

## **Attitude of young employees towards financial matters: A study in Assam Agricultural University, Jorhat**

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### **Abstract**

Financial Literacy is all components of knowledge, aptitude, and attitude towards financial products. Financial attitude is a person's propensity toward financial issues. It can be either a favourable or negative attitude toward money-related issues. The present study on attitude of young employees towards financial matters was conducted in Assam Agricultural University, Jorhat with a sample size of 60, selected from both from teaching and non-teaching employees. Result of the study shows that 73.33 percent teaching employees had moderately favorable attitude and 10.00 percent had highly favorable attitude towards financial matters. Among the non-teaching employees 63.33 percent had moderately favorable attitude, followed by 20.00 percent highly favorable attitude towards financial matters. Findings show that attitude statements for the teaching respondents 'Establishing financial targets helps in achieving the goal in life' ranked I with mean score 4.93 and 'Spending more money in entertainment hinders saving' ranked lowest (XXII) with mean score 1.87. For non-teaching respondents 'Monthly budgeting helps in judicious use of money' ranked I with mean score 5.00 and 'Spending more money in entertainment hinders saving' ranked XIX (lowest) with mean score 2.47.

**Keywords:** Attitude, employees, financial, moderately favorable

### **Introduction**

The combination of one's financial knowledge, skills, and attitude is referred to as financial literacy. It promotes a person's wellbeing and the ability to make educated judgements. The Organisation for Economic Co-operation and Development (OECD) defines financial literacy as –A combination of awareness, acquaintance, skill, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being. Personal tendency toward financial concerns can be characterised as financial attitude. It can be positive or negative attitude of people towards financial matters.

Financial attitude influences the behaviour of the individual. The individual's financial attitude refers to their belief in financial planning, as well as their tendency to save and consume. According to Bhushan and Medury (2014) <sup>[3]</sup>, the focus should be on building positive financial attitudes among the people of the country in order to improve financial literacy among generations.

Long-term financial success is greatly influenced by one's financial mindset or attitude toward money. A person's financial attitude can predict whether they are more likely to save money or spend it. Individuals can change their

financial attitudes once they become aware of the negative beliefs and behaviours that may be preventing them from moving forward. Financial attitudes are learned over time. There are two prevalent perspectives on money: a positive and a negative one.

Money is a source of anxiety, dread, or contempt for people with negative attitudes. A few widespread notions are that money should not be accumulated, that you do not deserve wealth, that there is never enough, and that if one person wins, someone else suffers. People who have a bad attitude are resentful of others and believe the system is against them. Due to their unfavourable attitudes, people choose to spend money now rather than save it. Having a bad attitude frequently results in inaction and missed chances. People are less likely to take action and may avoid planning out their activities out of a fear that they won't have enough if they believe they won't accomplish their aims.

Positively inclined people view money as a tool that can help them succeed financially. They are more likely to be long-term thinkers who value what they have and are goal-oriented. Financial success frequently follows a positive attitude. Spending less than they make, saving for the future, controlling their credit, giving to others, and making plans

for unforeseen costs are all characteristics of people with a positive attitude about money. Every person needs to maintain a positive outlook on their finances in this time of active financial markets and a difficult employment market. In every element of life, it is important to keep a positive view. In addition, having a positive financial mindset helps one take advantage of market possibilities, reduces worry, and offers satisfaction by removing unneeded anxieties.

While maintaining a positive attitude requires a lot of self-belief, maintaining a positive financial attitude requires caution as well. One must have confidence in one's talents and know the significance of sound money management and financial planning.

Previous studies (Grable & Lytton, 1998; Kasman, Heuberger, & Hammond, 2018) [5, 7] found a connection between young people's financial attitudes and financial literacy. According to research, a young person's attitude toward money can influence their financial literacy. Students' behaviour to develop financial literacy and improve financial understanding might be influenced by their positive attitude toward money and finances.

