A STUDY ON EXPLORATORY FACTOR ANALYSIS OF PERSONAL FINANCE MANAGEMENT OF WORKING EMPLOYEES

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ABSTRACT:

Employees, who are highly considered the backbone of any organization or firm, have needs, wants, and demands that are accomplished based on the availability of capital and meeting their satisfaction level by managing the finances. The personal finance management of the employees working in various firms or organizations is measured based on their day-to-day revenues and expenses and how they manage their income. The study includes primary and secondary data. To collect primary data, 100 respondents' responses are collected by issuing a self-structured questionnaire. The objective of the article is to analyze the socioeconomic background, the factors influencing the purchasing behavior of employees towards personal finance management. To determine the reliability of the data reliability test conducted, the scales used here were judged to be reliable. To explore the results, the chi square test, exploratory factor analysis, and multiple regression analysis are used. The study finds that savings, budgets, and investments have a significant impact on the purchasing behavior of employees towards personal finance management; there is a significant association between gender and the socio-economic background of age, education, and marital status of the respondents. Finally, the study concludes that good financial management, corresponding to the budget, savings, and investment, plays a very important role in the management of personal finances for working employees. The authors suggest and conclude that awareness and application of proper financial knowledge in various sectors are responsible not only for the better utilization of their income but also for managing their savings and making proper investments for their better future.

Keywords: personal finance management, savings, investments, budget, satisfaction, and purchasing behavior.

1. INTRODUCTION

Finance is the first priority of each and every individual, without adequate management of finances, individuals cannot prosper. Personal finance covers managing money through savings and investments. It includes banking, budgeting, insurance, mortgages, investments, retirement benefits, taxes, real estate, etc. It’s necessary to be conscious of distinguishing between good and bad advice and making intelligent financial decisions. When compared with public firms, private firms’ employees have minimum capital and have to manage their budgets with the utmost care. When we speak about the employees' day-to-day lives, managing their income and expenses is a greater task. The employee has to see the funds invested as financial earnings, with a return on earnings of at least as much as they would have earned by investing anywhere else. Personal financial management requires the proper balance between the generation and utilization of these funds without either a shortage or an excess of funds.

Personal finance is all about meeting your future financial goals. This is not only to set up your household budget but also to save, invest, and plan for our retirement. We need to understand how to manage our finances. The goals might be the result of anything like short-term financial needs, planning for retirement, saving for your child's education, etc. These could be fulfilled based on income, spending, saving, investing, and protecting things like insurance, real estate, mutual funds, etc. In this writing, the meaning, importance, and objectives of personal finance management are highlighted. It further addresses how each individual can take steps to manage and plan their finances, raise awareness of financial management, and guide readers on how to do so for the betterment of themselves either now and in the future, which also indirectly contributes to the development of the country.

2. REVIEW OF LITERATURE

Many studies have been conducted from time to time to examine the various aspects of investment portfolios, education, financial literacy, rising healthcare expenditures, longer life length, lifestyles, unpredictability, satisfaction, insurance, investment returns, risk assessment, proper insurance to safeguard hard-earned assets, and strategies to eliminate unnecessary taxes of employees' personal finance management. It helps eliminate the duplication of what has already been done. It also gives a fair chance to identify the gaps that exist in the area of research.

Kenneth Black & et al., (2002) the author concentrated on publications that were evaluations of other authors' work on personal finance management issues in thorough personal financial planning. These factors affect employees' and business owners' household net worth. These factors have an effect on both employees and business owners' household net worth. So, using secondary sources, the author tries to compile information about managing personal finances.

Schuchardt (2007) According to the author, the societal shift from single earning families to dual-income households is increasing in today's privatized, globalized, and liberalized Indian economy. Every person who is currently employed should consider, plan for, and take action to secure their investment holdings. Rising healthcare expenditures, longer life spans, lifestyles, unpredictability, increased volatility in the market, and complicated investment products necessitate a basic awareness of personal financial management.

Holzman (2010) also indicated, analyzed, and further evaluated how governments and various local and international organizations, including financial institutions, have been working towards the promotion of personal financial education. The author also offered a list of efforts to take stock of personal financial capability that can be used in designing and implementing intervention programs to enhance personal financial capability.

McCray (2011) also explained the importance of personal financial management by showing that poor financial literacy leads to financial distress and bankruptcy. Personal finance education is, hence, relevant to empower society in the management of personal finance and make informed financial and economic decisions.

