

Financial Wellbeing and Quality of Work Life in Brazilian Government Organization

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Introduction

The world is moving with very high speed and managing an organization has become more complex than ever before. There is a competition going on between companies to attract and retain quality human resource to be ahead of its competitors in an industry. At this backdrop, Quality of Work Life (QWL) has emerged as one of the most important aspect of Job that ensures long term association of the employees with the organization. Quality of work life is the most critical aspect. And in this context, financial matters are related to all aspects of personal and family life. Financial concerns and family relationships, financial problems and substance abuse (Peirce, Frone, Russell, & Cooper, 1996), psychological aspects of financial hardships, and financial problems and stress (Bruner & Cooper, 1991) are just a few examples of research in personal finance. Important areas of research are identification of the characteristics of financial problems and financial wellness, examination of financial difficulties of various groups, and development of financial management education.

In organizational context, assume that employers have an important role to play in helping employees improve their financial health by offering targeted programs and incentives (Garman, 1999). Employers also stand to benefit from workers improved financial wellbeing. Not only are there potential productivity benefits if employees' financial wellbeing improves (Garman, Leech & Grable, 1996; Joo & Garman, 1998), but it is also seems likely that absenteeism and health care costs resulting from financial stress would be reduced (O'Neill, Sohaindo, Xiao & Garmam, 2005).

The American Psychological Association (APA, 2015) does an annual survey on stress and the subject "money" is cited as the most important cause for Americans' stress in recent years. In the last five surveys available, more than 70% of respondents cited this cause for their stress, an index that goes beyond the themes "Work", "Health" and "Children"(APA, 2015). This study is, therefore, important that has impacts on the population.

According to Xiao (2016), financial wellbeing refers to a financial state in which a consumer or family has adequate resources to live a comfortable life. The meaning of financial wellbeing, including the adopted denomination of economic wellbeing, evolved from simple happiness or general satisfaction with its material or financial situation to a complex perception of both material and non-material aspects of an individual (Joo, 1998).

This research examines the relationship between financial wellbeing and the perception of the personal state of quality of work life by employees in a Brazilian public organization, analyzing how much these constructs are predictable e the intern influences with the sample characteristics.

Conceptual Framework and Hypotheses

The World Health Organization, through its group of Quality of Life researchers, WHOQOL Group, defines quality of life as "[...] the individual's perception of their position in life in the context of the culture and value system in which they live and in relation to their goals, expectations, standards and concerns" (The WHOQOL Group, 1995, p.1405). Thus, as work was a domain interrelated with life (Rice, MacFarlin, Hunt and Near, 1985; Elizur, Shye, 1990),

this notion of quality of life can be transposed for work, as suggested by Martel and Dupuis (2006) and Sirgy, Efraty, Siegel and Lee (2001). For the purposes of this research the personal state of Quality of Work Life is adopted as the condition experienced by an individual resulting from the cognitive comparison between his current position of life at work and his desired pattern, considering the set of choices of behavior, goals, and environmental stimuli that this individual has experienced to a certain time point, as well as their future expectations of results. In this sense, the individual will make an assessment between his present and desired state and the greater the distance between these perceptions, the worse his judgment of satisfaction with the Quality of Work Life will be. This desired state will be based on the values, goals, expectations, experiences, and concerns regarding the work.

In developing our conceptual model, we adapted the framework used in the measure of personal state of Quality of Work Life (QWL), called BPSO-96, was based on the studies of Limongi-França (1996, 2009), Martel and Dupuis (2006), Rice et al. (1985) and Paschoal and Tamayo (2004) and is understood as the condition experienced by an individual resulting from the cognitive comparison between his/her current position of life at work and his/her desired pattern, taking into account the set of behavioral choices, goals and stimuli of the environment that this individual experienced to a certain point in time, as well as his/her future expectations of results.

The meaning of financial wellbeing, including the adopted denomination of economic wellbeing, evolved from simple happiness or general satisfaction with its material or financial situation to a complex perception of both material and non-material aspects according to Joo (1998). Complex perception includes satisfaction with income and savings, awareness of opportunities, ability to meet expenses, sense of material security, and the sense of fairness of the reward distribution system (Hayhoe & Wilhelm, 1998).

For this research, also was adapted the framework used in the measure of Incharge Financial Distress/Financial Wellbeing Scale (IFDFW Scale) by Prawitz, Garman, Sorhaindo, O'Neill, Kim and Drentea (2006), designed to measure a latent construct representing responses to one's financial state on a continuum ranging from overwhelming financial distress/lowest level of financial wellbeing to no financial distress/highest level of financial wellbeing.

In cited study, the authors did investigate researches witch collectively referred to 58 concepts, attributes and objects that might be construed to be relevant to aspects, conditions, or dimensions of personal financial distress and financial wellbeing. Individually, the 58 concepts each illustrate a salient life experience, behavior, concern, perception, or personal judgment regarding the common personal finance topics of money, credit, and economic resources. These concepts were used to guide the development efforts of identifying and measuring the construct of financial distress/financial wellbeing.