**Materials and Methods**

The study was conducted among the young employees of Assam Agricultural University, Jorhat. A list of employees who were below 50 years of age was prepared based on information collected from the Agricultural Research Information System (ARIS) cell of the university. According to the list there were 126 teaching and 181 non-teaching employees in Jorhat campus of the university. Following equal allocation of sampling, 30 respondents were selected from both the strata, using simple random sampling. Thus, a total number of 60 respondents were included for the study

Attitude of respondents towards financial matters for the present study was measured in terms of saving money, investment, credit, budgeting and buying behaviour. Attitude of respondents towards financial matters was measured using Likert scale with 29 statements. Response for each item was recorded on five points continuum scale i.e., 'Strongly agree,' 'Agree,' 'Undecided', 'Disagree' and 'Strongly disagree' with scoring pattern of 5,4,3,2 and 1 respectively for positive statements and 1,2,3,4 and 5 for negative statements.

Total score for each respondent was obtained by summing the scores of all responses. Based on the mean and SD of the obtained scores, respondents were categorized as below:

Category	Score
Less favourable attitude	Below ( $\bar{x}$ -SD)
Moderately favourable attitude	$\bar{x}$ -SD to $\bar{x}$ +SD
High favourable attitude	Above( $\bar{x}$ +SD)

Relationship between attitude of respondents with selected independent variables was measured using the formula of Correlation Co-efficient

The formula used for calculating of correlation co-efficient is:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where

r = Correlation Co-efficient

X= Independent Variable

Y = Dependent Variable

$\sum xy$  = Summation of total product of X and Y

n = Total number of respondents

For collection of data, the research tools were converted to "Google Form" and distributed among the respondents via email and WhatsApp along with set of instructions for filling up the form. The collected data were coded, tabulated, and analyzed using appropriate statistical tools and techniques.

**Major findings**

**Socio-economic Background information**

The socio-economic background information of the respondent in presented in the table 1. It is observed from the table that 60.00 percent teaching and 46.67 percent non-teaching respondents belonged to 31-40 years of age. Data shows that among the teaching respondents, a large majority (86.67%) was female respondents while among the non-teaching respondents 56.67 percent were female. A large majority (96.67%) of the respondents were married among the teaching respondents while percentage of married employees among non-teaching respondents was 63.44 percent. Among the teaching respondents 66.67 percent were PhD holder and among non-teaching respondents 53.33 percent were post graduate. Regarding monthly income, 53.33 percent teaching respondents had monthly income of Rs.100001-200000 and 33.33 percent had Rs.50001-100000 whereas non-teaching respondents 43.33 percent had Rs. 50001-100000 monthly income. Data pertaining to caste of the respondent shows that 70.00 percent among the teaching respondents belonged to general caste whereas the corresponding percentage among nonteaching respondent was 43.33 percent. Majority (76.67%) of teaching respondents and 66.67percent non-teaching respondents belonged to nuclear family. Highest percentage (66.67%) of teaching and 70.00 percent of non teaching respondents belonged to small size family. It is thought that, having dependent makes individual more responsible in term of financial matters. Among teaching respondents, 50.00 percent had one child as their dependent and among non-teaching respondents, 30.00 percent had one child as dependent. Regarding adult dependent, data shows that 46.67 percent teaching respondents did not have any adult dependent followed by 26.67 percent had two adult dependents and among non-teaching respondents 40.00 percent did not have any adult dependents followed by 33.33 percent had two adult dependents.

