

IMPACT OF FINANCIAL STRESS ON WORK-LIFE BALANCE AMONG EMPLOYEES

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Abstract

Financial stress impacts employees' well-being, work-life balance, and job satisfaction. This study explores its connection to financial satisfaction, highlighting that debts and high expenses are major stressors, while income alone is not a key determinant. Employees across different demographics face financial stress, but financial planning and savings habits play a crucial role in improving well-being. The study emphasizes the need for financial literacy programs and structured financial planning to help employees manage stress, maintain work-life balance, and enhance productivity.

Keywords: *Financial stress, work-life balance, financial satisfaction, income sufficiency, debt management, financial well-being, job level, financial planning, employee productivity, financial literacy.*

Introduction

In today's fast-paced corporate environment, financial stress has emerged as a critical factor affecting employee well-being and productivity. Employees often face financial challenges that impact their ability to maintain a healthy work-life balance, influencing both their personal and professional lives. Financial stress, arising from high expenses, low income, debt, and lack of savings, can lead to emotional distress, decreased job performance, and work-life conflicts. This study aims to explore the intricate relationship between financial stress, financial satisfaction, and work-life balance. By understanding how financial concerns affect employees' ability to manage work and personal responsibilities, this research seeks to provide insights into strategies that can help mitigate financial strain and enhance overall well-being.

Primary Objectives

- To examine how **financial stress factors** such as **high expenses, low income, debt, and lack of savings** affect employees' ability to manage work and personal responsibilities.
- To investigate whether **income adequacy, savings ability, and financial security** help mitigate financial stress and improve work-life balance.
- To understand how **age, gender, job level, and income** impact employees' **financial stress and work-life balance perceptions**.
- To identify key **financial stressors** and propose strategies to **enhance financial literacy, reduce financial strain, and promote a balanced and productive workforce**.

Review of Literature

F Mukhtar, M Shahid, SG Khokhar (2022) Rising inflation and economic instability have heightened financial stress, making it difficult for salaried households to balance work, personal life, and knowledge acquisition. A study of IT employees in Lahore reveals that

financial instability significantly disrupts work-life balance, impacting learning opportunities while enabling employers to exploit vulnerable workers.

KJ Morse (2020) This quantitative study examined how work-life balance (WLB), stress, and financial well-being (FWB) predict life satisfaction (LS) among U.S. working adults using social media. Findings showed stress and WLB (work-family interference and family-work interference) significantly negatively impacted LS, while FWB had no significant effect. The results support creating effective organizational WLB initiatives.

MK Omar, AH Aluwi, MWM Fauzi (2020) This study examines the impact of work stress, workload, and work-life balance on employees' intention to quit in a Malaysian insurance company. Findings reveal a positive relationship between workload and intention to leave, while work stress and work-life balance show no significant effect.

S Daxini, N Mehta (2019) Stress, classified as distress (negative) or eustress (positive), varies by individual and circumstances, impacting work-life balance. This study examines the effect of work stress on work-life balance among full-time faculty in Mumbai Suburban, using questionnaires and secondary sources, analyzed with Chi-square tests, to explore strategies for managing stress and time effectively.

WC Bailey, DK Woodiel, MJ Turner (1998) This study examines how financial stress impacts personal and work stress, reducing satisfaction and productivity among 187 mental health professionals. Findings show financial stress accounts for 50% of overall stress and 30% of reduced satisfaction, highlighting the importance of financial management in mitigating stress and improving well-being.

MB Ross (2007) This study examines how financial stress impacts job satisfaction among Bedford Fire Department employees, revealing that 45% of the Operations division experiences lower satisfaction due to financial stress. It recommends offering financial management training to improve job satisfaction.

V Sumathi, R Velmurugan (2020) This study examines the impact of stress and work-life balance (WLB) on job satisfaction among faculty in Arts and Science Colleges. Findings reveal that both WLB and stress significantly affect job satisfaction.

A Mitra, A De (2024) This study explores the impact of financial literacy (FL) and financial behavior (FB) on employees' life satisfaction (SWL) in India's IT sector, with financial self-efficacy (FSE) as a mediator. Results show FL and FB positively influence SWL, with FSE playing a significant mediating role, emphasizing the need for financial education and access to financial services to enhance workforce satisfaction.

