

**THE INFLUENCE OF FINANCIAL LITERACY ON EMPLOYEES'
FINANCIAL WELLNESS IN PUBLIC TECHNICAL AND VOCATIONAL
EDUCATION TRAINING INSTITUTES IN NYANDARUA COUNTY,
KENYA**

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**A Research Project Submitted to the Graduate School in Partial Fulfilment for
the Conferment of Degree of Master of Business Administration of Laikipia
University**

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DECLARATION AND RECOMMENDATION

Declaration

This Research Project is my original work, and to the best of my knowledge, has never been submitted for an award of a degree in any other Institution.

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ABSTRACT

Financial wellness is a condition of financial well-being in which individuals can meet current and future financial needs, such as paying for expenses and debt, whether expected or unexpected, and have plans for long-term financial goals, such as investing in assets and savings. There are many challenges facing employees that have negatively affected their work performance and well-being. These challenges include unsustainable debt burdens, house foreclosure, and poor work performance, loss of concentration at the workplace, higher stress and anxiety levels, and a lower level of good health. This results in lower levels of employee productivity, poor physical and mental health, and poor financial safety. This study examined the influence of financial literacy on employees' financial wellness in public technical and vocational institutions in Nyandarua County, Kenya. The particular objectives of this study were to evaluate the influence of financial knowledge on financial wellness, to examine the influence of cash management on the financial wellness of employees, and to evaluate the influence of debt management on the financial wellness of employees in public technical, vocational education and training institutions in Nyandarua County. The study was guided by prospect theory, mental accounting theory, and institutional theory. This study focused on public technical and vocational training institutes in Nyandarua County. The population was 174 employees, comprising all the institutes' employees. This included all cadres of management and different departments. The sample size comprised one hundred and twenty-one employees selected through a stratified random sampling technique. The research used primary data and adopted a correlation research design. The data collection involved using questionnaires, which were administered through pick and drop. The collected data was coded in readiness for entry into the statistical analysis software. The data was collected by cleaning, validating, and editing to help ensure accuracy, consistency, and completeness. SPSS was applied to help generate inferences and descriptions for statistical analysis. Regression analysis was applied to understand the influence of financial literacy on financial wellness. The following were the results of the study; financial knowledge, cash management knowledge and debt management knowledge explain 0.433 (43.3%), 0.536 (53.6%) and 0.512 (51.2%) of variations in financial wellness of workers in the public technical institutions in Kenya. The combined influence of financial knowledge, cash management knowledge and debt management knowledge explain 0.626 or 62.6% of variation in financial wellness. This shows that the combined is more than the individual variation in financial wellness. It was concluded that; cash management knowledge helps an employee spend money based on income and expenses, keeping a close personal watch on financial affairs, debt management knowledge enables an employee reliably pay off debt when due and evaluate the possible risk exposure before taking up an investment and hence financial literacy has significant influence on the financial wellness of employees in public technical and vocational institutions because, financial knowledge, cash management knowledge and debt management knowledge jointly have a positive and significant influence of financial literacy on financial wellness. The study recommends that employees should receive financial knowledge to help them make profitable economic decisions, and also to be encouraged to ensure optimum utilization of cash flows to ensure liquidity. In addition, the public TVET institutions should let their employees realize that over- borrowing results in financial problems. This study will benefit the researchers seeking to further their knowledge within the realm of financial education and behavior.

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LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|---------|---|
| ANOVA | Analysis of variance |
| CFPB's | Consumer Financial Protection Bureau |
| CIMA | Chartered institute of management accountants |
| KPA | Kenya Ports Authority |
| KTVTI | Kinangop Technical and Vocational Training Institute |
| KTVTI | Kipipiri Technical Vocational Training Institute |
| NACOSTI | National Commission for Science Technology and Innovation |
| NTVTI | Nyandarua Technical Vocational Training Institute |
| SACCO | Savings and Credit Cooperative Society |
| SPSS | Statistical Package for Social Scientists |
| TVET | Technical and Vocational Education Training Institutes |

OPERATIONAL DEFINITION OF TERMS

Cash Management Knowledge: this term refers to managing money collected, concentration, and disbursement, including safeguarding a sufficient level of liquidity, upholding positive cash balances, and efficient use of short-term and long-term investments. In this study, it was used to indicate that an individual is in a position to utilize money to ensure their economic well-being.

Debt Management Knowledge: This is the process of creating and implementing a strategy that can be used to manage debt with the purpose of raising the required amount of money, achieving the risks and cost objectives, and meeting debt management goals the individual could have set, such as to develop and maintain an efficient investment currently and in future. This study indicated that an individual is in a position to make good financial decisions and enable them to be free of debt, therefore attaining financial satisfaction.

Financial Knowledge: is a term used to refer to the acquisition of knowledge and comprehension of different financial products, developing skills and confidence that make a person aware of the financial risks involved and opportunities to make choices that are informed, seek assistance, and make an effort to improve financial well-being. Financial knowledge is a good indicator that an individual has acquired financial knowledge that enables one to develop the necessary skills to make informed financial decisions that help achieve optimal financial health.

Financial Literacy: is an understanding of various knowledgeable financial concepts, such as cash management and debt management, and the confidence, skills, and motivation to relate the knowledge and make meaningful financial decisions to advance the financial well-being of society and individuals.

Financial Wellness is a state whereby an individual meets their current and ongoing financial responsibilities, feels a sense of security, and makes better

financial choices that allow for life enjoyment. This study helped indicate an individual's position to oblige by current and future financial needs.

CHAPTER ONE

INTRODUCTION

1.1 Background of The Study

The history of vocational education and training institutions in Kenya is traced back to the pre-colonial period. These institutions trained people in formal and informal ways to do different jobs. The arrival of Europeans to Kenya in the late 17th century improved this education system. In the 1950s, industrial training centers were established, and in the early 1960s, most advanced vocational schools were transformed into secondary vocational schools. In 1948, the Mombasa Institute of Muslim Education was fully-fledged in East Africa to deliver technical and vocational education to Muslim learners. In 1972, the institution underwent a transformation and was rebranded as Mombasa Technical Institute. It became the Mombasa Polytechnic. The British colonial government, in the year 1954, instituted the Commission for Higher Education. Two years later, the commission recommended the formation of the Royal Technical College, established in Nairobi. The Royal Technical College later became the Nairobi University College. In 1961, the Kenya Polytechnic TVET institution was also fully-fledged in Nairobi to offer elementary craft courses that were phased out after 1966 due to the commencement of comparable courses in technical and vocational colleges. Currently, there are 1,918 TVET institutions, including national polytechnics, technical training colleges, and village polytechnics (GOK, 2019). The government has constantly developed policies governing VET as evidenced in TVET Act No. 29 of 2013, the Sessional Paper No. 1 of 2019 on Reforming Education and Training in Kenya, and the National Education Sector Strategic Plan (NESSP) 2018- 2022.