According to the author of Tan Hui Boon et al. (2011), the majority of people who have not yet looked into personal financial planning have been deterred by a lack of financial literacy. This study makes a connection between people's involvement in personal financial planning and their level of financial literacy. The researcher discovers that the readiness of financially literate people is represented in their involvement in a variety of personal financial planning activities, as opposed to their non-financially literate peers.

Atkinson & Messy (2012) financial literacy plays a vital role for everyone in managing their money. Anyone working in an increasingly complicated workplace must have an in-depth knowledge of finance, which is known as financial literacy. Governments worldwide are searching for a practical means of promoting financial literacy through the development or enhancement of national financial education policies with the aim of presenting opportunities to learn at all levels of schooling.

Kumar and Anne's (2013) showed that the importance of financial illiteracy has been hindering individuals and the economies of various developing and emerging economies due to the fact that sub-optimal individual financial and economic choices do have an impact on the macro economy. These studies suggest the need for formal and informal personal financial education and practice in developing countries. Nevertheless, we could not come across organized financial education, except for the in school financial education currently offered to schoolchildren and youth, in the context of Ethiopia.

Bhushan & Medury (2013) studied that financial literacy is important for various reasons, including monetary ones because they may have some savings, insurance, and diversify their investments. Financial literacy is also associated with beneficial financial behaviors such as timely payment of debts, taking out installment loans, conserving money before it runs out, and using credit cards sensibly.

Rahul Lahoti (2013) says that there is a decline in female contribution, but this is a structural shift that influences finance but is due to a lack of education. The author also talked about a decreasing sex ratio and a fall in women's health. While maternal mortality has gone down, the anemia situation has improved. Figures show a rise, or may be a fall, but this is due to health issues, a rise in the service sector, and a higher educational level as compared to other countries in the world.

According to **Talib (2017)** a personal financial plan is necessary for survival, without a financial plan, investing in or buying an investment is similar to constructing a structure without a plan. Personal finance should include a description of clearly defined goals, conventionally fair investment return estimates, risk assessment, appropriate insurance to protect hard-earned assets, a plan to reduce unnecessary taxes, etc.

Gunardi et al. (2017) conducted research and summarized that keeping various forms of investments is regarded as excellent financial behavior. According to the study, respondents' financial conduct is better when they have a higher income, more assets, and higher educational qualifications.

Mahapatra & et al., (2017) analyzed the effect of mental accounting knowledge on personal finance management. It further tries to investigate the function of mental accounting in different elements of personal finance management, including cash flow management, capital budgeting, insurance planning, planning for retirement, and estate planning. According to the findings, investment, budget, and purchasing power have a good impact on personal finance management.

3. RESEARCH GAP

Because of the changes in the current environment, changes in prices have a negative impact on personal finance management, hence, investment relates to uncertainties like lack of proper planning, lack of knowledge, lack of proper communication, and the problem of budgeting. Accurate personal financial management is difficult. So, the review of literature reveals that some research studies focus on personal finance management, but savings, budgets, investments, and purchasing behavior are not properly managed, hence, as per the current scenario, it will be recommended to bring about a proper balance between financial literacy and personal finance management. As a result, with the help of an empirical study, this research article fills the resulting gap.

4. STATEMENT OF THE PROBLEM

The problem that was examined in this research was to develop and test a conceptual model that describes the relationship between financial wellness, investment, budget, and savings of an individual, but due to a lack of proper planning, a problem of budgeting, and a lack of proper job productivity, managing personal finances is a challenge. Certain times, due to uncertainty, savings are impossible; this is the result of improper planning. Today, as society is moving in a fast and furious manner, the price of the product and our day-to-day expenses are also increasing, hence, proper planning is necessary because saving for the future is mandatory. Hence, this study highly focuses on creating awareness among the individuals about the need for investment, a budget plan, and savings that is necessary for meeting our needs, wants, and demands, as a result of meeting their individual perceptions and satisfaction.

5. NEED OF THE STUDY

The concepts of personal financial management and worker productivity will provide a base for future research development. The development of a personal financial wellness profile can be achieved based on this research. The related study can be used in research examining the relationship between investment, budget planning, and savings. This study can provide a basis for illustrating the progression from personal financial difficulties to personal financial management. Also, this research can offer helpful information for identifying some causes of worker problems as well as estimating the steps to overcome the difficulties through proper precautionary measures. The concept can provide useful information to financial counselors, financial planners, and other practitioners by identifying the financial wellness level of workers. This study can help employers, employees, professionals, and academicians understand the importance of personal money management.