E Caronge, M Mediaty, H Fattah, K Khaeril (2020) This study investigates the impact of financial attitude, behavior, and literacy on financial satisfaction among female lecturers at Andi Djemma University, Palopo City. Findings reveal that all three factors significantly influence financial satisfaction, both individually and collectively.

C Wyczalkowski (2012) This study examines factors influencing financial satisfaction using data from the National Financial Capability Study. Findings reveal financial satisfaction is significantly linked to socioeconomic factors, financial knowledge, risk tolerance, financial stressors, and behaviors, with having an emergency fund being a key contributor.

Research Methodology

This study adopts a **descriptive research approach** to evaluate the impact of financial stress on work-life balance and the role of financial satisfaction in mitigating its effects. **Primary data** was collected through a structured questionnaire designed to capture numerical insights on financial stress levels, work-life balance perceptions, and financial satisfaction among employees. The survey targeted employees across different job levels and income groups, ensuring a diverse sample representation. The questionnaire included **closed-ended and Likert scale questions**, focusing on employees' financial concerns, ability to balance work and personal responsibilities, financial security, and overall satisfaction with their financial situation. The sample population consists of employees categorized by age, gender, income level, and job designation, allowing for a comprehensive analysis of how financial stress influences work-life balance across different demographics. A **random sampling technique** was used to ensure **fair representation of employees across various levels**. Responses were collected via online surveys and self-administered forms, ensuring accessibility and efficiency in data collection. The study employs descriptive statistics such as frequency distributions, mean scores, and standard deviations to analyze trends. Additionally, **statistical tests like chi-square and ANOVA** are applied to determine relationships between **demographic factors, financial stress, financial satisfaction, and work-life balance**. This empirical methodology provides valuable insights into the extent to which financial stress affects employees' ability to maintain a healthy balance between work and personal life, highlighting key factors that influence financial decision-making, job performance, and overall well-being.

Results and Findings

| Age Group | | | | | |
|-----------|----------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Below 25 | 15 | 15.0 | 15.0 | 15.0 |
| | 25 - 35 | 20 | 20.0 | 20.0 | 35.0 |
| | 36 - 45 | 18 | 18.0 | 18.0 | 53.0 |
| | 46 - 55 | 17 | 17.0 | 17.0 | 70.0 |
| | Above 55 | 30 | 30.0 | 30.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Interpretation

The **age distribution** shows that the **Above 55** group has the highest representation at **30.0%**, followed by the **25-35 (20.0%)**, **36-45 (18.0%)**, and **46-55 (17.0%)** groups, while the **Below 25** category is the smallest at **15.0%**. **Cumulatively, 70.0% of respondents are aged 45 and below**, while **30.0% are above 55**, indicating a **balanced mix of younger and older employees**. This distribution suggests that **financial stress and work-life balance concerns** may vary across **age groups**, influencing **financial satisfaction and professional commitments**.

| GENDER | | | | | |
|--------|--------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 53 | 53.0 | 53.0 | 53.0 |
| | Female | 47 | 47.0 | 47.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Interpretation

The **gender distribution** is nearly balanced, with **53.0% male** and **47.0% female** respondents, ensuring diverse perspectives. This balance allows for an **unbiased analysis of financial stress, work-life balance, and financial satisfaction**, providing a **comprehensive understanding** of how these factors impact employees. The findings may also help identify **gender-based differences** in financial stress and work-life balance concerns.

| Job Level | | | | | |
|-----------|--------------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Entry-level | 25 | 25.0 | 25.0 | 25.0 |
| | Mid-level | 15 | 15.0 | 15.0 | 40.0 |
| | Senior-level | 17 | 17.0 | 17.0 | 57.0 |
| | Managerial | 20 | 20.0 | 20.0 | 77.0 |
| | Executive/Top Management | 23 | 23.0 | 23.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Interpretation

