EFFECTIVENESS OF FINANCIAL WELLNESS PROGRAM AMONG EMPLOYEES

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Abstract

Financial wellness programs are essential for improving employees' financial confidence, investment behavior, and financial well-being. This study examines their effectiveness in financial planning, risk assessment, and investment decisions, considering factors like job level, income, and risk tolerance. The findings show that job level significantly impacts investment behavior, while age, gender, and income have minimal influence. Employees exhibit moderate confidence in investments and an increasing interest in portfolio diversification. These insights emphasize the need for personalized financial wellness programs focused on financial literacy, risk management, and long-term stability.

Keywords: *Financial wellness, investment behavior, risk tolerance, financial confidence, job level, financial literacy, financial planning, employee well-being, investment diversification, financial stress.*

Introduction

Financial wellness programs have gained attention as organizations recognize their role in enhancing employee financial health and overall well-being. Financial stress affects employees across job levels, impacting productivity, work-life balance, and job satisfaction. Many struggle with budgeting, saving, and investing due to low financial literacy, leading to stress and reduced efficiency. These programs provide resources, guidance, and tools to improve financial confidence, budgeting, savings behavior, and investment awareness. They also foster financial security by promoting personal financial planning, risk assessment, and wealth management. This study evaluates the effectiveness of financial wellness programs by analyzing employees' financial confidence, investment behavior, risk tolerance, and decision-making. It examines employee perceptions, satisfaction levels, and improvements in financial well-being. By assessing these factors, the research aims to highlight the role of financial wellness programs in promoting financial stability and reducing workplace stress.

Primary Objectives

1. To Assess the effectiveness of financial wellness programs in improving employees' financial confidence, investment behavior, and risk tolerance.
2. To Analyze the impact of financial wellness initiatives on employees' ability to budget, save, and plan for future financial goals.
3. To Examine key factors such as financial literacy, investment habits, and risk-taking behavior, and determine whether employees feel better equipped to handle financial challenges.

4. To Evaluate employees' risk tolerance levels and investment preferences across high- risk and low-risk assets, while identifying how financial wellness programs reduce stress and enhance overall financial well-being.

Review of Literature

S Aren, AN Zengin (2016) Recent research highlights factors influencing individual investors' preferences. While personality traits have minimal impact, financial literacy and risk perception play significant roles. Additionally, risk perception is influenced by financial literacy and gender, though marital status shows less effect.

ET Garman, J Kim, CY Kratzer (1999) This study examined the effectiveness of workplace financial education at a Southeastern chemical production company, provided by the EDSA Group. Participants in the financial workshops took positive steps to improve their financial well-being, demonstrating strong evidence that such education enhances employees' financial wellness.

E. Thomas Garman, Virginia Tech (1999) Employers and stakeholders recognize that workplace financial education improves employees' financial behaviors and job productivity. However, top management's full support depends on clear evidence of bottom-line savings, highlighting the need for convincing research to drive progress.

TJ Provost (2024) This study explores the ROI of workplace wellness programs, highlighting their impact on employee health, satisfaction, engagement, and healthcare costs. It confirms the value of these programs for boosting productivity and organizational goals while identifying best practices, challenges, and gaps in measuring long-term benefits and program effectiveness.

J Kim (2008) Workplace financial education has become increasingly popular, positively impacting financial knowledge, behaviors, retirement savings, and financial well-being. While conclusive studies are limited, existing research shows its benefits. The paper concludes with suggestions for future research on this topic.

VJ Callan, M Johnson (2002) This paper provides guidelines for financial planners to assess and understand clients' risk tolerance, emphasizing the importance of a scientifically developed risk tolerance test to create tailored financial plans. It suggests using structured assessments to align clients' psychological and financial needs, while also considering ethical and practical issues in evaluating risk tolerance.

JM Jacobs-Lawson, DA Hershey (2005) This study explores how knowledge of retirement planning, future time perspective, and financial risk tolerance influence retirement saving practices among young adults. The findings show that these factors predict saving behaviors and interact with one another, suggesting targeted counseling and interventions to promote retirement saving based on these psychological dimensions.

BD Bernheim, DG Garrett (1996) This paper examines the impact of employer-based financial and retirement education programs on household saving behavior and retirement planning. Findings show that these programs significantly influence financial decisions, including saving practices, and affect the sources of information and advice employees seek for retirement planning.

SH Joo, RH Lytton (2016) Individuals generally assess their financial risk tolerance accurately, aligning self-classifications with actual investment behavior. Risk-averse individuals preferred holding cash, while those willing to take calculated risks invested more in equities.