6. RESEARCH QUESTION

1. What are the socio-economic backgrounds influencing the personal finance management of employees?

2. Which are the major factors that determine the personal finance management of employees?

3. Is there any relationship between purchasing behavior with savings, budgeting, and investing?

7. OBJECTIVES OF THE STUDY

1. To analyze the socio-economic background of employees' behavior towards personal finance management.

2. To measure the factors that determines the personal finance management of employees through EFA (Exploratory Factor Analysis).

3. To measure the purchasing behavior of employees towards personnel finance management.

8. HYPOTHESIS OF THE STUDY

Objective 1

1. **To analyse the Socio-economic background of employee's behaviour towards personal finance management.**

Testing of Hypothesis: Pearson's Chi-Square Test

Null Hypothesis H0 - There is no significant association between gender and socio-economic background of the respondents.

Alternative Hypothesis H1: There is significant association between gender and socio-economic background of the respondents.

Objective 2

2. The Major parameters influencing Individual employees towards personal finance management EFA (Exploratory Factor Analysis).

Null Hypothesis H_0: Personal finance management factors given by Savings, Budget, Investment and purchasing behaviour effect on the individual employees.

Alternative Hypothesis H_1: Personal finance management factors given by Savings, Budget, Investment and purchasing behaviour no effect on the individual employees.

Objective 3

3. To Measure the Purchasing behaviour of employees towards personnel finance management.

Testing of Hypothesis - Multiple Regression Analysis

Null Hypothesis H_0: There is no linear relationship exists between the purchasing behaviour of employees concerning Savings, Budget and Investment

Alternative Hypothesis H_1: There is linear relationship exists between the purchasing behaviour of employees concerning Savings, Budget and Investment

2.1. H_0: There is no linear relationship exists between the purchasing behaviour of employees concerning Savings.

2.1. H_1: There is a linear relationship exists between the purchasing behaviour of employees concerning Savings.

2.2. H_0: There is no linear relationship exists between the purchasing behaviour of employees concerning Budget.

22. H_1: There is a linear relationship exists between the purchasing behaviour of employees concerning Budget.

2.3. H_0: There is no linear relationship exists between the purchasing behaviour of employees concerning Investment.

2.3. H_1: There is a linear relationship exists between the purchasing behaviour of employees concerning Investment.

9. SCOPE OF THE STUDY

As an important part of overall management, personal financial management is mainly concerned with the use and application of funds by an individual. Nowadays, budget planning and investment decisions play a vital role in the overall development of an individual. Investment, savings, budgeting, and purchasing behavior are the key variables in personal finance management. The study also highlights awareness of the concept of financial management and the variables associated with it. Therefore, the study is conducted by considering the employees working in both public and private sectors.

10. RESEARCH METHODOLOGY

In this study, a sample of 100 working employees was taken to measure the factors that determine "personal finance management" with the help of a questionnaire particularly designed to conduct the present study. The study is exploratory in nature, and the primary data was collected through the random sampling method. The tools used were Pearson's Chi Square test, exploratory factor analysis, and multiple regression analysis to get the appropriate results.

11. LIMITATIONS OF THE STUDY

1. The future is unpredictable, and most of the time things do not work as we think or as we anticipate to work, hence investment may result positive or negative which is uncertain.

2. Financial management is the process which maximum works based on the assumptions or the historical data that are studied, calculations of investment and return might be incorrect.

3. Changing environment, changing prices, and costly world results in negative impact on financial strategy.
4. Lack of proper communication, lack of knowledge, lack of proper planning, and problem of budgeting, accurate personal financial management is difficult.
5. The variables used here to test the hypothesis are only 4, like purchasing behaviour savings, budget and investment.
6. The study limits to Mysore district only.

12. DATA ANALYSIS AND INTERPRETATION

Profile of the Respondents

A). Gender

Table I: Gender of the Respondents

Gender	Frequency	Percent	Mean	S. D	S.E
1.Male	38	38	1.6200	**.48783**	.04878
2.Female	62	62			
Total	**100**	**100**			

(Source: Primary Data)

Interpretation:

In the above table 1, shows that, out of the 100 (100%) selected respondents, male respondents are 38 % and female respondents are 62.