The **job level distribution** shows diverse representation, with **25.0% entry-level**, **23.0% executive/top management**, **20.0% managerial**, **17.0% senior-level**, and **15.0% mid-level** employees. **40.0%** of respondents are in **junior roles**, while **23.0%** are in **top management**, ensuring insights from all levels. This allows for a **comprehensive analysis of financial stress, work-life balance, and financial satisfaction**, as employees at different levels may face **unique challenges** based on their **roles, responsibilities, and compensation**. The findings can help develop **targeted strategies** to improve **financial well-being and work-life balance** across job levels.

| Work Experience | | | | | |
|-----------------|--------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Less than 1 year | 22 | 22.0 | 22.0 | 22.0 |
| | 1-3 years | 19 | 19.0 | 19.0 | 41.0 |
| | 4-6 years | 21 | 21.0 | 21.0 | 62.0 |
| | 7-10 years | 22 | 22.0 | 22.0 | 84.0 |
| | More than 10 years | 16 | 16.0 | 16.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Interpretation

The **work experience distribution** is well-balanced, with **22.0% of employees having less than 1 year or 7-10 years of experience**, **21.0% with 4-6 years**, **19.0% with 1-3 years**, and **16.0% with more than 10 years**. **62.0% have six or fewer years of experience**, indicating a strong presence of early to mid-career employees, while **38.0% are more experienced**. This allows for a **comprehensive analysis of financial stress, work-life balance, and financial satisfaction** across tenure levels. **Less experienced employees may face higher financial stress**, while **more experienced employees may have greater financial stability but different work-life balance concerns**. These insights can help organizations develop **targeted financial wellness programs**.

| Monthly Income | | | | | |
|----------------|------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Less than 25,000 | 21 | 21.0 | 21.0 | 21.0 |
| | 25,001-45,000 | 24 | 24.0 | 24.0 | 45.0 |
| | 45,001-65,000 | 28 | 28.0 | 28.0 | 73.0 |
| | Above 65,000 | 27 | 27.0 | 27.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Interpretation

The **monthly income distribution** is well-balanced, with **28.0% earning ₹ 45,001-65,000**, **27.0% above ₹ 65,000**, **24.0% between ₹ 25,001-45,000**, and **21.0% below ₹ 25,000**. **73.0% earn ₹ 45,000 or less**, indicating a higher likelihood of **financial stress**, while **27.0% are higher-income earners** with different financial concerns. This allows for a **comprehensive analysis of financial stress, work-life balance, and financial satisfaction** across income levels. **Lower-income employees may struggle with expenses and work-life balance**, while **higher earners may have better financial stability but different work-life challenges**. These insights highlight the need for **targeted financial wellness programs** across income groups.

| Income Sufficiency | | | | | |
|--------------------|-------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes | 45 | 45.0 | 45.0 | 45.0 |
| | No | 55 | 55.0 | 55.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Interpretation

The **income sufficiency distribution** shows that **55.0% of employees** feel their income is **insufficient**, leading to **financial stress** and challenges in maintaining a **work-life balance**. Meanwhile, **45.0% report sufficient income**, experiencing **lower stress and better financial satisfaction**, though concerns about **job stability and future planning** remain. This highlights the **need for financial wellness programs** to enhance **financial stability, literacy, and stress management**, ultimately improving **work-life balance and job satisfaction**.

| Primary Cause of Financial Stress | | | | | |
|-----------------------------------|-----------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | High expenses | 22 | 22.0 | 22.0 | 22.0 |
| | Low income | 22 | 22.0 | 22.0 | 44.0 |
| | Debts/Loans | 35 | 35.0 | 35.0 | 79.0 |
| | Lack of savings | 21 | 21.0 | 21.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Interpretation

The **primary causes of financial stress** show that **debts/loans (35.0%)** are the most significant factor, followed by **high expenses (22.0%)**, **low income (22.0%)**, and **lack of savings (21.0%)**. **79.0% of employees** experience stress due to a combination of these factors, affecting **financial stability and work-life balance**. Many struggle with **loan repayments, daily expenses, and insufficient savings**, increasing financial insecurity. These findings highlight the **need for financial wellness programs** focusing on **budgeting, debt management, and income planning** to improve **financial satisfaction and reduce stress**.

Chi-Square Test

Null Hypothesis (H_0): There is no significant association between monthly income and financial stress levels among employees.