O Cheon, G Naufal, BA Kash (2020) Workplace wellness programs vary in effectiveness, with nutrition programs showing the most significant improvements in employee health outcomes, including reductions in blood pressure, glucose, and cholesterol. High topic relevance, impact, and intensity are crucial for maximizing the effectiveness of such programs.

Research Methodology

This study adopts a **descriptive research approach** to evaluate the effectiveness of financial wellness programs in enhancing employees' financial confidence, investment behavior, and risk tolerance. **A stratified random sampling method was used** to ensure fair representation across different job levels and income groups. **Primary data** was collected through a structured questionnaire designed to capture numerical insights on financial planning, budgeting, investment habits, and risk assessment. 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 confidence, program satisfaction, investment behavior, and risk-taking tendencies. The sample population consists of employees categorized by **age, gender, income level, and job designation**, allowing for a comprehensive analysis of financial wellness program outcomes. 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 and financial behavior. This empirical methodology provides valuable insights into the impact of financial wellness programs on employees' financial well-being, highlighting key factors that influence financial decision- making, investment strategies, and overall financial stability.

Results and Findings

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25	28	28.0	28.0	28.0
	25–35	35	35.0	35.0	63.0
	36–45	19	19.0	19.0	82.0
	46–55	9	9.0	9.0	91.0
	Above 55	9	9.0	9.0	100.0
	Total	100	100.0	100.0	

Interpretation

The majority of respondents are **25–35 years old (35%)**, followed by those **below 25 (28%)**, indicating that most are **early to mid-career professionals** in the initial stages of financial planning. Employees aged **36–45 (19%)** tend to have **greater financial responsibilities and a stronger focus on long-term investments**. Older employees **(46–55 and above 55, 9% each)** are fewer, possibly due to **established**

financial plans or lower engagement in wellness programs. With **63% of respondents aged 35 or below**, the findings highlight the need for **financial literacy programs tailored to younger employees** to support informed investment decisions.

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	59	59.0	59.0	59.0
	Female	41	41.0	41.0	100.0
	Total	100	100.0	100.0	

Interpretation

The respondent distribution shows **59% males and 41% females**, indicating a **higher male representation**. This suggests that **financial wellness program participation may be slightly higher among men**, though the sample remains relatively balanced. These findings highlight **gender-based differences in financial confidence, investment behavior, and risk tolerance**. Understanding these variations can help organizations **tailor financial wellness programs to meet the specific financial needs of both male and female employees**.

Monthly Income (in INR)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 25,000	29	29.0	29.0	29.0
	25,001–45,000	40	40.0	40.0	69.0
	45,001–65,000	21	21.0	21.0	90.0
	Above 65,000	10	10.0	10.0	100.0
	Total	100	100.0	100.0	

Interpretation

The majority of respondents **(69%) fall into lower to middle-income groups**, with **40% earning ₹25,001–45,000** and **29% earning less than ₹25,000**. Employees earning **₹45,001– 65,000 (21%)** represent a moderate portion, while only **10% earn above ₹65,000**, indicating fewer high-income earners. With **90% earning ₹65,000 or below**, the sample is primarily **lower to mid-income employees**. These findings highlight the need for **financial wellness programs to enhance financial literacy and planning for employees with limited disposable income**.

What is your current job level at Nippon Paint Company?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Entry-level	39	39.0	39.0	39.0
	Mid-level	32	32.0	32.0	71.0
	Senior-level	16	16.0	16.0	87.0
	Managerial	8	8.0	8.0	95.0
	Executive/Top Management	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

Interpretation

The job level distribution shows that **39% of respondents are entry-level** and **32% are mid-level**, making up **71% of junior employees** who may require **financial guidance in budgeting, saving, and investing**. **Senior-level employees (16%)** and **managerial-level employees (8%)** represent a moderate portion, likely having **more established financial strategies**. **Executive/Top Management (5%)** is a small but crucial group focused on **high- level financial planning and wealth management**. The study includes employees across all job levels, highlighting the need for **financial wellness programs tailored to different career stages**.

How long have you been working at Nippon Paint Company?					
		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Less than 1 year	24	24.0	24.0	24.0
	1–3 years	24	24.0	24.0	48.0
	4–6 years	21	21.0	21.0	69.0
	7–10 years	14	14.0	14.0	83.0
	More than 10 years	17	17.0	17.0	100.0
	Total	100	100.0	100.0	

Interpretation

The tenure distribution shows that **48% of respondents have worked at the company for 3 years or less,** indicating a need for financial wellness programs focused on foundational planning, budgeting, and savings. Employees with **4–6 years of experience (21%)** may benefit from investment guidance and long-term planning, while those with **7–10 years (14%) and over 10 years (17%) likely focus on wealth accumulation, retirement, and risk management.** This balanced representation highlights the importance of tailoring financial wellness programs to meet the diverse needs of employees at different career stages.