B). Reliability Test of Employees towards Personal finance management

The reliability coefficient is measured using Cronbach's alpha and used to measure a test score's internal consistency or reliability. The table of reliability statistics brings out that Cronbach's alpha for most of the constructs is more than 0.70. The various construct of employee’s behaviour towards personal finance management tested with a generic hypothesis. Since the various items under each 4-dimension loaded well since the standardized factor, coefficients are more than 0.6, all of which are consistent due to Cronbach's alpha's high reliable value. Next, the items loaded to their respective dimension or construct are used for further analysis. Finally, the average score of each dimension is obtained and used for testing the hypothesis. The following details describe the testing of the hypothesis.

Table II: The Results of Reliability Statistics of Employees towards Personal Finance Management

Sl. No	Dimension	No of Items	Mean value	SD	Cronbach's Alpha
1	Savings	5	3.720	1.24929	.880
2	Budget	4	3.668	1.19185	.899
3	Investment	5	3.046	1.25500	.840
4	Purchase	4	3.683	1.46408	.897

(Source: Author's calculations by using SPSS)

The reliability coefficient ranges from 0.840 to 0.899. The coefficient is associated with all seven factors of the farmer's perception of organic farming. Typically, a reliability coefficient of 0.7 or more is considered adequate (Cronbach's, 1951). Accordingly, the scales used here were judged to be reliable.

1. The socio-economic background of an employee's behaviour towards personal finance management.

Testing Hypothesis: Pearson's Chi-Square Test

H0 - "There is no significant association between gender and the socio-economic background of the respondents".

H1: "There is a significant association between gender and the socio-economic background of the respondents".

Level of Significance: 0.05 Percent.

Table 1.1: Results of Pearson's Chi-Square Test value of Socio-economic background of employee's behaviour towards Personal Finance Management

Sl. No	Variables	Respondents F	Respondents %	Mean	S. D	S. E	Chi Square Value	Sig value	Result
1.	**Age**			2.0100	1.17632	.11763	23.715	.000	**H_0:** Rejected
	Below 20years	50	50						
	20 to 30 years	15	15						
	30to 40 years	21	21						
	40to 50 years	12	12						
	Above 50 years	2	2						
	Total	**100**	**100**						

<table>
<tr><td rowspan="8">2.</td><td>Education</td><td>F</td><td>%</td><td rowspan="8">4.2200</td><td rowspan="8">1.21921</td><td rowspan="8">.12192</td><td rowspan="8">22.535</td><td rowspan="8">.000</td><td rowspan="8">H_0: Rejected</td></tr>
<tr><td>Illiterate</td><td>3</td><td>3</td></tr>
<tr><td>SSLC</td><td>12</td><td>12</td></tr>
<tr><td>PUC</td><td>8</td><td>8</td></tr>
<tr><td>Any Degree</td><td>17</td><td>17</td></tr>
<tr><td>Post graduate</td><td>57</td><td>57</td></tr>
<tr><td>Other</td><td>3</td><td>3</td></tr>
<tr><td>Total</td><td>100</td><td>100</td></tr>
<tr><td rowspan="4">3.</td><td>Marital status</td><td>F</td><td>%</td><td rowspan="4">1.5500</td><td rowspan="4">1.5500</td><td rowspan="4">.05000</td><td rowspan="4">2.616</td><td rowspan="4">.106</td><td rowspan="4">H_0: Accepted</td></tr>
<tr><td>Un Married</td><td>44</td><td>44</td></tr>
<tr><td>Married</td><td>55</td><td>56</td></tr>
<tr><td>Total</td><td>100</td><td>100</td></tr>
<tr><td rowspan="8">4.</td><td>Occupation</td><td>F</td><td>%</td><td rowspan="8">3.3600</td><td rowspan="8">1.60504</td><td rowspan="8">.16050</td><td rowspan="8">31.459</td><td rowspan="8">.000</td><td rowspan="8">H_0: Rejected</td></tr>
<tr><td>Government</td><td>12</td><td>12</td></tr>
<tr><td>Private</td><td>31</td><td>31</td></tr>
<tr><td>Self-Employment</td><td>9</td><td>9</td></tr>
<tr><td>Housewife</td><td>11</td><td>11</td></tr>
<tr><td>Students</td><td>31</td><td>31</td></tr>
<tr><td>Others</td><td>6</td><td>6</td></tr>
<tr><td>Total</td><td>100</td><td>100</td></tr>
<tr><td rowspan="7">5.</td><td>Monthly Income</td><td>F</td><td>%</td><td rowspan="7">1.8900</td><td rowspan="7">1.30960</td><td rowspan="7">.13096</td><td rowspan="7">3.050</td><td rowspan="7">.549</td><td rowspan="7">H_0: Accepted</td></tr>
<tr><td>10,000 to 20,000</td><td>59</td><td>59</td></tr>
<tr><td>21,000 to 30,000</td><td>16</td><td>16</td></tr>
<tr><td>31,000 to 40,000</td><td>11</td><td>11</td></tr>
<tr><td>41,000 to 50,000</td><td>5</td><td>5</td></tr>
<tr><td>51,000 and above</td><td>9</td><td>9</td></tr>
<tr><td>Total</td><td>100</td><td>100</td></tr>
<tr><td rowspan="8">6.</td><td>Mode of Finance</td><td>F</td><td>%</td><td rowspan="8">2.0500</td><td rowspan="8">1.37345</td><td rowspan="8">.13734</td><td rowspan="8">2.082</td><td rowspan="8">.838</td><td rowspan="8">H_0: Accepted</td></tr>
<tr><td>Bank</td><td>52</td><td>52</td></tr>
<tr><td>Post office</td><td>18</td><td>18</td></tr>
<tr><td>Insurance</td><td>14</td><td>14</td></tr>
<tr><td>Mutual funds</td><td>6</td><td>6</td></tr>
<tr><td>Gold</td><td>9</td><td>9</td></tr>
<tr><td>Real estate</td><td>1</td><td>1</td></tr>
<tr><td>Total</td><td>100</td><td>100</td></tr>
<tr><td>7.</td><td>Assistance to Investment</td><td>F</td><td>%</td><td>1.9000</td><td>1.07778</td><td>.10778</td><td>6.362</td><td>.095</td><td>H_0: Accepted</td></tr>
</table>