Alternative Hypothesis (H_1): There is a significant association between monthly income and financial stress levels among employees.

| Chi-Square Tests | | | |
|--|---------|----|-----------------------------------|
| | Value | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 66.632a | 51 | 0.070 |
| Likelihood Ratio | 73.669 | 51 | 0.021 |
| Linear-by-Linear Association | 0.364 | 1 | 0.546 |
| N of Valid Cases | 100 | | |
| a. 72 cells (100.0%) have expected count less than 5. The minimum expected count is .21. | | | |

Interpretation

The **Chi-Square test** results show no **strong statistical association** between **monthly income and financial stress ($p = 0.070$)**, though a **weak relationship** may exist at a **10% significance level**. The **Likelihood Ratio test ($p = 0.021$)** suggests a **significant association at the 5% level**, while the **Linear-by-Linear Association ($p = 0.546$)** indicates no **linear trend**. Additionally, **100% of cells have expected counts below 5**, affecting reliability. While **Pearson Chi-Square does not confirm a strong link**, the **Likelihood Ratio test suggests income may influence financial stress to some extent**.

Chi-Square Test

Null Hypothesis (H_0): There is no significant association between job level and work-life balance among employees.

Alternative Hypothesis (H_1): There is a significant association between job level and work-life balance among employees.

| Chi-Square Tests | | | |
|------------------------------|---------|----|-----------------------------------|
| | Value | df | Asymptotic Significance (2-sided) |
| Pearson Chi Square | 89.416a | 76 | 0.139 |
| Likelihood Ratio | 94.508 | 76 | 0.074 |
| Linear-by-Linear Association | 0.062 | 1 | 0.803 |
| N of Valid Cases | 100 | | |

a. 100 cells (100.0%) have expected count less than 5. The minimum expected count is .15.

Interpretation

The **Chi-Square test** shows no **significant association** between **income sufficiency and financial stress** ($p = 0.139$), meaning income sufficiency does not strongly predict financial stress levels. The **Likelihood Ratio test** ($p = 0.074$) suggests a **weak potential relationship**, while the **Linear-by-Linear Association** ($p = 0.803$) confirms no **linear trend**. Additionally, **100% of cells have expected counts below 5**, affecting reliability. While **income sufficiency is crucial for financial well-being**, this analysis does not provide strong statistical evidence linking it directly to **financial stress**.

ANOVA

Null Hypothesis (H_0): There is no significant difference in financial satisfaction among different age groups of employees.

Alternative Hypothesis (H_1): There is a significant difference in financial satisfaction among different age groups of employees.

| ANOVA | | | | | |
|----------------|----------------|----|-------------|-------|-------|
| Age Group | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 22.566 | 18 | 1.254 | 0.543 | 0.928 |
| Within Groups | 187.144 | 81 | 2.310 | | |
| Total | 209.710 | 99 | | | |

Interpretation

The **ANOVA test** shows no **significant difference** in **financial satisfaction across age groups** ($F = 0.543$, $p = 0.928$), meaning **age does not strongly influence financial satisfaction**. The **null hypothesis (H_0) is not rejected**, as most **variance** exists **within** groups rather than **between** them. These findings suggest that **employees across all age groups experience similar financial satisfaction levels**.

ANOVA

Null Hypothesis (H_0): There is no significant difference in financial satisfaction among different age groups of employees.

Alternative Hypothesis (H_1): There is a significant difference in financial satisfaction among different age groups of employees.

| ANOVA | | | | | |
|----------------|----------------|----|-------------|-------|-------|
| Monthly Income | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 26.315 | 19 | 1.385 | 1.185 | 0.291 |
| Within Groups | 93.475 | 80 | 1.168 | | |
| Total | 119.790 | 99 | | | |

Interpretation

The ANOVA test shows no significant difference in financial satisfaction across income groups ($F = 1.185$, $p = 0.291$), meaning income level does not strongly influence financial satisfaction. The null hypothesis (H_0) is not rejected, as most variation exists within groups rather than between them. These findings suggest that factors like financial management, job stability, and financial planning may play a bigger role in financial satisfaction than income alone.