Several studies have shown that socioeconomic and demographic factors determine different behaviors in relation to personal financial aspects and financial wellbeing (Grable & Joo, 2006, Lown & Ju, 1992, Penn, 2007, Plagnol, 2011, Shim, Xiao, Barber & Lyons, 2009, Vera-Toscano, Ateca-Amestoy and Serrano-Del-Rosal, 2006, Xiao, Sorhaindo & Garman, 2006). Gutter and Copur (2011), for example, discuss that wellbeing can be perceived differently by characteristics such as gender, marital status, race, and education level.

Assume those frameworks, following hypotheses are proposed:

H1: Quality of Work Life can be predicted by Financial Wellbeing.

H2: Gender, age, education and annual income implies significant variance in Quality of Work Life.

Method

Data

The data were collected from a survey in a Brazilian public organization, the Regional Labor Court of the 15th Region, has the purpose of carrying out justice in the field of labor relations, contributing to social peace and strengthening citizenship within their jurisdiction. The data was collected from 2016 May 10 to June 11 by institutional mail box. The survey asked respondents various questions regarding demographics, financial well-being and quality of work life through the survey online using site forms.google.com, resulting in 180 respondents in total and 179 observations are retained after excluding one with incomplete answers.

Variables

Dependent variable: The dependent variable used in this study is personal state of quality of work life, based on studies of Limongi-França (1996, 2009), whit 5 questions of 10-point scale ranging from 1 (very unsatisfied) to 10 (very satisfied), demonstrated in table 1.

Table 1

Items of Personal State of Quality of Work Life

Item Code	Item Description
QWLSatisfaction	Feeling of Welfare at Work
QWLStress	General state of stress at work
QWLLifeStyle	Satisfaction with your own way of living day to day (lifestyle)
QWLCompActions	Adequacy of your company's Quality of Work Actions for your personal needs
QWLImportance	Importance of Quality of Life at Work (QWL) for the outcome of your work

Independent variable: InCharge Financial Distress/Financial Wellbeing (IFDFW) scale by Prawitiz et al. (2006) was adapted for this study with 6-question self-report subjective measure of financial distress/financial wellbeing. It is designed to measure a latent construct representing feelings about one's financial situation on a continuum from overwhelming financial distress/lowest level of financial wellbeing to no financial distress/highest level of financial wellbeing. Standards were established for scale scores on a continuum from 1 to 10, where 1 = overwhelming financial distress/worst financial wellbeing and 10 = no financial distress/excellent financial wellbeing, and these items are showing in table 2.

Table 2**Items of InCharge Financial Distress/Financial Wellbeing (IFDFW) Scale**

Item Code	Item Description
FWBLevel	What is the level of your current financial stress?
FWBWorry	How often do you worry about being unable to pay your monthly expenses?
FWBConfident	How confident are you about paying an emergency expense of \$ 1,000 cash, for example?
FWBLack	How often do you stop going to a restaurant, a movie, or a walk for lack of money?
FWBDaypay	How often do you see yourself counting down the days for the next payment?
FWBGeneral	How stressed do you feel about your finances in general, even considering your retirement preparation here?

Data Analyses

For this study, exploratory factor analyses were conducted for the items making up the IFDFW, and for the items making up the Personal State of Quality of Work Life, and was recoded this items with the means for FinancialWellbeing and QualityWorkLife. The Cronbach's alpha for the instrument's six items IFDFW was $\alpha = .94$, indicating high internal consistency, result consistent with the original testing of the instrument (Prawitz et al., 2006). The Cronbach's alpha five items Personal State of Quality of Work Life was $\alpha = .88$. The mean of indicators for this sample was FinancialWellbeing = 32.55, that indicate level 5.4 about this measure, demonstrating that the sample has average financial wellbeing, second Prawitz et al. (2006), and QualityWorkLife = 29.07, indicated level 5.9 about Personal State of Quality of Work Life, both levels between 1-10.

In the next steps was realized bivariate and multivariate analyses. For preliminary analyses, bivariate analyses between financial wellbeing and quality of work life were conducted. To test the hypotheses, a series of multiple OLS regressions were conducted in which quality of work life was the dependent variable and financial wellbeing and control variables were independent variables.

Results

Descriptive statistics of the sample are presents in Table 3. Within the sample, 53.6% male and 46.4% female. Most employees in the sample reported age between 31-50 with 67.6%. Postgraduate accounted for 67.6%, Higher education 29.6% and High school 2.8%. About annual income, 1 respondent assume no have source of income, what can be an outlier of research, 12.3% with annual income less than R\$ 60 thousand, 48% with annual income between R\$ 60 and R\$ 130 thousand, 31.3% with annual income between R\$ 130 and R\$ 200 thousand, and 7.8% with annual income greater than R\$ 200 thousand.

