

CHAPTER V

CONCLUSION

This chapter will include results of past chapters that consist of the conclusion, results of the study, application, research limitation, and suggestions for future studies.

5.1 Conclusion

The research has tested three variables which are financial literacy, financial attitude, and work environment as determinant factors influencing the financial welfare of civil servants in Padang. This study was conducted using a quantitative approach along with primary data that was gathered from 100 local civil servants in Padang through a questionnaire that was distributed online using Google Forms. Each variable has items that are related to it for the questions. Financial literacy had 10 and was measured with a true or false scale. Financial attitude had 5 items, work environment had 3 items, and financial welfare had 5 items, they were all measured using Likert scale.

The data proceeded to be processed and analyzed first using Microsoft Excel for the descriptive analysis and was later put in SmartPLS4 for the instrumental and hypothesis testing. As for the descriptive analysis it revealed the characteristics of the respondents, one finding was that 60% of the civil servants had a medium level understanding of financial literacy. As for the instrumental test, the data was put through outer model and inner model analysis before doing hypothesis testing. These are the results of the hypothesis testing:

1. Financial literacy was found to have a non-significant effect on financial welfare. This shows that for the sample, having more financial knowledge did not directly mean having a higher level of financial welfare.

2. Financial attitude was also found to be rejected, based on the findings of the research it had non-significant effect on financial welfare. That would suggest having a disposition of positiveness towards financial matters was not a crucial factor of financial welfare among these civil servants.
3. Work environment was found to have a positive and significant effect on financial welfare. Therefore, the culture and conditions of the place of their work have proven to be a significant factor that influences the financial welfare of civil servants in Padang.

5.2 Research Implications

Results of this research further expand the understanding of factors that are affecting employee's well-being and can be utilized by various stakeholders, which include government institutions, employees, and academics.

Government institutions and public sector management can take reference on the significance of work environment on financial welfare. This study shows that investing and making a positive, supportive, and motivating workplace will be affecting and have a direct influence on the financial welfare of employees. The way is to improve management practices, create a positive relationship and reduce stress in the workplace. All of this would lead to better decision-making and boost financial stability.

For the civil servants themselves, the results of the study highlights that even though having personal knowledge and attitude is necessary, the environment where individuals work plays a key role in the financial outcomes. This is hoped to motivate employees to support better workplace conditions.

For academics, the study contributes to the literature by showing that the connected links between financial literacy, financial attitude, and financial welfare may not be accurate in all aspects.

5.3 Research Limitations

There are several limitations that may hinder the process of this study. The research has concluded that the study may suffer from a few limitations that may have influenced the results of the research. The limitations of this research are explained below:

1. The object of this study has been chosen for a specific population which are civil servants in also a specific area which is Padang. Therefore, the findings may not be pervasive to private sector employees or civil servants of other cities or even countries with a whole different economic and cultural environment.
2. The research has only measured three variables as the factors that affect financial welfare and found only one of the hypotheses to be accepted. This does not examine other variables that could have a strong impact.
3. The research questionnaire was distributed via an online platform, and their answers were said to be anonymous and hidden. The researcher could not control the conditions under which the respondents filled out the questionnaire, which could potentially affect the quality and integrity of their responses.
4. The research measured “Financial Welfare” as a big general concept. The results may not be appropriate for more specific aspects of welfare, which include investment success and debt management, that might have been influenced differently by the independent variables.

5. The researcher lacks information on respondents' marriage status because no questions about it were asked in the questionnaire. This is important because with marriage, respondents could have additional income.
6. The research did not inquire about the position of respondents; this could have made differences to the research.

5.4 Recommendations and Suggestions

Based on the limitations above, there are several suggestions that future researchers could take and reference when exploring the topic relating to this study:

1. Upcoming research is recommended on conducting similar studies on different groups such as private sector employees or entrepreneurs, or even in other cities to test the findings on the non-significance of financial literacy and financial attitude that fall into this context.
2. Future research can factor in additional variables that might be able to affect financial welfare, such as income level, position of the job, long-term financial behavior, and psychological factors like self-control.
3. It is suggested to use additional methods to collect the data. Qualitative interviews can gain deeper insight into why financial literacy and financial attitude are not significant. It could help find out the forementioned attitude-behavior gaps.
4. For upcoming research, it is recommended to study more detailed and specific aspects of financial welfare to find out how the work environment and other factors influence the outcomes.
5. Suggestion for future research is to find information on the respondent's marriage status and position of their job.