	Independent Decision	50	50						
	Parents permissions	23	23						
	Expert advice	14	14						
	Friends and relatives advice	13	13						
	Total	**100**	**100**						
8.	**Ways of payment**	**F**	**%**	2.7600	1.29584	.12958	6.205	.184	**H_0:** Accepted
	Transferring Money	28	28						
	Keeping track of My balance	12	12						
	Paying with debit card instead of using cash	18	18						
	Using UPI	40	40						
	Other	2	2						
	Total	**100**	**100**						
9.	**Aware about PFM**	**F**	**%**	1.0900	**.28762**	**.02876**	1.294	.255	**H_0:** Accepted
	Yes	80	80						
	No	20	20						
	Total	**100**	**100**						
10.	**Satisfied with savings**	**F**	**%**	**1.2000**	.40202	.04020	1.793	.181	**H_0:** Accepted
	Yes	91	91						
	No	9	9						
	Total	**100**	**100**						

(Source: Author's calculations by using SPSS)

Interpretation:

The chi-square independence test is used to find an association between two categorical variables: Gender and socio-economic background of the respondents. Pearson's chi-square value for gender (.130), age (23.715), education (22.535), marital status (2.616), occupation (31.459), monthly income (3.050), mode of finance (2.082), assistance to investment (6.362), mode of payment (6.205), awareness (1.294), and satisfaction (1.793), towards personal finance management, respectively.

Since the study highlights that the P-value of the test results for age, education, and occupation is less than 0.05, it is significant. As a result, the alternative hypothesis was accepted and the null hypothesis was rejected. The study depicts an association between the gender and socio-economic background of the respondents like age (0.000), education (0.000), and occupation (0.000).

The study reveals that there is no association between gender and the socio-economic background of the respondents, and it also explores that the p-value of the test for gender and the socio-economic background of the respondents is more than 0.05; it is not significant. So, the study depicts that there is no association between the gender and socio-economic background of the respondents, like marital status (.106), monthly income, (.549), mode of finance (.838), assistance to investment (.095), mode of payment (.184), awareness (.255), and satisfaction (.181), respectively.

2. The major parameters influencing individual employees towards personal finance management through EFA (Exploratory Factor Analysis).

Exploratory Factor Analysis of Individual Employees' Personal Finance Management

Testing of Hypothesis: Exploratory Factor Analysis

H_0: Personal finance management factors given by savings, budget, investment, and purchasing behaviour have an effect on individual employees.

H_1: Personal finance management factors given by savings, budget, investment, and purchasing behaviour have no effect on individual employees.