Financial wellness is an essential aspect people appreciate in their lives while in employment. The reality is that high prices of commodities make it difficult to afford basic commodities and subsequently affect the investment life of individuals. These further compromise many households' financial conditions and survival ability (Parcia & Estimo, 2017). Good management of financial resources by households and individuals leads to improved financial conditions, resulting in financial wellness.

Financial literacy renders into wealth and sustainable growth and supports the financial sustainability of persons, families, businesses, and national economies (Swiecka, 2020). According to (Nye & Hillyard, 2013) being financially literate measures an individual's extent of understanding of fundamental financial issues and capability of managing their economic life and circumstances. Financially literate individuals can rationally decide finance-related matters that affect their financial wellness. Financial literacy enables individual activities such as planning, saving, borrowing, investments, and wise spending, including financial risk management (Grohmann et al., 2014).

Financial literacy is acknowledged as an indispensable life-skill and is described as “a combination of awareness, knowledge, skill, attitude and behavior essential to make good financial choices and eventually to attain personal financial wellness” (OECD, 2016). Financial literacy is acquired by effectively integrating knowledge resources and practical experiences learned and gained. Employees become more financially knowledgeable when their financial literacy level increases; hence, their financial competence increases. Such employees make good financial decisions, both short and long-term investment choices, during their employment duration, as Lusardi & Mitchell (2014), pointed out that financial understanding affects fundamental financial decisions in life. In addition, (Hong & Fraser, 2021) opine that financial literacy can be pursued throughout life, and it must start early and continuously upgraded gradually which result dividends at a comfortable of retirement.

Parcia and Estimo (2017) define financial wellness as a situation whereby a person is satisfied from a financial perspective and can sort out money-related commitments due to the existence of enough money or adequate preparedness, including money saved. As stated by the (CFPB, 2015) that individuals who are financially sound are in a position to sort out their financial issues and have a safe future financially. Such people can enjoy life by managing financial transactions and providing for their families effectively. Financial wellness encompasses a person's competence to effectively manage their financial resources, attain financial stability, and achieve financial goals (Sajuyigbe, et al., 2024). Financial wellness is related with financial strain because of

poor financial literacy; this leads to increased personal financial pressure with increased levels of financial stress that pose a threat to financial wellness.

American families continued to struggle financially during their period of economic growth. According to the Society for Human Resource Management (2014), two out of five American workers noted an increase in financial stress five years after the economic recession's conclusion compared to the recession's onset. According to (MetLife, 2015) younger employees struggle with unparalleled student-loan debt, middle-aged employees face difficulties accumulating wealth, and supporting their families, and baby boomers encounter economic uncertainty while approaching retirement age. Harris (2015) opines that card debt is passed monthly in one out of three households in the United States, and historically, most adults did not monitor credit scores or reports. Harris (2015) voiced concerns about the economic stability of U.S. households, noting that nonretirement savings have declined in the past two years, and approximately one-third of adults have never saved for solitude. The American Payroll Association survey indicated that two-thirds of Americans survived from one pay packet to another, as described by Forsyth (2012). The monetarist service authority in the United Kingdom formulated a national strategy to enhance individual economic capability. Their aim was to decrease issues concern debt levels, boost savings, improve the efficacy of choosing insurance products, and diminish reliance on well-being support.

In 2007, the Indian Reserve Bank launched an initiative to create credit counseling and financial literacy centers in the country, offering free counseling and financial education to the old population. This ensured that citizens were financially literate, thus enhancing their financial wellness. The annual report about Bandari SACCO by (Kamunzyu & Kariuki, 2019) showed that most Kenya Ports Authority workers are loaded with debts in informal and formal financial organizations. Furthermore, the report showed that many workers preferred to practice small-scale business in which the returns have no impact or little on their well-being. The study found that although impartially remunerated employees never take opportunities presented in the financial markets, the contributing factor was the absence of financial literacy.

According to research conducted by (Ann, 2016) concerning the impact of individual financial decisions on financial knowledge of the staffs at Egerton University in the Nakuru County, findings reveal that the HR department approximated that 50% of the workforce never attains a third of their basic pay in accordance with government policies. In addition, Egerton University employees' SACCO report showed that loan defaulters on loan repayments included 10% of the employees. The default rate and employees' inability to fulfill one-third of their basic pay showed the probability of financial management problems. The reason for this problem could be the effects of financial literacy.

Financial wellness has been recognized as an essential aspect in supporting workers in monitoring their economic conditions; studies have shown that a high level of financial security enhances commitment, productivity, and retention within businesses (CIPD, 2017). Conversely, a decline in financial prosperity has a direct impact on the physical and psychological health of workers, leading to increased levels of anxiety, stress, and migraines (Barclays, 2014). This situation can detrimentally affect both employees and the company, particularly in terms of work productivity, as it results in reduced performance, diminished concentration, and increased absenteeism (Ullah & Yusheng et al., 2020). Additionally, poverty-stricken financial status has been linked to several incidents of suicide. Hence, it's imperative to carryout research on financial wellness to enhance overall living standards.

Financial literacy relates positively to personal financial spending, savings, and investment choices, implying that financially literate individuals select investments and savings with high yields. Lack of financial understanding disturbs personal debt management practices as a result of high debt desire. Employees who invest and save in diverse profitable savings plans leads to a high rate of returns; this is because of adequate finance knowledge, which helps them understand the diversification during saving and investment that, in turn, increases future economic prosperity. A person with passable monetary knowledge can influence their life and work conditions, thus valuable in projecting the future to increase revenues (Philippas & Avdoulas, 2020).

The significance of financial literacy is its strength that empowers individuals to make responsible financial decisions and realize financial comfort. This forms the tenet of financial wellness. It allows individuals to plan for emergencies and uncertainties facing individuals and households (Ismail & Zaki, 2019). In addition, financial well-being means that those who earn incomes undertake investment activities in a diversified means to create and sustain value for the holders of wealth (Leila & Sabri, 2015). Employees need to be financially literate to be effective in their roles to help improve the degree to which they can achieve their financial goals. Financial literacy provides individuals with necessary information, expertise, attitudes, and behaviors to manage their income to achieve their goals (Jayantha et al., 2019). Employees equally have the urge to be financially educated to be directly involved in managing their money, reducing social and psychological pressures, and increasing wealth accumulation.