FINANCIAL WELLNESS PROGRAM								
	The financial wellness program conducted by Nippon Paint has improved my financial confidence.	The program helped me create or improve a personal financial plan.	I feel more equipped to handle unexpected financial challenges after attending the program.	The resources and tools provided in the wellness program were useful.	I have observed positive changes in my ability to budget or save money after participating in the program.	The program has helped me achieve my financial goals (e.g., reducing debt, saving for a goal).	I am satisfied with the financial guidance provided by the wellness program.	The financial wellness program has positively impacted my overall financial well-being.
Mean	2.91	2.85	3.07	3.06	2.90	2.95	2.89	2.92
Median	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Std. Deviation	1.518	1.410	1.409	1.476	1.403	1.395	1.449	1.482
Minimum	1	1	1	1	1	1	1	1
Maximum	5	5	5	5	5	5	5	5

Interpretation

The tenure distribution reveals that **48% of employees have worked for three years or less**, with **24% having under one year of experience**, indicating **limited exposure to financial wellness programs**. Mid-tenure employees **(4–6 years: 21%, 7–10 years: 14%)** may have greater financial stability, while **17% have**

over 10 years of experience, likely with established financial plans. These findings highlight the need for **financial wellness programs that offer foundational guidance for new employees and advanced investment strategies for long-term staff**.

INVESTMENT BEHAVIOUR								
	Have you started investing recently or increased your focus on investments?	I evaluate my investment portfolio.	I actively monitor my investment performance.	I have increased the amount of money I invest regularly.	I feel confident making long-term investment decisions.	I feel confident identifying high-risk and low-risk investment opportunities.	I have diversified my investments more effectively than before.	I prefer specific types of investment options (e.g., mutual funds, stocks, or bonds).
Mean	1.67	2.85	3.01	2.85	2.90	2.93	3.48	2.84
Std. Deviation	0.473	1.140	1.000	1.058	1.446	1.387	1.382	1.454
Minimum	1	1	1	1	1	1	1	1
Maximum	2	5	5	5	5	5	5	5

Interpretation

The analysis indicates that most respondents have **recently started investing or increased their focus on investments (Mean = 1.67, SD = 0.473),** reflecting **growing financial awareness**. While **investment diversification (Mean = 3.48) is the strongest trend**, confidence in **long-term investment decisions and risk assessment remains moderate**, highlighting the need for **financial literacy support**. These findings emphasize the importance of **financial wellness programs to enhance investment confidence and portfolio management skills**.

Chi-Square Test

Null Hypothesis (H_0): There is no significant association between age and financial wellness.

Alternative Hypothesis (H_1): There is a significant association between age and financial wellness.

Chi-Square Tests			
	Value	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	69.437a	68	0.429
Likelihood Ratio	67.835	68	0.483
Linear-by-Linear Association	0.251	1	0.616
N of Valid Cases	100		
a. 90 cells (100.0%) have expected count less than 5. The minimum expected count is .09.			

Interpretation

The **Pearson Chi-Square test (69.437, p = 0.429)** indicates **no significant association between age and financial wellness**, as the **p-value exceeds 0.05**. Similarly, the **Likelihood Ratio test (67.835, p = 0.483) and Linear-by-Linear Association test (0.251, p = 0.616)** confirm the lack of a strong relationship. The **high number of low expected counts** suggests that the sample distribution may not be optimal for this test.

Overall, the results indicate that **financial wellness remains consistent across age groups**, likely due to **uniform access to financial literacy programs and company policies**.

Chi-Square Test

Null Hypothesis (H_0): There is no significant association between job level and investment behavior.

Alternative Hypothesis (H_1): There is a significant association between job level and investment behavior.

Chi-Square Tests			
	Value	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	106.980a	68	0.002
Likelihood Ratio	80.939	68	0.135
Linear-by-Linear Association	2.256	1	0.133
N of Valid Cases	100		
a. 88 cells (97.8%) have expected count less than 5. The minimum expected count is .05.			

Interpretation

The **Pearson Chi-Square test (106.980, p = 0.002)** shows a **significant association between job level and investment behavior**, leading to the **rejection of the null hypothesis (H_0)**. However, **other tests suggest a weaker relationship**, and the **high number of low expected counts (97.8%)** may impact result reliability. The findings indicate that **investment behavior varies across job levels**, with **higher-level employees diversifying more and entry-level employees being more cautious**. This highlights the need for **job-level-specific financial wellness programs** to support diverse investment strategies.