Table 3**Descriptive Statistic of the Sample**

Item	Frequency	Percentage
Gender		
Male	96	53.6
Female	83	46.4
Age		
21-30	20	11.2
31-40	64	35.8
41-50	57	31.8
51-60	34	19.0
+ 60	4	2.2
Education		
Postgraduate	121	67.6
Higher education	53	29.6
High school	5	2.8
Annual Income		
I currently have no source of income	1	0.6
Annual income less than R\$ 60 thousand	22	12.3
Annual income between R\$ 60 and R\$ 130 thousand	86	48.0
Annual income between R\$ 130 and R\$ 200 thousand	56	31.3
Annual income greater than R\$ 200 thousand	14	7.8

For test the Hypothesis 1 was conducted bivariate linear regression analysis based on standardized scores, the hypothesis test of interest evaluates whether the independent variable, Financial Wellbeing, predicts the dependent variable, Quality of Work Life, in the population. This test is showed in Table 4, with $F(1,178) = 41.02$, $p < .01$ and $t(178) = 6.41$, these values indicates that the null hypothesis can be rejected. The Pearson correlation = 0.43. Based on the magnitude of the correlation coefficient, we can conclude that Financial Wellbeing is moderately related to Quality of Work Life level in this public workers' sample.

Table 4**Summary of Bivariate Regression Analysis of Financial Wellbeing to Quality of Work Life (N = 179)**

Variable	<i>B</i>	<i>SE B</i>	β	95% Confidence Interval for <i>B</i>	
				Lower Bound	Upper Bound
FinancialWellbeing	0.28	0.04	0.43*	0.192	0.362
R^2		0.19			
F for change in R^2		41.02			

a. Dependent Variable: ZQualityWorkLife

* $p < .01$

In the test of Hypothesis 2, was conducted multiple regression with independent variables, gender, age, education, annual income and financial wellbeing, to dependent variable, quality of work life. The results present an evaluation of how well gender (1st set), gender, age, education, annual income (2nd set), and gender, age, education, annual income and financial wellbeing (3rd set) predicts quality of work life, table 5. The sets 1 and 2, was not presented significant p value, set 1 $p = 0.541$ and set 2 $p = 0.669$, and in the combination of the set 3 his p values continue insignificant, with small increase in $R = 0.017$ than the bivariate test. These models indicate rejected Hypothesis 2 once that gender, age, education and annual income is not statistically significant predictor for quality of work life in this sample.

Table 5

Summary of Hierarchical Regression Analysis for Variables Predicting Quality of Work Life (N = 179)

Variable	Model 1			Model 2			Model 3		
	<i>B</i>	<i>SE B</i>	β	<i>B</i>	<i>SE B</i>	β	<i>B</i>	<i>SE B</i>	β
Gender	0.95	1.56	0.46	1	1.58	0.05	1.91	1.43	0.09
Age				-0.1	0.08	-0.09	-0.03	0.08	-0.03
Education				-0.76	1.48	-0.04	-1.08	1.33	-0.06
Annual Income				0.31	1.01	0.02	-0.49	0.92	-0.04
FinancialWellbeing							0.29	0.04	0.45*
R^2		0.002			0.011			0.203*	
F for change in R^2		0.374			0.52			41.681	

a. Dependent Variable: ZQualityWorkLife

* $p < .01$

Conclusions and Implications

This study highlighted one of the areas of human resource management that seeks to humanize organizational actions combined with better performance and development of human potential, which is linked to quality of work life management. Starting from the hypothesis that financial wellbeing can be assumed as a predictor for the personal state of quality of work life.

The tests carried out with sample with 179 government employees of the Labor Court of the 15th. Region, in the State of São Paulo, Brazil, allowed statistically to verify that in relation to hypothesis 1 is confirmed by the financial well-being have moderate relation to predict the personal state of quality of life at work. Regarding hypothesis 2, it was rejected in the tests because gender, age, education and annual income did not present statistical significance for variation in the level of the personal state of quality of life at work.

The results have important implications for research on these constructs, since it presents a new pertinent relationship, with moderate correlation, for quality of work at work and financial wellbeing, bringing the importance of research in the business environment. Employers, in particular, play an important role in helping their employees improve their financial health by offering specific programs and incentives, nothing that it is where they spend significant time

in their lives, and directly affects productivity and organizational results (Garman et al., 1996; Joo & Garman, 1998), as well as in the health of the worker (O'Neill et al. Al., 2005).

For the managers and human resources researchers demonstrate the importance of looking at the topic and introducing it into their agendas with studies, new applications, information, educational actions, counseling and coaching in the workplace.

The limitations of the study involve the sample obtained from a single government institution, which can be expanded in future studies and cover private companies to provide comparisons and identify trends in the analysis of the constructs.

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