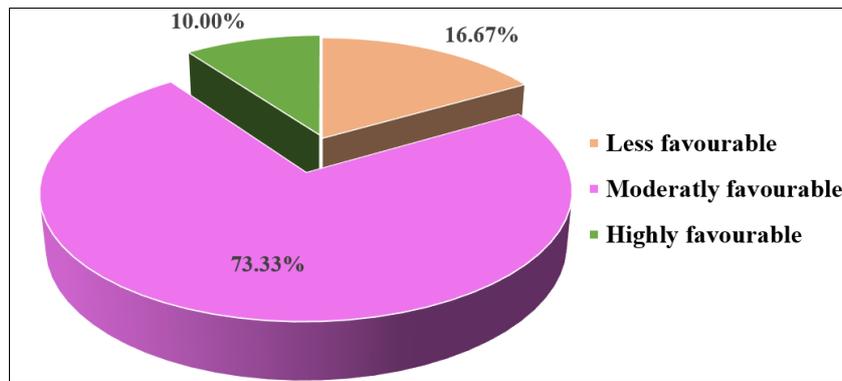
**Table 1:** Distribution of respondents according to Socio-economic Background information of the respondents N=60

Attributes	Category	Teaching Employees		Non-Teaching Employees	
		N1= 30		N2=30	
		Frequency	Percentage (%)	Frequency	Percentage (%)
Age	24-30	1	3.33	13	43.33
	31-40	18	60.00	14	46.67
	41-50	11	36.67	3	10.00
Sex	Female	26	86.67	17	56.67
	Male	4	13.33	13	43.33
Marital status	Unmarried	1	3.33	11	36.67
	Married	29	96.67	19	63.33
Education level	Graduate	0	0.00	9	30.00
	Post graduate	8	26.67	16	53.34
	Doctoral	20	66.67	4	13.33
	B. Ed	0	0.00	1	3.33
	M. Phil	1	3.33	0	0.00
	Professional diploma in web & software engineering	1	3.33	0	0.00
Monthly income	<Rs.50000	0	0.00	9	30.00
	Rs.50001-100000	10	33.34	13	43.34
	Rs.100001-200000	16	53.33	3	10.00
	Fixed pay			1	3.33
Family type	Nuclear	23	76.67	20	66.67
	Joint	7	23.33	8	26.67
	Extended	0	0.00	2	6.66
Size of family	Small (Up to 4 Members)	20	66.67	21	70.00
	Medium (5-7 members)	7	23.33	7	23.33
	Large (7 and above)	3	10.00	2	6.67
<b>No. of dependents</b>					
Children	1	15	50.00	9	30.00
	2	7	23.33	5	16.67
	>2	0	0.00	0	0.00
	Nil	8	26.67	16	53.33
Adult	1	3	10.00	5	16.67
	2	8	26.67	10	33.33
	>2	5	16.67	3	10.00
	Nil	14	46.66	12	40.00
Place of residence	Rural	9	30.00	7	23.33
	Urban	20	66.67	10	33.33
	Semi urban	1	3.33	13	43.34
Others Sources of income (Multiple choice Answer)	Salary of another member	23	76.67	17	56.66
	House rent	3	10.00	3	10.00
	Business	4	13.33	5	16.66
	Tuition fee	0	0.00	1	3.33
	Consultancy	1	3.33	2	6.66
	Farming	0	0.00	1	3.33
None	2	1.66	1	3.33	

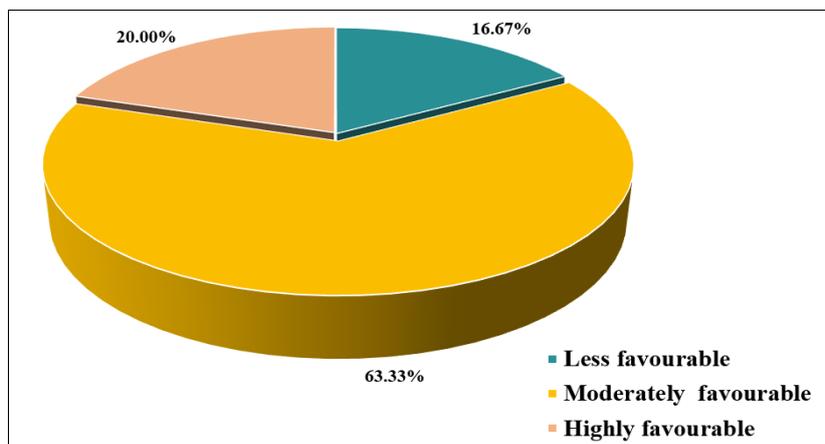
**Attitude of respondents towards financial matters**

