



Personal Financial Management and Work-Life Balance among Employees

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Abstract

Personal financial management has emerged as an important factor influencing the personal and professional lives of employees. Increasing financial commitments, changing lifestyles, rising living costs, and work pressure have created financial stress among employees, which ultimately affects their work-life balance. Effective financial management practices such as budgeting, savings, expenditure control, debt management, and investment planning help individuals maintain financial stability and psychological well-being. The present study aims to examine the level of personal financial management practices among employees, analyse the level of work-life balance, identify the relationship between personal financial management and work-life balance, and determine the factors influencing employees' work-life balance. The study is descriptive and analytical in nature and is based on primary data collected from 250 employees using a structured questionnaire. Statistical tools such as percentage analysis, mean score analysis, correlation analysis, and multiple regression analysis were used for data analysis. The findings reveal that employees maintain a moderate level of personal financial management and work-life balance. A positive and significant relationship exists between personal financial management and work-life balance. Savings behaviour, budgeting practices, and expenditure control were identified as the major influencing factors. The study concludes that sound financial management practices contribute significantly to reducing financial stress and improving work-life balance among employees.

Keywords: Personal Financial Management, Work-Life Balance, Financial Wellness, Savings Behaviour, Employees



Introduction

Personal financial management refers to the process of managing personal income, savings, expenditures, investments, and debt effectively. In the present economic situation, employees face many financial challenges due to rising living costs, family responsibilities, education expenses, and changing lifestyles. Improper financial management often creates financial stress and dissatisfaction among employees. Proper financial planning helps individuals maintain financial security and improve their quality of life. According to Annamaria Lusardi and Olivia S. Mitchell (2014; 2022), financial literacy and financial planning play an important role in improving financial well-being and long-term economic security.

Work-life balance refers to the ability of employees to balance their professional responsibilities with personal and family life. Employees facing financial difficulties often experience stress, anxiety, emotional imbalance, and reduced job satisfaction. Financial stress negatively affects employees' productivity, mental health, and overall well-being. Jeffrey H. Greenhaus and Gary N. Powell (2006; 2021) stated that work-life balance is an important factor influencing employee satisfaction and organizational effectiveness. Employees with better financial management skills are more likely to experience lower stress and higher life satisfaction.

Financial management practices such as budgeting, saving, and controlling expenditures help employees achieve financial stability and emotional balance. Employees who maintain financial discipline can reduce financial uncertainty and manage both work and personal life effectively. Therefore, the present study analyses the role of personal financial management on employees' work-life balance.

Review of Empirical Studies

Joo So-Hyun and John E. Grable (2004; 2021) studied financial satisfaction and found that financial stress negatively affects employees' productivity and workplace performance. Their studies revealed that employees who practice budgeting and savings habits experience greater financial satisfaction and lower stress levels. Similarly, Shim Soyeon et al. (2009; 2020) examined the influence of financial literacy on well-being and life satisfaction. The study concluded that financial literacy positively affects savings behaviour, financial confidence, and financial decision-making.



Jeffrey H. Greenhaus and Nicholas J. Beutell (1985; 2021) explained that financial stability is an important factor influencing work-life balance. Employees facing financial stress often experience work-family conflict, emotional exhaustion, and dissatisfaction. Their studies highlighted that reduced financial pressure contributes positively to family satisfaction and workplace productivity. Greenhaus (2006; 2020) also argued that balanced work and personal life improve employee productivity and organizational commitment.

Another important study by E. Thomas Garman et al. (1996; 2020) found that financial problems among employees reduce workplace productivity and increase absenteeism. The study suggested that financial wellness programs can improve employees' financial behaviour and work-life balance. Similarly, Tahira K. Hira and Cazilia Loibl (2005; 2021) observed that budgeting, expenditure planning, and debt management significantly influence psychological satisfaction and financial well-being. Their findings emphasized that financial discipline improves emotional balance and personal satisfaction.

Theoretical Framework

The study is based on the idea that effective personal financial management improves employees' work-life balance. Personal financial management includes budgeting practices, savings behaviour, expenditure control, debt management, and investment planning. These practices help employees manage financial resources effectively and avoid unnecessary financial burdens. According to Annamaria Lusardi (2012; 2021), financial literacy and personal financial planning positively influence financial wellness and individual well-being.

Work-life balance refers to the ability of employees to successfully balance professional responsibilities with personal and family commitments. Employees facing financial stress often experience anxiety, dissatisfaction, and difficulty in balancing work and family life. Effective financial management reduces emotional pressure and improves psychological well-being. Jeffrey H. Greenhaus (2006; 2020) explained that balanced work and personal life positively contribute to employee productivity, job satisfaction, and organizational commitment.



The present study assumes that employees with effective financial management practices are more likely to maintain better work-life balance. Savings habits, budgeting practices, expenditure control, and investment planning help reduce financial stress and improve emotional satisfaction. Employees with financial discipline are better able to manage both personal and professional responsibilities. Therefore, personal financial management is considered the independent variable, while work-life balance is treated as the dependent variable in the study.