The study by (Florah, 2011) explored the factors affecting staff performance in public technical, industrial, and vocational education training institutions in County Government of Kisumu, and found that incentives, pay systems, and compensation exist, whereby 79.49% of the participants agreed they were informed of their benefits and compensation when employed. The institution's benefits were diminutive compared to the private sector, with 72.3% of respondents expressing a positive view. When asked about receiving rewards for better performance, 63.08% disagreed. In terms of adequate compensation for job responsibilities, 64.1% of participants disagreed. Across all variables including sufficient payment for job responsibilities, clear communication on compensation and benefits upon employment, access to favorable benefits comparable to the private sector, and recognition for outstanding performance the mean score was below 3.5. This indicates that respondents generally disagreed with the presence of satisfactory incentives and compensation in the institutions.

Organizations perform because employees work with right skill set and in an industrious working environment, with good education and a competitive salary pay

and benefits rate that enhances their financial satisfaction. Various factors affecting workers' performance in technical training institutions in Nyandarua County need to be addressed to advance workers' performance and financial well-being. These factors include poor employee remuneration, lack of financial education programs, and lack of motivation incentives, resulting in employees feeling neglected and poor economic well-being. Shim et al. (2009) suggest that financial satisfaction is a social indicator reflecting contentment or discontentment with financial issues. Based on (InFRE, 2014) several employees imagine better economic lifestyles but cannot achieve them as it is explained by (Lusardi & Mitchell, 2011), that they are financially illiterate.

Lack of developing regular training about financial wellness and health, promoting a savings culture and investment opportunities, taking to benefit from low-interest rates loans, drafting budgets, and taking insurance cover results in poor financial wellness leading to financial stress, absenteeism, and tardiness, loss of concentration, poor job performance, and accumulating unsustainable debt burdens. CFPB (2015) asserts that financial prosperity is a situation in which a person can achieve present and ongoing financial responsibilities, ensure a secure financial future, and make better life choices.

1.2 Statement of the Problem

Financial wellness is a crucial aspect of employees' overall well-being, influencing their job satisfaction, productivity, and quality of life. In public TVET institutes in Nyandarua County, Kenya, employees encounter financial challenges, including high debt levels, poor budgeting, inadequate savings, house foreclose, bankruptcy, and limited retirement planning. These issues are attributed to lack of financial literacy, which affects their ability to make sound financial decisions. Despite the amplified recognition of financial literacy as an important factor in personal financial management, many employees in the public sector, including those in public TVET institutes in Nyandarua County, have not received formal financial education. As a result, they may struggle with economic instability, precipitating to stress, attenuated work performance, and low overall wellness. While the financial institutions and government have introduced financial literacy programmes, their effectiveness in enhancing employees' financial wellness within the TVET sector remains

underexplored. Previous studies on financial literacy have largely focused on students, entrepreneurs, and general population, with limited attention to employees in public TVET institutions. This institution provides a critical role in equipping students with technical skills for economic advancement; the financial wellness of their employees is essential for sustainable or continuous service delivery. Therefore, this study examined the influence of financial literacy on employees' financial wellness in public (TVET) institutions in Nyandarua County, Kenya. The findings provided insights into the extent of financial literacy among employees, its impact on their financial well-being, and potential strategies for improving their monetary stability.

1.3 General Objective

This study's general objective was to evaluate the influence of financial literacy on employees' financial wellness in public technical and vocational education training institutes in Nyandarua County, Kenya.

1.3.1 Specific Objectives of the Study

- i. To evaluate the influence of financial knowledge on employees' financial wellness in public technical and vocational education training institutes in Nyandarua County, Kenya.
- ii. To examine the influence of cash management knowledge on the financial wellness of employees in public technical and vocational education training institutes in Nyandarua County, Kenya.
- iii. To evaluate the influence of debt management knowledge on the financial wellness of employees in public technical and vocational education training institutes in Nyandarua County, Kenya.

1.4 Research Hypotheses

H₀₁: There is no statistically significant influence of financial knowledge on employees' financial wellness in public technical, vocational education, and training institutions in Nyandarua County Kenya.

H₀₂: There is no statistically significant influence of cash management knowledge on the financial wellness of employees in public technical, vocational education, and training institutions in Nyandarua County Kenya.

H₀₃: There is no statistically significant influence of debt management knowledge on the financial wellness of employees in public technical, vocational education, and training institutions in in Nyandarua County Kenya.

1.5 Significance of the Study

This research offers great input on theory, practice, and policy. With regard to the theory, it benefits the researchers seeking to further knowledge on financial education and behavior by identifying knowledge gaps in this area. This research contributes largely to personal finance as an emerging academic domain. The study outcome enhances the incorporation of personal finance in understanding behavioral finance concepts outlined in the study. This research benefits employees because it assists them to improve on sound financial decision-making. The findings will be advantageous to employers because financially literate employees are more reliable and productive. The knowledge acquired will offer insights into potential approaches the government can take to address financial literacy issues among the employees in tertiary institutions.

Policy issues relate largely to consumer protection in relation to their financial literacy and exposure to protect them against possible exploitation. Therefore, government and other policy formulation bodies will use the aftermath of the study to identify the need for policy guidelines on financial education. The final study outcome will help assess the critical issue of how financially prepared employees are in terms of retirement and their financial well-being during their employment, which is a key concern on the government agenda.

1.6 Scope of the Study

This study focused on evaluating the influence of financial literacy on employees' financial wellness in public technical and vocational education training (TVET) institutes in Nyandarua County, Kenya. Specifically, the study was conducted in three selected institutes; Kinangop technical and vocational institute, Kipipiri technical and

vocational institute, and Nyandarua institute of science and technology. The target population comprised 121 employees across these institutions, encompassing both non-teaching and teaching staff.

The study assessed various dimensions of financial literacy, including financial knowledge, cash management knowledge and debt management knowledge their influence on employees' financial well-being. Key indicators of financial wellness, such as financial security, insurance cover, investment planning and meeting financial obligations, was examined.

The research adopted a quantitative approach, utilizing close-ended questionnaires to collect data from the employees. The findings of the study provided insights into the financial knowledge levels among employees in public technical and vocational education training institutes in Nyandarua County and how these impacts their financial decision-making and overall financial stability. In addition, the study identified potential gaps in financial literacy and recommended strategies for improving financial education and support systems within public TVET institutes in Nyandarua County.