ANOVA:

Null Hypothesis (H_0): There is no significant difference in risk tolerance between male and female employees.

Alternative Hypothesis (H_1): There is a significant difference in risk tolerance between male and female employees.

ANOVA					
Gender					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	1.087	4	0.272	1.118	0.353
Within Groups	23.103	95	0.243		
Total	24.190	99			

Interpretation

The **ANOVA test results (F = 1.118, p = 0.353)** indicate **no significant difference in risk tolerance between male and female employees**, as the **p-value exceeds 0.05**. This suggests that **gender does not play a major role in financial risk-taking behavior**. While individual preferences may vary, **both genders**

exhibit similar risk tolerance levels. These findings highlight that **financial wellness programs should prioritize factors like income, financial literacy, and investment experience** rather than focusing on **gender-specific differences**.

ANOVA

Null Hypothesis (H_0): There is no significant difference in financial wellness among different monthly income groups.

Alternative Hypothesis (H_1): There is a significant difference in financial wellness among different monthly income groups.

ANOVA					
Monthly Income (in INR)					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	12.970	17	0.763	0.828	0.657
Within Groups	75.590	82	0.922		
Total	88.560	99			

Interpretation

The **ANOVA test results (F = 0.828, p = 0.657)** indicate **no significant difference in financial wellness across income groups**, as the **p-value exceeds 0.05**. This suggests that **financial wellness is not strongly influenced by income levels**, with employees across different brackets facing **similar financial challenges or benefits**. Factors such as **financial literacy, spending habits, and access to financial wellness programs** may contribute to this uniformity. Organizations should implement **broad-based financial wellness initiatives** that **support employees at all income levels**, rather than focusing solely on high or low- income groups.

Findings

The study provides valuable insights into employees' financial wellness, investment behavior, and risk tolerance across different demographics. The **age distribution** reveals that a majority (63%) of employees are aged **35 or below**, indicating that younger professionals form a significant portion of the workforce. **Gender-wise**, **59% of respondents are male** and **41% are female**, showing a fairly balanced representation. The **income distribution** highlights that **69% of employees earn ₹45,000 or below**, suggesting that most employees fall into lower to middle-income categories. The **job level analysis** shows that **71% of respondents are in entry-level or mid-level positions**, indicating that financial wellness programs should cater primarily to early-career professionals. Additionally, **48% of employees have been with the company for three years or less**, signifying a high proportion of relatively new employees. Regarding **investment behavior**, most employees have **recently started investing or increased their focus on investments**. The findings also suggest **moderate confidence in long-term investment decisions and risk assessment**. Employees show a preference for **investment diversification**, but specific investment preferences remain varied. The **Chi-Square test results** indicate that **age does not have a significant impact on financial wellness**, but **job level significantly influences investment behavior**, suggesting

that employees at different levels approach investments differently. **ANOVA results** show that **gender does not significantly affect risk tolerance**, and **financial wellness does not vary significantly across income levels**. These insights highlight the importance of personalized financial wellness strategies that cater to diverse employee needs while addressing common financial challenges.

Research Gap

While this study provides valuable insights into employees' financial wellness, investment behavior, and risk tolerance, several areas remain unexplored. **First**, the research does not examine the long-term impact of financial wellness programs on employees' financial stability, such as sustained investment growth and wealth accumulation over time. **Second**, although job level significantly influences investment behavior, the specific financial challenges faced by different job levels are not deeply analyzed. Future studies could explore how financial literacy and job responsibilities affect investment decisions.

Third, while the study finds no significant variation in financial wellness across income levels, further research is needed to determine how disposable income affects savings patterns and financial security. **Lastly**, the role of **psychological factors**, such as financial anxiety and risk perception, remains unexplored. Understanding these aspects could help organizations design more effective, tailored financial wellness programs that address both financial and emotional well-being.

Conclusion

This study underscores the significance of **financial wellness programs** in improving employees' **financial confidence, investment behavior, and risk tolerance**. While most employees are **young and early in their careers**, financial wellness is essential across **all job levels and income groups**. Employees show **moderate confidence in investments** and an increasing interest in **diversification**, though preferences vary. **Job level significantly influences investment behavior**, while **age, income, and gender have minimal impact**. These findings highlight the need for **tailored financial wellness programs** focused on **financial literacy, risk management, and long-term planning**. Organizations should implement **customized strategies** to support employees' financial stability and reduce stress. Future research should explore **psychological and behavioral factors** affecting financial decision-making.

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