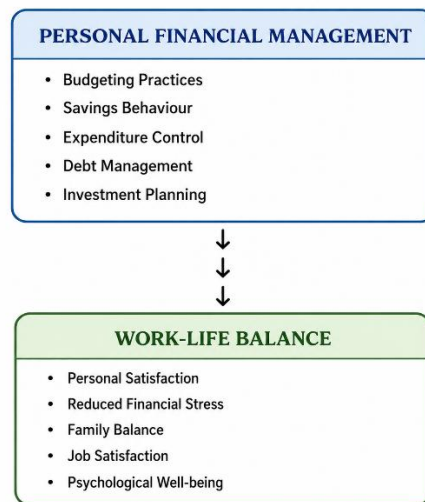


Figure 1: Relationship Between Personal Financial Management and Work Life Balance

Objectives of the Study

1. To examine the level of personal financial management practices among employees.
2. To analyse the level of work-life balance among employees.
3. To analyse the relationship between personal financial management and work-life balance among employees.
4. To identify the factors of personal financial management influencing employees' work-life balance.

Hypothesis

H₀ : There is no significant relationship between personal financial management and work-life balance among employees.



Materials and Methods

The present study is descriptive in nature. Primary data were collected from employees working in different organisations in Thrissur District. A structured questionnaire was used for data collection. The questionnaire consisted of statements related to personal financial management and work-life balance using a five-point Likert scale ranging from Strongly Disagree to Strongly Agree. The sample size of the study consisted of 250 employees selected using a convenience sampling technique. Employees from different age groups, income categories, and professional backgrounds were included in the study to obtain diversified responses. Personal financial management was measured using dimensions such as budgeting practice, savings behaviour, expenditure control, investment planning, and debt management. Work-life balance was measured using indicators such as personal satisfaction, family balance, stress management, and job satisfaction. The statistical tools such as Percentage Analysis, Mean Score Analysis, Correlation Analysis and Multiple Regression Analysis were used for analysis.

Results and Discussions

Objective 1: To examine the level of personal financial management practices among employees.

Table 1
Level of Personal Financial Management Practices

Level	Number of Respondents	Percentage of Response (%)
Low	38	15.2
Moderate	126	50.4
High	86	34.4
Total	250	100

The level of personal financial management practices was measured by calculating the total scores obtained from respondents' responses to Likert-scale statements related to budgeting, savings, expenditure control, investment planning, and debt management, and the scores were classified into low, moderate, and high categories using mean score classification. The above table indicates that 50.4% of employees maintain a moderate level of personal financial management practices, while 34.4% exhibit high financial management practices. Only 15.2% of respondents showed low financial management practices. The findings indicate that most employees possess satisfactory financial planning and savings behaviour.



Objective 2: To analyse the level of work-life balance among employees.

Table 2

Level of Work-Life Balance

Level	Number of Respondents	Percentage of Response (%)
Low	42	16.8
Moderate	132	52.8
High	76	30.4
Total	250	100

The level of work-life balance was measured by calculating the total scores obtained from respondents' responses to Likert-scale statements related to personal satisfaction, family balance, stress management, and job satisfaction, and the scores were classified into low, moderate, and high categories using mean score classification. The findings reveal that 52.8% of employees maintain a moderate level of work-life balance, while 30.4% experience high work-life balance. The results indicate that employees are moderately successful in balancing professional responsibilities and personal life.

Objective 3 : To analyse the relationship between personal financial management and work-life balance among employees.

Table 3

Pearson Correlation Analysis between Personal Financial Management and Work-Life Balance

Variables	Correlation Coefficient (r)	P-value	Result
Personal Financial Management – Work-Life Balance	0.648	0.000	Significant

The relationship between personal financial management and work-life balance was measured using Pearson correlation analysis based on the total scores obtained from Likert-scale responses of the respondents. The above table reveals that the correlation coefficient value between personal financial management and work-life balance is 0.648, indicating a moderate positive relationship between the



variables. The p-value is 0.000, which is less than the 5% level of significance. Therefore, the null hypothesis is rejected. This indicates that better personal financial management practices significantly contribute to improved work-life balance among employees.

Objective 4: To identify the factors of personal financial management influencing employees' work-life balance.

Table 4

Multiple Regression Analysis of Factors Influencing Work-Life Balance among Employees

Factors	Beta Value	t-value	p-value	Result
Savings Behaviour	0.412	5.84	<0.001	Significant
Budgeting Practice	0.356	4.92	0.001	Significant
Expenditure Control	0.288	3.76	0.003	Significant
Debt Management	0.145	1.94	0.054	Not Significant
Investment Planning	0.214	2.88	0.005	Significant

Multiple regression analysis was used to identify the influence of personal financial management factors on employees' work-life balance. Work-life balance was considered the dependent variable, while savings behaviour, budgeting practice, expenditure control, debt management, and investment planning were treated as independent variables measured through Likert-scale responses. The regression analysis shows that savings behaviour is the strongest factor influencing employees' work-life balance. Budgeting practices, expenditure control, and investment planning also significantly influence work-life balance. Debt management was not found to have significant influence because its p-value exceeded 0.05.

Findings of the Study

1. Most employees maintain a moderate level of personal financial management practices.
2. Employees exhibit a moderate level of work-life balance.
3. A positive and significant relationship exists between personal financial management and work-life balance.



4. Savings behaviour is the most influential factor affecting work-life balance.
5. Budgeting practices and expenditure control significantly improve employees' personal and professional balance.
6. Effective financial management reduces financial stress and enhances life satisfaction.

Conclusion

The study concludes that personal financial management plays a vital role in improving employees' work-life balance. Employees who effectively manage savings, budgeting, expenditure, and investments experience lower financial stress and greater emotional stability. Financial wellness contributes significantly to personal satisfaction, family harmony, and workplace productivity. Organizations should encourage financial literacy and financial wellness programs to help employees improve financial behaviour and maintain better work-life balance. The study highlights the importance of financial discipline in achieving both personal and professional well-being.

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