This study was essential in Nyandarua County due to the limited research on financial literacy among public technical and vocational education training institutes employees and the progressive importance of public TVET institutions in skills development. Employees in public institutions face financial challenges such as elevated debt levels and inadequate savings making financial literacy important for their well-being. Given Nyandarua County's rural economy, employees have additional financial obligations, highlighting the need for healthier financial management skills. The policymakers and education administrators will get information on ways to improve financial education, improve employee welfare policies, and support similar institutions in comparable rural counties across Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section discusses the theoretical review of literature, which incorporates the prospect theory, mental accounting theory, and institutional theory. It also looks at the empirical review of literature as well as the Conceptual Framework.

2.2 Theoretical Review of Literature

The section highlights in depth the three theories that mirrors the study, namely the prospect theory, mental accounting theory, and institutional theory.

2.2.1 Prospect Theory

Daniel Kahneman and Amos Tversky developed prospect theory in 1979. Prospect theory is a theory of decision making under conditions of risk. Decisions that are grounded on judgments. Judgments are assessments about the external state of the world. They are formulated particularly in challenging conditions of uncertainty, where it is difficult to foresee the outcomes of events with clarity. Choices comprise internal struggle over value trade-offs. They are more complicated when choices progress to contradictory values and goals. This principle directly addresses how these choices are framed and evaluated in the decision-making process

Prospect theory looks at framing or editing phase and evaluation phase as decision making process. Framing effects refer to the way in which a choice, or an option, can be affected by the order or manner in which it is presented to a decision maker. Framing is classified into the following functions, segregation and acceptance. Acceptance claims that once a decision maker is given a reasonable choice problem, he/she is not likely to recast it. Segregation suggest that people make decisions, they are likely to focus on the factors at hand that are relevant to the urgent problem, decision makers are not likely to adequately account for related factors which may have an actual impact on the result but do not appear to be directly relevant to the specific choice at hand.

The evaluation phase of prospect theory comprises value function and the weighting function. Value function consists of the gains and losses relative to the reference point, not in terms of final absolute wealth or welfare. Secondly, the asymmetric nature of the value curve which is steeper in the domain of losses than in that of gains and the third character is the S-shaped value curve which is S-shaped; meaning it is convex below the reference point and concave above it. The weighting function in each outcome is given a decision weight. This weight does not correspond directly to traditional notions of probability.

Prospect Theory has several limitations. First, it is primarily descriptive rather than normative, meaning it explains how individuals behave but does not prescribe how they should behave. Moreover, while this concept accounts preference, it lacks analytical precision to determine the extent to which individuals will deviate from rational behavior in different contexts. Another limitation is based on context risk dependence, as preferences can alter based on given scenarios, and how choices are framed, making it problematic to generalize across entire decision-making process. This theory is inadequate in explaining high-stakes as it applies to individual decisions instead of competitive or game-theoretic interactions. Furthermore, this theory largely addresses one-time decisions and does not explain how experience and learning over time might reduce biases. Finally, this theory ignores emotional and social influences, such as regret, peer pressure, and broader social norms, which plays an important role in decision-making process.

Prospect theory is scrutinized for adopting psychological concepts without adequate acknowledgment of complex mathematical calculations that surpass the average person's understanding. It is also criticized for neglecting to explore information utilization and its limited applicability in real-world decisions, for example, the choices made by consumers on important products and services. Additionally, the technique derived from prospect theory, known as framing, is criticized for its one-sided presentation of information, which may be deemed unethical in various consumer behaviors and situations

Hsu and Chiang (2014) explained the pension assets' expected rate of return using the prospect theory. Researchers assert that prospect theory serves as a framework for decision-making under risk, elucidating a firm's conduct in relation to earnings management. Cindy et al. (2018) in their study on how psychological aspects can influence the stock market, used the prospect theory to describe the behavior and influence decision-making on people who handle risk-involved circumstances that present chances of losses and gains. It accounts for the characteristics that include the condition that individuals are not consistent in their level of risk attitude. It also entails that people make a relative evaluation to appoint a reference when deciding on risk.

Prospect Theory assists to improve workers' financial wellness by recognizing how individuals perceive gains and losses asymmetrically, which influences financial knowledge, debt management and cash management. Employees struggle with financial decision-making process due to loss aversion, these results to evading necessary financial risks, for example capitalizing or budgeting effectively. When employers Understands this bias, it allows them to design financial education policies that simplify complicated financial concepts, which help employees build stronger financial knowledge and confidence. In regards to cash management, employees may prefer immediate liquidity compared long-term savings due to present bias, making automated savings programs and employer-matched contributions effective strategies.

In terms of debt management, employees focus on ways to avoiding losses instead of optimizing debt repayment, contributing to incompetent financial choices. By framing debt repayment strategies in a manner that leads to financial freedom in future in lieu of immediate sacrifices, employers can encourage better financial behaviors. Leveraging Prospect Theory principles in these areas helps employees develop smarter financial habits, reduce stress, and enhancing overall financial wellbeing.

2.2.2 Mental Accounting Theory

Richard Thaler (1985), a behavioral economist known for his work on behavioral finance, proposed this theory. Thaler presented the theory to explain how individual mentally classify, evaluate, and manage funds in separate "accounts" instead of treating

it as a convertible resource. His work challenged the traditional economic assumption that people make rational sound economic decisions by considering all available resources equally.

Theory operates on several fundamental assumptions that explain how individuals mentally classify and manage economic resources. To begin with, individuals mentally allocate finances into different accounts based on its source such as salary, bonuses, loan and business funds, or for intended purpose, like investments, savings, debt payment and other necessities, in steady of treating funds as interchangeable. This categorization ends up in diverse spending behaviors; individuals may demonstrate better financial discipline with their regular income though being inclined to spend unexpectedly. In addition, the assumption concerns the framing effects influence decision-making, this means that the way financial choices are presented can change a person's response. Furthermore, individuals are not able to integrate their mental accounts, resulting to suboptimal financial decisions, such as maintaining low-yield savings while concurrently carrying high-interest debt. To conclude, mental accounting proposes a reluctance to reallocate money in different accounts, even such a practice would be advantageous economically, due, psychological distinction leads to individuals being attached to separate financial categories. These assumptions emphasize both the advantages of structured financial management and the possibility for illogical financial attitude stemming from cognitive preferences.