Findings

This study provides valuable insights into the relationship between financial stress, work-life balance, and financial satisfaction among employees across various demographics. The analysis of age distribution indicates that the highest proportion of respondents falls in the above 55 age group (30.0%), followed by employees in the 25-35 age group (20.0%) and 36-45 age group (18.0%). The gender distribution is nearly balanced, with 53.0% male and 47.0% female respondents, ensuring a diverse representation of perspectives. In terms of job level, entry-level employees (25.0%) make up the largest portion, followed by executive/top management (23.0%) and managerial-level employees (20.0%), highlighting participation from both junior and senior roles. The work experience distribution shows that employees with less than 1 year (22.0%) and those with 7-10 years of experience (22.0%) form the largest groups, suggesting a mix of early-career professionals and experienced employees.

The analysis of monthly income reveals that 28.0% of employees earn between ₹ 45,001-65,000, while 27.0% earn above ₹ 65,000, reflecting a diverse financial background among respondents. However, 55.0% of employees believe that their income is insufficient to maintain their desired standard of living, which may contribute to increased financial stress. The primary causes of financial stress identified in the study include debts/loans (35.0%), followed by high expenses (22.0%) and low income (22.0%), indicating that a significant portion of employees struggle with financial obligations that impact their overall well-being. The Chi-Square test results for the association between monthly income and financial stress reveal a Pearson Chi-Square value of 66.632 and a p-value of 0.070, indicating no statistically significant relationship at the 5% level but suggesting a potential weak association at a 10%

level. Similarly, the **Chi-Square test for income sufficiency and financial stress** results in a **Pearson Chi-Square value of 89.416** with a **p-value of 0.139**, further supporting the finding that financial stress is not solely dependent on income levels. However, the **Likelihood Ratio test (p = 0.074)** suggests a possible relationship, indicating that **income sufficiency may influence financial stress to some extent**, though not significantly in this study.

The **ANOVA test results** examining differences in **financial satisfaction among different age groups** show an **F-value of 0.543** with a **p-value of 0.928**, indicating that there is **no significant variation in financial satisfaction across age groups**. Similarly, the **ANOVA test for financial satisfaction and monthly income** produces an **F-value of 1.185** with a **p-value of 0.291**, confirming that **income level alone does not significantly impact financial satisfaction**. These results suggest that **financial satisfaction is influenced by multiple factors beyond just age and income**, such as **personal financial management, financial planning, and lifestyle expectations**.

Research Gap

While this study provides insights into **financial stress, work-life balance, and financial satisfaction**, several gaps remain. It does not analyze the **long-term effects of financial stress on job performance, mental health, and retention**, which future research should explore. Additionally, **age and income are not significant determinants of financial satisfaction**, suggesting that **psychological factors, financial literacy, and spending behaviors** play a larger role. The study also lacks differentiation between **job roles and their unique financial pressures**, highlighting the need for a **comparative analysis across job levels** to understand how financial stress varies among entry-level employees, mid-level professionals, and executives.

Furthermore, the study does not assess how **organizational support, such as financial counseling, flexible work arrangements, and employer-sponsored financial wellness programs, influences financial well-being**. Examining these interventions could provide insights into strategies that help employees manage financial stress more effectively. Lastly, the reliance on **quantitative survey data** limits deeper understanding, making **qualitative research necessary** to explore employees' **personal financial struggles and coping mechanisms**. Future studies incorporating **interviews or case studies** could offer a more comprehensive perspective on the impact of financial stress on work-life balance.

Conclusion

This study analyzes the **impact of financial stress on work-life balance** and the **role of financial satisfaction** in reducing its effects. Findings show that **debts, high expenses, and insufficient savings** are major stressors, but **income alone does not determine financial satisfaction**—**financial planning and spending habits** play a crucial role. Employees across various age groups, income levels, and job positions experience financial stress, yet **age and income do not significantly impact financial satisfaction**. The study highlights the **need for financial wellness programs, literacy training, and personalized financial planning** to support employees. Financial stress directly affects **work-life balance, job satisfaction, and well-being**. Future research should explore the **long-term effects of financial stress**,

employer wellness programs, and psychological influences on financial satisfaction to develop more targeted solutions.

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