Attitude of respondents towards financial matters was measured using Likert scale with 29 statements. The findings on level of attitude are presented in the fig. 1. and fig. 2. for teaching and non-teaching respondents separately. Fig. 1. shows that 73.33 percent teaching respondents had moderately favorable attitude towards financial matters whereas 16.67 percent had less favorable and 10.00 percent had highly favorable attitude towards financial matters. Among non-teaching respondents 63.33 percent respondents had moderately favorable attitude, followed by 20.00 percent highly and 16.67 percent respondents had less favorable attitude towards financial matters (Fig.2).

Data reveals that higher percentage of teaching respondents had moderately favourable attitude towards financial matters than the non-teaching respondents. However, for highly favourable attitude data reflects reverse state. Some of the non-teaching respondents were engaged in accounts, may be the higher percentage of respondents from non-teaching category in highly favourable attitude towards financial matters have the scope to explain from that perspective. The findings are line with Ameliawati *et al.* (2018) <sup>[1]</sup> where it was reported that respondents had positive attitude toward financial matters. Contrary to this, Ibrahim *et al.* (2013) <sup>[6]</sup> reported negative attitude of respondents towards financial matters.



**Fig 1:** Distribution of teaching respondents according to level of attitude towards financial matters



**Fig 2:** Distribution of non-teaching respondents according to level of attitude towards financial matters

**Ranking of Attitude statements**

Ranking of attitude statements according to mean score is presented in the table 2 which shows that among teaching respondents ‘Establishing financial targets helps in achieving the goal in life’ ranked I with mean score 4.93 and ‘Monthly budgeting helps in judicious use of money’ ranked II with mean score 4.63. On the other hand, ‘Spending more money in entertainment hinders saving’ ranked lowest (XXII) with mean score 1.87 and ‘Financial jargon in different media is quite confusing’ ranked second lowest with mean score 2.27. Among non-teaching

respondents ‘Monthly budgeting helps in judicious use of money’ ranked I with mean score 5.00 and three statements i.e., ‘Saving money monthly reduces stress in future,’ ‘Regular investment helps to achieve targets in long term’ and ‘Saving in the beginning of professional life is very important’ ranked II with mean score 4.23. On the other hand, ‘Spending more money in entertainment hinders saving’ ranked XIX (lowest) with mean score 2.47 and ‘Financial jargon in different media is quite confusing’ ranked XVIII (second lowest) with mean score 2.70 among the non-teaching respondents.

**Table 2:** Ranking of attitude statements related to financial literacy

Sl. No.	Attitude Statements	Teaching Respondents		Non-teaching Respondents	
		Mean Score	Rank	Mean Score	Rank
1.	Monthly budgeting helps in judicious use of money	4.63	II	5.00	I
2.	Establishing financial targets helps in achieving the goal in life	4.93	I	4.13	III
3.	Saving money monthly reduces stress in future	4.43	VI	4.23	II
4.	Adhering the budget regularly is important	4.37	VII	3.97	V
5.	Follow an expense plan regularly is important	4.47	V	4.03	IV
6.	Pay the full value on credit cards helps to get a good credit score	4.20	VIII	3.77	VII
7.	Compare prices before purchasing anything is a good buying behavior	2.57	XX	3.23	XIII
8.	Staying within a budget make it much easier to reach professional and personal goals	4.37	VII	3.80	VI
9.	Regular investment helps to achieve targets in long term	4.43	VI	4.23	II
10.	Discussing the uses of money with the family is necessary for financial wellness	4.53	IV	4.13	III
11.	Monitoring bank account is very helpful to grow	2.63	XVIII	2.90	XVI
12.	Saving in the beginning of professional life is very important	4.53	IV	4.23	II
13.	Thinking about the state of personal finances makes independent	2.60	IX	3.13	XV
14.	Financial jargon in different media is quite confusing	2.27	XXI	2.70	XVIII
15.	Young people should make their own decisions about how to spend their money	3.87	X	3.47	X