Kőszegi and Matějka (2020) in their analysis of choice simplification based on the theory of naive diversification and mentality budgeting, noted that the theory explains the way agents make basic multi-product consumption choices considering factors such as consumption opportunities, taste, and the impact of costly price variations. Similarly, Huebner et al. (2020), in their study on mental accountability by using smartphones and increasing the resilience of transactions using credit cards, allows consumers to lessen their spending and noted that the theory could be used to explain over-spending using a credit card represents a vital issue for consumers and that over-spending ascends in parts that are from transparency on reduced payment in comparison to cash and other payment techniques. Additionally, weekly spending on credit cards indicated

a higher variance even on an intra-personal level, making it hard to intuitively learn from previous transactions and controlled spending.

Theory offers several advantages to employees, concerning financial knowledge, it assistances employees develop structured financial habits by inspiring them to classify income and expenses, simplifying tracking of spending and savings. This structured approach can result to improved financial wellbeing and enhanced decision-making process. Regarding cash management, this theory allows employees to allocate money into specific cash budgeting and priority spending, such as rent, as well as investment planning, promoting disciplined spending and avoiding financial mismanagement. This segmentation helps in maintaining financial security by ensuring that essential expenses are carted for before discretionary spending. Mental accounting theory helps employees in prioritizing debt settlement by developing dedicated mental accounts for credit card payments or loans, helping employees stay on track with financial responsibilities. In additionally, by framing debt repayment as a strategic financial goal rather than a burden, employees are motivated to reduce liabilities systematically. Overall, Mental Accounting Theory provides a applied structured procedures for employees to manage their finances effectively, reduce financial anxiety, and improve overall financial wellness.

2.2.3 Institutional Theory

Meyer and Rowan (1977) founded the theory, which involves an examination of procedures and approaches through which behavioral norms are set with given frameworks or institutions. This involves the application of regulations and structural mechanisms that regulate the socioeconomic behavior of people. The assumption is that different income brackets are guided or framed under different institutional exposures, determining their savings and other monetary-related decisions (Kamunzyu & Kariuki, 2019).

A primary assumption concerning this theory is that institutes strive for legitimacy by complying to established organizational standards and expectations, often adopting structures and practices that are in agreement with societal values to gain acceptance

and stability. This perspective advocates that institutional actions are not solely driven by rational choice but are significantly influenced by the desire to adhere to existing institutional pressures and cultural frameworks. Consequently, institutions may implement widely recognized practices to improve their legitimacy, even though such practices do not directly contribute to better performance.

Institutional Theory suggests that organizations are profoundly influenced by the formal rules, norms, and prevalent in their environments, resulting to adopting cultural beliefs, structures and practices that are in agreement with societal expectations to gain legitimacy and stability. This perspective assumes that institutional behaviors are not solely driven by sound or efficiency decision-making but are significantly designed by the desire to comply to institutional pressures and cultural frameworks. Consequently, organizations may execute widely Institutional norms to improve their legitimacy, while such cultures do not substantively enhance to better-quality performance. This theoretical framework underscores the importance of fathoming the cultural and social contexts within which institutions operate, as these situations profoundly influence institutional structures and actions.

Institutional theory, has provided indispensable insights on how institutions shape organizational behavior, it has faced numerous critics. One significant criticism was the tendency to put emphasize on stability and homogeneity, while ignoring the dynamics of change and the functions of individual agency in the transformation of institutions. Suddaby (2010) claims that this idea leads to overemphasis on conformity, neglecting the means which actors argues that this focus can lead to an overemphasis on conformity, neglecting how actors can ratify change within organizational frameworks. In addition, the theory has been criticized for lacking indispensable perspective; Institutional processes has been described without challenging the power structures and inequalities that may continue.

Willmott (2015) noted that the absence of a crucial stance hinders this concept's capacity to focus on issues of domination and emancipation within organizational contexts. Furthermore, Institution theory may insufficiently account for the influence

of external factors such as economic situation and advancement in technology on institutional evolution, possibly leading to an incomplete understanding of institutional adaptation and change.

Greenwood et al. (2010) used the institutional theory in their analysis of the heterogeneity of organizational and the multiplicity of institutional logic replies. They concluded that Family logic affects the decision to downsize, especially in smaller firms. Aldrich and Yang (2014) used the same theory in assessing entrepreneurs' knowledge and what should be done, planning and learning new ventures where they argued that generating profitable and viable ventures depends on the habits, searching, and routines that entrepreneurs have assimilated from family, work careers and schools before starting. Learning by doing is also done through experimenting and borrowing throughout the startup process.

Institutional theory is important to employees in several ways. In regards to financial knowledge, it helps employees make informed financial decisions and plan for long-term financial stability. In terms of cash management, the organizations influenced by institutional policies may implement programs such as, automated savings plans, salary structures and financial wellness programs that inspire employees to manage their salary efficiently. These leads to employees having financial discipline that helps them allocate resources wisely. When it comes to debt management, employees learn to avoid high interest loans, repayment of debt on time and living within their means, which can precipitate to reducing financial stress, improving productivity and the overall financial wellness.

2.3 Empirical Review of Literature

2.3.1 Financial Knowledge and Financial Wellness of Employees

Individuals with impeccable knowledge in finance related subjects act opportunistically on matters concerning investments, improving personal welfare on wellness; hence, it increases financial satisfaction (Huston, 2017). Financial knowledge involves comprehending essential terms and concepts crucial for daily functioning. For employed women, financial literacy encompasses components such as the division

concept, understanding interest rates, recognizing the impacts of both direct and indirect inflation, implementing risk diversification, assessing the expected future value of a present amount considering inflation, and making sound investment decisions. This proficiency plays a pivotal role in shaping the financial wellness of women and influences the overall economic prosperity of employees (Zufiqar, 2016).

The findings of adults between 20 and 40 indicated that individuals with higher marks in financial literacy scored better in their financial well-being (Mohamed, 2017). Well, a passable level of knowledge apparently helps young workers between the ages of 20 and 40 years to progress their financial skills, aiding in the development of the economic skills necessary for achieving financial wellness (Abdullah et al., 2019). Prakash et al. (2022) acknowledged the value of imparting perceived economic welfare to new workers, especially staff in engineering section. The results suggest that a deficiency in financial confidence plays a substantial role in contributing to individual poor financial welfare.

Vuren et al. (2017) assessed how the financial health of workers affects the extent to which they are productive and the rate at which they absent themselves from work. The study was contextualized in manufacturing firms in South Africa. A cross-section approach was applied. A sample of 872 workers surveyed, and information gathering was conducted through the use of set of printed questions. The analysis involved quantitative methods, specifically focusing on examining mediating role of absenteeism. The study concluded that financial well-being positively affects productivity.

