

UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF FINANCIAL
WELL-BEING AMONG EMERGING
ADULTS WORKERS IN MALAYSIA:
THE MEDIATING EFFECT OF
FINANCIAL BEHAVIOUR**

MOHD SAMSURI BIN GHAZALI

Thesis submitted in fulfillment
of the requirements for the degree of
Doctor of Philosophy
(Business Management)

Faculty of Business Management

September 2022

ABSTRACT

Low national savings, high volumes of household debt, and increased bankruptcy rates are red flags signalling a poor financial well-being level. As the key building blocks to overall well-being, the aforementioned issues have become a major concern worldwide. Many countries, including Malaysia, have established national strategies to improve people's financial well-being (FWB). However, research on this topic remains scarce and scattered across disciplines. Although most of the studies had been conducted on different groups and populations, the focus on emerging adults aged 19 to 29, especially among non-students, is under-researched. In response to this gap, this thesis examines the effects of subjective determinants, namely self-contentment, self-control, subjective financial knowledge, family financial socialization, and financial behaviour, on the financial well-being of emerging adult workers in Malaysia by utilising the family resource management theory. This thesis also assesses the mediating effect of financial behaviour in the relationships between self-contentment, self-control, subjective financial knowledge, and family financial socialization with financial well-being. A quantitative approach was utilised using a set of questionnaires distributed to emerging adult workers based on the purposive technique in five states in Malaysia, namely Pahang, Perak, Selangor, Melaka, and Sabah. The research model was further analysed using the Partial Least Square-Structural Equation Modelling (PLS-SEM) technique. Seven out of the nine developed hypotheses were supported based on the analysis. In particular, self-contentment, self-control, subjective financial knowledge, and financial behaviour significantly correlated with financial well-being. As a mediating variable, financial behaviour was found to mediate the relationships between self-contentment, subjective financial knowledge, and family financial socialization with financial well-being. In contrast, self-control demonstrated an insignificant influence when tested indirectly through financial behaviour as a mediating variable; it was concluded to be a standalone influence on financial well-being. This thesis contributes relevant empirical evidence that subjective determinants significantly influence the financial well-being of emerging adult workers in Malaysia. This study also provides a predictive framework explaining financial well-being among Malaysian emerging adults. Policymakers or governments are encouraged to adopt this research framework in developing a model that offers a comprehensive guideline to improve emerging adults' financial behaviour, which is crucial in enhancing their financial well-being.

ACKNOWLEDGEMENT

Praise and thanks to Allah SWT, who, with His abundant grace and will, this thesis can be completed as planned. The completion of this thesis has made me more aware that Allah is the Lord of the Worlds, the All-Knowing and the Most Wise. I am just a human being with all my shortcomings, and this study is just a piece of knowledge that Allah has bestowed upon me. Indeed, this study could not have been completed without His will and mercy.

This thesis is dedicated to my parents, Che Rahmah Seman and Ghazali Saat, who are never tired of giving their support and prayers; always believe in me. My parents' sacred prayers, have indeed, contributed to the success of my study.

My most profound appreciation goes to my supervisor, Prof. Madya Dr. Sharifah Faigah Syed Alwi, and my co-supervisors, Dr. Ismah Othman and Professor Dr. Fazli Sabri, who have provided me with invaluable guidance, great assistance, and massive support throughout my Ph.D journey.

Last but not least, I would like to acknowledge my supportive siblings and dear friends who have sacrificed a lot and always stood by me in times of need. Many thanks also to those who have been very helpful in giving thoughtful ideas to improve this thesis.

Thank you.

TABLE OF CONTENTS

	Page
CONFIRMATION BY PANEL OF EXAMINERS	ii
AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	xi
LIST OF FIGURES	xiii
LIST OF SYMBOLS	xiv
LIST OF ABBREVIATIONS	xv
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Background of the Study	1
1.3 Problem Statement	8
1.4 Research Objective	15
1.5 Research Questions	16
1.6 Significant of the study	
1.6.1 Theoretical Contributions	17
1.6.2 Methodological Contributions	18
1.6.3 Practical Contributions	19
1.7 Scope of Study	20
1.8 Operational Definitions	21
1.9 Structure of the Thesis	23
1.10 Summary of the Chapter	24

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The current study discusses the relationships between self-contentment, self-control, subjective financial knowledge, family financial socialization, and financial well-being. The additional variable of financial behaviour as the mediating construct is also introduced in this thesis to address the knowledge gap in the existing literature.

This chapter provides an overview of financial well-being and then delves deeper into specific topics in several subsections. The chapter begins with an overview of the study's context, focusing on financial well-being in particular. The chapter then discusses the problem statement, the study's objectives, and the research questions. This is followed by the study's scope and the significance of closing the identified research gap. Finally, this chapter provides operational definitions for the concepts and terminologies employed throughout this thesis.

1.2 Background of the Study

According to Orem (1985), well-being is basically a description of an individual's overall life perception, and it is the most important factor in overcoming personal, family, and health difficulties (McLellan, 2017). Throughout the years, counsellors, planners, researchers, educators, economists, and even governments have demonstrated their commitment and interest in the subject of overall well-being by planning or investigating the most effective methods for improving public well-being (Ghazali et al., 2020).

The United Nations' (UN) adoption of the Sustainable Development Goals (SDGs) in 2015 demonstrates the world's commitment to achieving holistic well-being. The SDGs' highlighted agenda of transforming the world by 2030 by providing a holistic and multidimensional view of development to ensure well-being, economic prosperity, and environmental protection demonstrates that the concept of overall well-being is not just a personal agenda but rather a global one (Pradhan et al., 2017). This