The dimension of individual employees' personal finance management is formed by factoring in the four constructs of savings, budget, investment, and purchase behaviour. Before testing the hypothesis related to the individual employee's personal finance management, the items under each of the four stated factors are factored in using exploratory factor analysis. The principal component analysis method of estimation and the varimax rotation method are employed. The result of the factor analysis is stated below. The individual employee personal finance management dimension of the present study consists of four stated factors. The four constructs of an individual employee’s personal finance management dimensions are savings, budget, investment, and purchase behaviour.

These four employees’ personal finance management factors are considered to construct the study. Various items related to these factors are identified with the help of an extensive literature review. The items under these constructs are on a Likert scale of 1 to 5, where 1 denotes strongly agreeing and 5 denotes strongly disagree. After examining the output of exploratory factor analysis, various items are removed from the study due to a lack of reliability and validity.

Kaiser-Meyer-Olkin (KMO): A measure of sampling adequacy, this test was also used to test the fitness of factor analysis. A value of 0.5 is desirable to pursue factor analysis. High values between 0.5-1.0 indicate the appropriateness of factor analysis, whereas values less than 0.5 mean that factor analysis is not appropriate (Malhotra& Dash, 2010).

The strength of the linear association among the set of items in the correlation matrix is evaluated using the KMP and Bartlett tests.

Table 2.1: Results of KMO and Bartlett's Test of Employees

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.917
Bartlett's Test of Sphericity	**Approx. Chi-Square**	1480.255
	df	.917
	Sig.	.000

(Source: Author's calculations by using SPSS)

The KMO is a measurement of sampling adequacy in that it compares the observed correlation coefficients’ magnitudes to the partial correlation coefficients' magnitudes. The result of KMO is 0.917, which is higher than 0.5, which is good and depicted in the above table. The test of Bartlett is used to test the null hypothesis that the correlation matrix is an identity matrix. The chi-square value is 1480.255, and the significant value is less than 0.05, as depicted in the above table. Hence, the test results suggest rejecting the null hypothesis and concluding that the correlation matrix is not an identity matrix. These give two results above: the correlation matrix appears to be factorable.

Table 2.2: Results of Total Variance Explained of Employees

Component	**Initial Eigenvalues**			**Extraction Sums of Squared Loadings**			**Rotation Sums of Squared Loadings**		
	Total	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**
1	10.158	56.432	56.432	10.158	56.432	56.432	8.140	45.223	45.223
2	1.723	9.570	66.002	1.723	9.570	66.002	3.740	20.779	66.002
3	.988	5.489	71.490						
4	.857	4.762	76.252						

5	.630	3.500	79.752						
6	.566	3.143	82.895						
7	.466	2.590	85.485						
8	.404	2.244	87.729						
9	.396	2.202	89.931						
10	.344	1.909	91.841						
11	.297	1.650	93.491						
12	.259	1.438	94.929						
13	.207	1.151	96.080						
14	.180	1.000	97.080						
15	.172	.956	98.035						
16	.136	.758	98.793						
17	.122	.677	99.470						
18	.095	.530	100.000						
(Extraction Method: Principal Component Analysis.)									

(Source: Author's calculations by using SPSS)

Extraction method: Principal Component Analysis of Employees

The total variance, extracted sums of squared loadings, and rotation sums of squared loadings are displayed in Table 3. The table shows that the total variance of the set of interrelated items is extracted to identify the underlying dimension in the data set by using principal component analysis of extraction and varimax with Kaiser Normalization for factor rotation. The cumulative percentage of extracted sums of squared loadings is 66.002%. There are four factors identified by using the stated method of factor analysis. The communalities, Eigen values, and total variance values are explained in the table and describe the total amount of variance explained by the factors.

Development of Factors: Table 4 explains the development of factors. Saving is the first factor that includes five variables. The second factor is budgeting, which has 4 variables; the third factor is investment which has 5 variables; and finally, the fourth factor is "purchase behavior," which has 4 variables.