Ismail and Zaki (2019) conducted a study to answer the question regarding how those who are financially literate, as well as those who are financially stressed, vary in terms of financial health. The basis of the paper was that the extent to which one is financially literate or stressed affects one's financial health. The research was quantitatively approached, and data collection was done using questionnaires. In this study, 140 respondents were sampled using a table suggested by Sekaran and Bougie (2014). The sampling approach was such that respective unit had an equal opportunity of being

chosen. The conclusion was that the financial health of people is positively related to the extent to which people are financially literate or stressed.

According to (Setyoningrum et al., 2021) being literate financially empowers people to make lucrative economic decisions, utilize financial products and services effectively, and cultivate investment behaviors that contribute to sustainable economic growth and overall happiness. Capacity building and experiences generally in financial services and products amplify financial knowledge. Making the right financial decision on the financial products and services used is essential, thus increasing financial wellness (Ismail et al., 2019). Earlier studies revealed a strong relationship between financial behavior, financial knowledge, and financial wellness (Adiputra, 2021). Evidently it is without doubt that financial knowledge is the key to employees making a decision that will affect their future livelihood.

Kamunzyu and Kariuki (2019) conducted a study to help establish how the decisions to invest and the nature of investment rely on how financially literate a person is. The heart of the examination was the KPA Mombasa, Kenya. The study targeted 326 workers. Data collection was through the use of questionnaires, and secondary data was also utilized. SPSS version 23 was used for data analysis. The study concluded that being knowledgeable in debt management, savings, and budgeting positively improves investment decision-making. Additionally, the examination did not dwell on fiscal literacy and its influences on employees' financial wellness. Financial knowledge helps a person to make good plans, such as selecting good investment options, paying bills on time, borrowing loan facilities with low-interest rates, and making the right saving initiatives, which can lead to financial satisfaction and wellness.

Financial knowledge involves the need to make an informed judgment and helpful financial practices concern money, given the ongoing and future use of financial resources, therefore enhancing financial well-being. Jacob et al. (2000) asserts that being informed of finances is a personal fiscal capabilities and explicit knowledge that comprises the aptitude to understand financial conditions and concepts and change this

behavior of knowledge. Right financial skills can help a person achieve healthy financial wellness (Widyastuti, 2020).

Financial knowledge assists in making profitable financial decisions, effective utilization of financial services and products, improve financial behaviors towards sustainable economic growth and happiness (Atmaningrum et al., 2021). Possessing a solid understanding of financial matters empowers individuals to analyze financial information effectively, enabling them to make informed decisions regarding wealth accumulation, debt management, and overall financial well-being. Individuals with high-levels of subjective financial knowledge have lower chances of avoiding financial information that assists them to critically analysis financial knowledge which could support them to participate in a more prudent financial behaviors and accomplish better financial wellness as described by (Lind et al., 2020).

2.3.2 Debt Management Knowledge and Financial Wellness of Employees

Money spending is the total cash kept in one's possession for routine expenditures or incidental purchases. Good finance planning leads to accumulation of wealth therefor avoid debts that results to poverty and psychological. This has been emphasized by (Ong et al., 2019) that the significance of debt management knowledge can improve psychological functioning and decision making by instituting a debt-relief programme. In addition, many employees are in financial crisis because they are required to utilize whatever that they have acquired on expensive goods such as cars, trademarked garments, laptops, computers, and communication apparatus to be recognized into a community that acknowledges these products as necessities instead of luxuries. This has been further amplified by {Anthens, 2004; & Lorgat 2003}, who explain that many people have the mentality of instant gratification, which entices them to spend more than what they need.

Debt management is the agreement between the debtor and the creditors to settle the debt. Proper debt management allows individuals to make regular monthly payments and better control of finances, and interest and charges could be frozen. Sucuhai (2013) put emphasis on debt management skills as crucial in financial literacy evaluation

because it enables a person to acquire capital at minimum cost. Research has indicated that financially illiterate people have a higher likelihood of having debt problems, as they are likely to over-borrow, overspend, save less, and make poor financial decisions, resulting in financial stress and hence leading to poor financial well-being. A high level of indebtedness is problematic and endangers the financial wellness of many households and individuals. Studies have indicated that some factors influence financial behavior, but they harm financial wellness; they include attitude toward money, unrealistic goals, debt tolerance, levels of financial knowledge, and cognitive dissonance. Employees, especially young people at early stages in their careers, tend to be more open to embracing debt compared to the overall population; because of this optimism, they are more likely to reconcile with debt in the late stage of their careers, according to Davies and Lea (1995).

Several studies underlined the significance of financial well-being for people and their households. According to (Mavrincac & Chin, 2004) a considerable number of people lacks sufficient financial knowledge, which leads to excessive debt and bankruptcy. The inability to understand basic concepts of finances and wrong judgment on financial decisions, including retirement plans and borrowing decisions, is mostly facilitated by low levels of financial knowledge. Person with good financial literacy increases the likelihood to save and invest, avoid or repay debt on time, spending less than their income earned and live within a budget.

Kotz'e and Smit (2018) implored on the importance on addressing literacy needs of providing financial training to enhance self-confidence in financial control and decisions concern investment decisions. Insufficient training on financial matters leads to higher debt levels, affecting financial management and investment decisions and an entrepreneur's ability to launch new ventures. Debt management is essential because it improves decision-making and psychological functioning by establishing a debt relief program (Ong et al., 2019). Debt is viewed as a financial burden and a psychological problem. Debt management is vital for young workers because many debts cause financial stress (Abdullah et al., 2019). A high debt rating harms the credit score, resulting in difficulties in getting sufficient financial resources to enable individuals to

attain their financial goals. The significance of debt management is that it provides insight into financial management. Therefore, it improves financial well-being.

Lusardi and Tufano (2015) opined that individuals of lower fiscal knowledge have a higher likelihood of having problems with debt. This is contributed by the high cost of borrowing, high cost of transactions, and lack of necessary information that they cannot access. Individuals with low numerical ability cannot calculate the interest rate and debt payment period; therefore, they borrow more, increase their debt, and accumulate little wealth. Similarly, (Stango & Zinman, 2006) indicate that individuals with wrong calculation of interest on loan payments continue borrowing more and accumulating inadequate wealth. Illiterate employees exhibit poorer debt behavior compared with those who have medium to high levels of financial knowledge. The findings of (Bahovec et al., 2015) which they did in Croatia, suggested that participants exhibited different levels of debt behavior because of the varying levels of economic knowledge. Persons with good financial understanding are inspired to maintain a well-organized financial record keeping that enables them to invest in portfolios with low risk but good returns, increasing their economic well-being.