16.	Spending more money in entertainment hinders saving	1.87	XXII	2.47	XIX
17.	Dealing with personal finances causes upsets	3.37	XIII	3.27	XII
18.	One should know the consumer rights	4.60	III	4.13	III
19.	Creating the list of monthly expenses makes good credit score	2.90	XVII	2.83	XVII
20.	Waiting until the product gets cheaper before buying is right buying behavior	3.77	XI	3.47	X
21.	Compare prices of product before buying it is a good buying behaviour	3.27	XV	3.40	XI
22.	Money is not only thing for happy life	3.10	XVI	3.20	XIV
23.	While paying in cash asking for change is a consumer right	3.57	XII	3.60	IX
24.	Talking about money matters increase financial literacy	3.87	X	3.70	VIII
25.	Spending money more satisfying than to save it for the long term	3.30	XIV	2.87	XVI
26.	Disclosing personal information to another person is harmful	3.90	IX	3.87	V
27.	It is quite puzzling about where the money goes	3.70	XII	3.27	XII
28.	It is never too early to start retirement planning	4.37	VII	3.93	VI
29.	Retirement planning leads to stress free life	4.47	V	3.93	VI

**Relationship between attitudes of respondents with selected independent variables**

Correlation coefficient of attitude with age and year of service was calculated separately for both teaching and non-teaching respondents and data is presented in table 3. The calculated Co-relation Co-efficient (r) value of attitude with age was found to be -0.13. Data shows that for teaching respondents’ attitude was negatively related with age. It may be interpreted that with increase in age attitude decreases. Correlation between attitude and year of service was found to be -0.36 among the teaching respondents. So, attitude is negatively related with year of service. It may be interpreted that with increase in number of service years, attitude decreases.

Among the non-teaching respondents, the calculated Co-relation Co-efficient (r) value of attitude with age was found 0.10. Data reveals that attitude is positively related with increase in age. It may interpret that with increase in age favourable attitude develops. And in case of attitude with year of service the calculated value was found to be 0.05. It may be Interpreted that with increase in years of service positive attitude increases among the non-teaching respondents.

**Table 3:** Relationship between attitudes of respondents with selected independent variables

Variables	Co-relation Co-efficient (r)	
	Teaching Respondents	Non-teaching Respondents
Attitude Vs. age	-0.13	0.10
Attitude vs. year of service	-0.36	0.05

**Conclusion**

The study explored the attitude of young employees towards financial matters. The findings reveal that though percentage of teaching respondents had medium level of attitude which was more than the non-teaching respondents, the percentage among non-teaching respondents in high level of knowledge was higher than teaching respondents. However, among both the categories highest percentage belonged to medium level of attitude. This shows that young employees had good positive attitude towards financial matters. However, for increasing their level of attitude from medium to high, authority may arrange interactive sessions such as lectures, brain storming sessions, workshops, and simulation games for employee’s time to time. Department of Resource Management and Consumer Studies, College of Community Science and Commerce Colleges may conduct

training programmes with handholding exercises for budget making. Authority may make provision to arrange orientation programmes for the employees during their initial days on savings, investment, credit, budgeting, buying behaviour etc. so that young employees get some orientation on financial matters. This may change the attitude of young employees from negative to positive attitude towards money or financial matters and employees will be financially stress free and have sufficient knowledge and a positive attitude about financial matters and may contribute to the productivity of the employee leading to higher level of organizational productivity.

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