Daripada segi teori, kajian ini membantu dalam memahami kepentingan kesejahteraan kewangan dan peranannya dalam menjaga semangat pekerja agar tinggi dan mereka dapat menguruskan prestasi kerja mereka. Akhirnya, implisai praktikal penyelidikan ini akan memberi tumpuan kepada membuat pengurusan sedar akan penggunaan model pampasan kewangan yang sesuai untuk meningkatkan semangat pekerja agar mereka mampu bekerja dengan kecekapan maksimum.

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CHAPTER 1 : INTRODUCTION

1.0 INTRODUCTION

The purpose of the study is to understand the relationship between financial wellness, which is composed of three independent variables i.e. financial wealth, financial health, and financial security and the dependent variable, work performance. The study also aims to investigate the relationship between financial wellness and work performance. This chapter includes background information on the study, a research problem to explore a current issue, research questions, and a research aim to serve as a direction for the study's subject matter. Additionally, the nature of the research and its importance are highlighted.

1.1 BACKGROUND OF STUDY

This study is seeking to explore the relationship between the financial wellness and work performance among private sector workers in the Klang Valley. According to Narges Delafrooz and Laily Hj Paim (2011), study of financial wellness has been developed for decades and many terms has been used to understand the financial wellness i.e financial security, financial contentment, and economic security. Financial health is the multifaceted perspective of an individual's pleasure with their income and savings, awareness of opportunities and their ability to achieve their desired goals, sense of financial stability, and sense of reward system. (Strumple, 1976).

Appendices

Appendix 1 – questionnaire

Section A - Demographic Background (multiple choices)

1. Gender – Male / Female
2. Age – 15 – 35 years old / 36 – 55 years old / 56 – 75 years old
3. Marital status – Single / Married / Widow, widower, divorced, separated
4. Ethnicity – Malay/ Chinese / Indian / others
5. Education – PMR / SPM / STPM/ DIPLOMA / DEGREE/ MASTER,PHD
6. Individual income – less than Rm 1500/ 1500 – 3000/ above rm 3500

Section B to Section E, Likert scale :

1. **Very disagree**
2. **Disagree**
3. **Neutral**
4. **Agree**
5. **Very agree**

Section B - Financial Health

1. I am good with budgeting and money management.
2. My current financial condition is good.
3. My current income is enough for basic needs.
4. My asset values equal to my outstanding debt.
5. I always pay my bills on time.

Section C - Financial Wealth

1. My current financial condition is very comfortable.
2. My asset value more than outstanding debt
3. My current income is enough to buy all the things I wished and could save money.
4. My savings increasing every year.
5. I have several types of investment.

Section D - Financial Security

1. My current financial condition is good if I have an emergency (car broke down, sickness etc)
2. My current income is enough for most things.
3. I am able to support myself financially in time of sickness
4. I have at least 3 months of emergency saving
5. I have enough money for my retirement plan

Section E - Work Performance

1. My work performance is better than my colleagues.
2. I ensure my quality of work is good.
3. I give my concentration enough for my work.
4. I rarely have health problems that limits my work performance.
5. I have recognition or achievement for my work performance.
6. I always come in early and go home late.
7. I never miss entire/part of my work day

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