2.3.3 Cash Management Knowledge and Financial Wellness of Employees

Optimum utilization of cash flows to ensure liquidity is referred to as cash management; it involves the proper collection, investment, and cash disbursement to realize profitability. Cash management is a practice of allocation and distribution of revenues for daily expenses, savings for futuristic objects, and assets creation which has a significant influence on financial wellness (Adiputra, 2021). Being a good steward of money will ensure that an individual can make proper budgeting plans, investments, and savings, and putting up an insurance cover that ensures sound cash management practices that will result in good financial well-being. CIMA (2002) pointed out that cash utilization is essential in every organized unit, and financial experts claim that cash is the lifeblood of any business. This is also applicable in personal life since every individual needs cash to meet their daily needs.

Proper cash management mirrors financial wellness. According to (Mugenda, 1998) life satisfaction can be pursued through ways of managing money. Xiao et al. (2006) asserts that people who are good stewards of their financial well-being, such as timely bill payments, are free of debt, and the presence of savings, investments, and insurance tend to express greater satisfaction with their financial situation in contrast to those who struggle to manage their finances effectively. Financial illiteracy leads to people making unsound financial decisions that result in mismanagement of their financial resources, leading them to bankruptcy compared to people who are financially knowledgeable and who take responsibility for their financial well-being; thus, they live comfortably during the employment period and after retirement.

In 2013, Olima conducted a study on the consequence of economic education on the particular economical administration of staffs at the Kenya Revenue Authority in Nairobi. The results of the investigation pointed out a meaningful impact of fiscal knowledge on financial control. This influence was attributed to the positive effects of financial education programs, which contributed to the enhancement of skills related to retirement planning, credit management, strategic tax planning, insurance, estate planning, and other liabilities. Generally, the participants experienced a notable influence of financial knowledge on their financial planning. Therefore, creating detailed and elaborate educational programs to help respondents understand and be aware of the aspects of financial literacy, such as planning for retirement, credit management, planned taxing, insurance, estate planning, and other liabilities. The advantages of a sound financial practice are that it enables an individual to have a well-organized financial plan that meet their economic goals and obligations, avoid economic risks, and make reasonable financial decisions while taking advantage of every available opportunity in the financial market leading to financial practice which are healthy.

behavioural and wellness status. Financial knowledge assists people in making sound financial decisions, as this results in an increase in wealth. Financial knowledge was measured on questions based on how an individual can make investment choices, savings, and knowledge in making financial decisions.

Cash management knowledge ensures that there is a positive cash flow to meet the needs and wants which are essential in life. Sound cash management is the mirror of financial health. Cash management knowledge was measured by questions regarding good cash budgeting and priority spending. Debt management knowledge enables a person to effectively plan for financial resources to avoid overspending, which results in indebtedness. The major objective of personal debt management knowledge is to achieve financial stability, the ability to fulfil the needs, desires, and abundant money, hence the financial satisfaction resulting in personal financial well-being questions regarding risk management and record keeping debt management were used to measure individual debt administration.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

Chapter three highlights research design, target population, sample and sampling methods, the research tools employed, procedures for data gathering, approaches to data analysis and presentation, data diagnostics, and ethical standards.

3.2. Research Design

A research design described by (Cooper & Schindler, 2014) as a blueprint or roadmap that a researcher uses to guide his or her study. There are various types of research design such as pure research, applied research, descriptive research, analytical research, fundamental research, conceptual research, empirical research, longitudinal research, laboratory research, exploratory research, and conclusion-oriented research (Pawar, 2020). Correlation research design was used in this study. A detailed and comprehensive data was collected using this design. Furthermore, this research design provides results that are more applicable. Additionally, it is more beneficial since it allows one to determine the strength of the data in the latter studies and to narrow the findings. This research method was employed because it was concerned with the degree to which variables had an association with one another.

3.3. Target Population

According to (Kothari & Garg, 2016) a population comprises all the items of any field of enquiry. A target population is the entire group of people who share a common characteristic the researcher is interested in studying (Elfil & Negada, 2017). The target population comprised employees of public TVET institutes in Nyandarua County. There were one hundred and seventy-four (174) employees in all the public technical and vocational education training institutes under the study as of February 2023 from the State department for technical, vocational, education, and training institutions.

Table 3.1 Target Population

| S/No | Institution | Target population |
|------|---|-------------------|
| 1 | Nyandarua Institute of Science and Technology | 139 |
| 2 | Kipipiri Technical Training Institute. | 21 |
| 3 | Kinangop Technical Training Institute | 14 |
| | TOTAL | 174 |

Source: State Department for Technical and Vocational Training Institution (2023)

3.4. Sample and Sampling Procedure

A sample is the smaller group from a target population, obtained for research, Mugenda and Mugenda (2009). Upagade and Shende (2012), described a sampling as a source list that incorporates all names of the universe. Sampling was used because it enables the researcher to bring the population to manageable numbers, hence minimizing errors from the respondents, resulting in greater outcome accuracy and reducing the cost. It also enhances the greater speed of data collection.

Sampling technique is a method used by a researcher in picking a sample from the main population used in research (Kothari & Garg, 2016). Sampling techniques are of two types: probabilistic and non-probabilistic. Probabilistic sampling uses randomization, while the non-probabilistic sampling technique does not use randomization. Randomization reduces the chances of biases and, therefore, is more scientific. Several non-probabilistic sampling techniques are used; they include purposive, quota, snowball, convenience, and self-selection sampling. This study used the purposive sampling technique to choose a sample from a targeted audience. This sample design was preferred because it allowed the research to gather qualitative responses that provided better insight and provide more precise research results. It was also cost-effective and time-effective.

The sample size is a definite number that participants intended to be ambassadors of a research group; it is anticipated that this sample will maintain a proportional connection to the targeted group from which it was drawn (Cooper & Schindler, 2014). This study

used Yamane’s (1967) formula to ascertain the proper sample size, appropriate sample size, as depicted below:

$n = (N) / (1+Ne^2)$ where; N= the size of the sample population, n = the sample size, e = acceptable margin of error (5%) $n = 121.254$. Therefore, Sample size =121.

The actual sample size is as given in Table 3.2;

Table 3.2: Sample Size Distribution

| Institution | Target Population | Sample Size |
|--------------------------------|--------------------------|--------------------|
| Nyandarua National Polytechnic | 139 | 97 |
| Kipipiri Institute | 21 | 14 |
| Kinangop Institute | 14 | 10 |
| Total | 174 | 121 |

3.5. Research Instrument

Researchers can collect two types of data: primary and secondary data. According to (Cooper & Schindler, 2014) primary data that is collected in the first time to solve a particular research problem at hand. This study collected primary data. Various research instruments are used to collect primary data, questionnaires, and interview schedules. This study used a close-ended questionnaire. A questionnaire is easy to oversee, code, and analyze, thus allowing evaluations and quantification, and has a higher likelihood of producing a fully complete questionnaire that avoids irrelevant responses (Sarantakos, 2005). The data collection involved the use of a questionnaire. The drop-and-pick technique was used to administer the questionnaire. This helped reach out to the targeted respondents adequately since some of them did not have time for one-on-one administering because of their busy schedules.