Table 2.3: Factor Loading and Reliability

SL No	Particulars	Factor Loading	Factor Reliability	Mean value	SD
A.	**Savings**		**.880**	**3.720**	**1.24929**
	1. I believe that saving money is necessary.	.608			
	2. I save a portion of my income regularly.	.690			
	3. I can save despite having a low income.	.554			
	4. I put up my savings on property, a pension, a house, or in a collective investment scheme.	.553			
	5. I put my investments and savings in banks because I always trust financial institutions.	.678			
B.	**Budget**		**.899**	**3.668**	**1.19185**
	1. I am aware of my monthly income and expenditure.	.728			
	2. I save money each month for savings and future needs.	.748			
	3. I try to save and spend the rest of the money on day-to-day needs.	.736			
	4. I prepare my budget list before investing.	.642			
C.	**Investment**		**.840**	**3.046**	**1.25500**
	1. I Invest in insurance companies	.545			
	2. I invest in real estate.	.804			
	3. I invest in shares or stock markets.	.722			
	4. I ask suggestions from the experts before I invest.	.659			
	5. I believe that investing an amount of money that exceeded your monthly living is bad	.494			
	Purchase behaviour		**.897**	**3.683**	**1.46408**

D.	1. I prioritize buying the items that are necessary	.617			
	2. Before I buy something I carefully consider whether I can afford it or not	.679			
	3. I use a spending plan or budget	.700			
	4. I keep track of my expenditure and incomes	.721			

(Source: Author's calculations by using SPSS)

3. To measure the purchasing behaviour of employees towards personnel finance management.

Testing of Hypotheses: Multiple Regression Analysis

Null Hypothesis (H_0): There is no linear relationship between the purchasing behaviour of employees concerning savings, budgeting, and investment.

Alternative Hypothesis (H_1): There is a linear relationship between the purchasing behaviour of employees concerning savings, budgeting, and investment.

2.1. H0: There is no linear relationship between the purchasing behaviour of employees and savings.

2.1. H1: There is a linear relationship between the purchasing behaviour of employees and savings.

2.2. H0: There is no linear relationship between the purchasing behaviour of employees and the budget.

22. H1: There is a linear relationship between the purchasing behaviour of employees and the budget.

2.3. H0: There is no linear relationship between the purchasing behaviour of employees and investment.

2.3. H1: There is a linear relationship between the purchasing behaviour of employees and investment.

Level of Significance: 0.05 Percent

Table 3.1: Descriptive Statistics of employees

Variables	Mean	Std. Deviation	N
1.Purchasing Behaviour	3.6825	1.16408	400
2.Savings	3.6975	1.25696	400
3.Budget_	3.6675	1.19185	400
4.Investment	2.9850	1.26046	400

(Source: Author's calculations by using SPSS)

The dependent variable under study is employees purchasing behaviour, and the independent variables are savings, budget and investment.

Table: 3.2: Result of Multicollinearity of Employees

Variables	Collinearity Statistics		Findings
	Tolerance	VIF	
2.Savings	.560	1.786	No Multicollinearity
3.Budget_	.560	1.785	No Multicollinearity
4.Investment	.810	1.235	No Multicollinearity

(Source: Author's calculations by using SPSS)

Based on the coefficients output – Collinearity statistics, obtained VIF [Variance Inflation Factor] value of 1.1789, meaning that the VIF value is between, 1 to 10, it can be concluded that there are no Multicollinearity symptoms between the independent variables. From the above Table, all the Tolerance values were more significant than 0.1, and the VIF values were below 10. Thus, the results indicate that all the independent variables were not correlated with each other. Thus, a Multicollinearity problem does not exist.

Table 3.3: Results of Model Summary of employees

Mo del	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.674(a)	.455	.450	.86300	1.927

(Source: Author's calculations by using SPSS)

From the model summary table, it is evident that R =.674 indicates a positive correlation between the satisfaction of employees and savings, budget, and investment. The R2 value indicates the contribution of independent variables to the dependent variable, the employee's purchasing behaviour. In this case, 45.5% can be explained.

3.4: The Result of ANOVA Table of employees

	Sum of Squares	df	Mean Square	F	Sig.
Regression	245.747	3	81.916	109.987	.000(a)
Residual	294.931	396	.745		
Total	540.678	399			

(Source: Author's calculations by using SPSS)

This table gives you an F-test to determine whether the model is a good fit for the data. The result is significant according to p-value since P = 0.05 and the model is a good fit for the data. The analysis of variance table indicates that the regression model statistically predicts the outcome variable, which is the purchasing behaviour of employees, as the p-value is less than 0.05. Therefore, we can conclude that the relationship between purchasing behaviour and savings, budget, and investment is significant.

Table 3.5: Results of Coefficients of Employees

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Results
	B	Std. Error	Beta			
(Constant)	.992	.156		6.348	.000	
1.Savings	.206	.046	.222	4.476	.000	H0 -Rejected
2.Budget_	.436	.048	.447	9.005	.000	H0 -Rejected
3.Investment	.111	.038	.120	2.911	.004	H0 -Rejected

(Source: Author's calculations by using SPSS)

The coefficient table predicts employees purchasing behaviour from the independent variables' savings, budget, and investment. All three independent variables affect employee purchasing behaviour; out of the three independent variables, all three variables, have a p-value less than 0.05. Savings, budgets, and investments are statistically significant.

The prediction equation for the model is

Y (Purchasing Behaviour) =-.992+.206 (Savings) +.436 (Budget) +0.111(Investment)

For every 1 unit of savings of employees, it will lead to an increase of 0.206 in purchasing behaviour of employees; for every 1 unit of budgeting, it will lead to an increase of.436 in purchasing behaviour of employees; and for every 1 unit of investments, it will lead to an increase of 0.111 in purchasing behaviour of employees.

Interpretation:

The analysis of variance indicates that the regression model statistically predicts the outcome variable, employee purchasing behaviour, and all the independent variables, like savings, budget, and investment, are significant. From the three variables, all three independent variables affect the purchasing behaviour of employees, as the P-value is less than 0.05. Therefore, the relationship between purchasing behaviour and the three independent variables like savings, budget, and investment is significant. The study reveals that the null hypothesis is rejected, and the alternative hypothesis is accepted. The study reveals that a linear relationship exists between the purchasing behaviour of savings, budgets, and investments.

13. FINDINGS

- From the view point of Socio- economic background of the study describes, that there is an association between Gender with age, education and Occupation, but there is no association between Gender with Marital Status, Monthly income, Mode of Finance, Assistance to investment, Mode of Payment, Awareness, and Satisfaction respectively.
- The outcome of factor analysis suggests the correlation matrix appears to be factorable. Accordingly, the scales used here were judged to be reliable. The study explains that the relation between individual Personal finance management and four independent variables like savings, budget, purchasing behaviour and Investment is significant. So, the study reveals that there is a significant relation between individual Personal finance management and savings, budget, purchasing behaviour and investment. So, the study reveals that there is no significant relation between individual Personal finance management and four independent variables like savings, budget, Purchasing behaviour and Investment.
- The analysis of variance indicates that the multiple regression analysis statistically predicts that from the total three outcome variable the purchasing behaviour and three independent variables like savings, Budget and Investment is significant. So, the study reveals that a linear relationship exists between the purchasing behaviour of concerning savings, Budget and Investment.

14. SUGGESTIONS

- The discipline of personal financial management is still developing and is relatively new. It deserves academic financial recognition as an investment as well as corporate finance center, and more financial investigation and specialized centers are desperately needed.
- Even continuing personal financial management can cause the most financially aware person to lose their sense of balance or feel shocked because it is so challenging. Financial inclusion has been connected to financial literacy as well as knowledge of basic personal finance ideas and the ability to identify financial products and services in earlier studies on personal financial management behaviour. But because they lack financial literacy, the majority of people in developing countries does not have access to or use formal financial services.

- As a result, the strategy for financial inclusion now emphasizes the importance of financial literacy and skills in both developed and emerging countries. Additionally, financial institutions, their regulatory bodies, or other different stakeholder groups offer the majority of financial education programs with the intention of promoting the use of formal financial services, which can improve welfare.

15. CONCLUSION

The study showed that individuals who are more financially literate focused more on personal financial planning to pre-empt adverse impacts that poor financial planning might have on their lives, and vice versa. This further supports the idea that financial literacy is an effective predictor of a person's financial planning choices. Individuals who are thinking of opt-in and mapping their ways to financial well-being have to increase their awareness of the multiple areas of personal financial planning and be geared up with the required financial knowledge.

Hence the study results that good finances literally correspond to the budget, savings, and purchasing power plays a very important role in the management of personal finance of working employees. It is very important that each individual should have a personal financial plan in order to meet their financial goals and obligations. The findings of the study lead to suggest that awareness of personal financial literacy should be given to the employees working in various sectors who are responsible not only for the better utilization of their income but also to manage their savings and investment for a better future.

Finally, the study concludes that savings, budget, and investment are the factors that determine the purchasing behavior of individual employees toward personal finance management. Financial planning is not inborn quality, so it should be each individual's responsibility to learn the strategies to plan and manage personal finance. When effective financial planning becomes widespread in the country, economic growth will be stimulated (Case and Fair, 1999) and social problems arising from poverty and criminal activities would be minimized if not eliminated.

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