Reliability was ensured through a pilot analysis, which was done at Laikipia West technical and vocational college, with a population of 28 people in Laikipia County. The pilot analysis helped to make the necessary corrections for the research instrument to ensure the questionnaires were objective, focused, and accurate. Lack of clarity was

checked, and corrections were made when revising the research instrument before executing the actual research.

3.5.1. Reliability of Research Instrument

Reliability measures the consistency of results from the test (Kothari, 2004). In testing reliability, the internal consistency method was applied using Cronbach's Alpha. This technique uses a single instrument administered to groups at the same period, the alpha coefficient value ranges from 0 to 1. An acceptable reliability coefficient of 0.7 is recommended by Schindler (2008). For this study questionnaire, Cronbach Alpha was 0.7, thus making it acceptable.

3.5.2. Validity of Research Instrument

Validity guarantees the researcher to draw useful and meaningful conclusions from the research tool (Creswell & Plano-Clark, 2014). To ensure relevance, focus, accuracy, and consistency throughout the research, the questionnaire was meticulously crafted. Content validity, chosen for this study, assesses the adequacy of the instrument's content. The researcher verified data validity by consulting experts, particularly supervisors in the field of study, seeking their input to ensure the accuracy and comprehensiveness of the research tools.

The study ensured that the instruments for data gathering were subdivided according to the variables and the specific objectives of the research. This organization aimed to gauge the comprehensiveness of the content and its representation of the measured behavior domains. The examination in the instrument's content validity was employed to understand how other researchers have dealt with a comparable primary data set in similar settings. Content validity was verified by demonstrating the instrument's internal consistency through correlation, the data from the measure with another measure of the same construct, and by showing a change in the post-test data over the fore-test data. The validity of the questionnaire was also tested by appraising it with the University supervisors and other researchers.

3.6. Data Collection Procedure

The letter of authority was acquired from Laikipia University authorizing the primary collection of data from the institutions mentioned. The permit from the national commission for science, technology, and innovation (NACOSTI) was obtained using the letter from the University. The researcher then made a physical reconnaissance visit on the site and the target populations to have the respondents' informed consent. This comprised an elucidation of the intended study and data collection setting dates. The questionnaires were disseminated to the targeted audience and filled and collected.

3.7. Data Analysis and Presentation

Data analysis according to (Kombo & Tromp, 2009) it is the analyzing the collected data and formulating deductions and interferences. The researchers further explained that data analysis plays a crucial role in breaking down extensive data sets into smaller, meaningful fragments. This research coded the questionnaires of each question in line with the research objectives to ensure that data is processed and done easily. The examination of collected information was done in two levels: descriptive data and inferential statistics.

According to (Glass & Hopkins, 1984) the descriptive study involves the process of gathering data that defines events, which are organized, tabulated, depicted, and described. Data analysis was done through SPSS. Inferential analysis in the form of regression analysis and ANOVA analysis was done on the quantitative data. Regression analysis, partial and multiple regression, was done to evaluate influence of financial literacy on the financial wellness of employees in TVET institutes in Nyandarua County. Analysis of variance (ANOVA) was applied to assess the model suitable for comparing the p-value with the critical value of 0.05 and establish existence of a significant linear relationship linking the independent variables and dependent variables.

Partial regression analysis employed to demonstrate to what extent a given independent variable describes the dependent variable while keeping all other independent variables constant. This was applied in relation to multiple linear regression analysis to determine

to which extent one dependent variable multiplies if one dependent variable is multiplied with a single unit and all other dependent factors have been kept constant.

The following expression explains the relationship and correlation between financial literacy and financial wellness.

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \dots\dots\dots (1)$$

Equation (1) explain how much financial knowledge explains the financial wellness of employees in TVET institutes in Nyandarua County.

Where: Y = Financial wellness of employees

β_0 = Constant term

β_1 = Coefficient

X_1 = Financial knowledge

ε = Error term

$$Y = \beta_0 + \beta_2 X_2 + \varepsilon \dots\dots\dots (2)$$

Equation (2) was used to explain how much cash management knowledge explains the financial wellness of employees in TVET institutes in Nyandarua County.

Where: Y= financial wellness of employees,

β_0 = constant term.

β_2 = coefficient

X_2 = Cash management knowledge

$$Y = \beta_0 + \beta_3 X_3 + \varepsilon \dots\dots\dots (3)$$

Equation (3) explain how much debt management knowledge explains the financial wellness of employees in TVET institutes in Nyandarua County.

Where: Y = Financial wellness of employees

β_0 = Constant term

B_3 = Coefficient

X_3 = Debt management knowledge

A multiple regression model was developed to analyze the data. The model accounted for all the potentially important factors in a single model. In addition, it is accurate and provides a precise understanding of the association of each factor with the outcome.

Also, it provided a link between the various correlation and ANOVA models. The representation of the mode is shown as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \dots \dots \dots (5)$$

Where;

Y= Economic Wellness of employees.

β_1 - β_3 = Regression coefficients to be estimated,

α = constant term.

X_1 = Financial knowledge

X_2 = Cash management knowledge

X_3 = Debt management knowledge

ε = Error term.

Diagnostics Test

The study carried out diagnostic tests to examine the significance of the research models. Further the study used normality test Multicollinearity and heteroscedasticity.

Normality Test

Normality tests was utilized to determine if data was well modeled by normal distribution and calculate how probable it is for a random variable governing the data set to be normally distributed (Saunders et al., 2015). Unstable confidence levels make hard to estimate coefficients based on minimization of the least square. The presence of uncommon data point may be indicated by non-normal distribution. Q-Q plots, statistical test such as Kolmogorov-Smirnov test and the Shapiro-Wilk test can be used to measure normality; (Keith, 2019). The Q-Q plots was used in this study.

Multicollinearity

Multicollinearity occurs when two or more independent variables in a regression model have a high degree of correlation with each other, statistically. Multicollinearity can be analyzed using tools such as variance inflation factor (VIF), condition index and condition number, and variance decomposition proportion (VDP) (Kim, 2019). Multicollinearity was analyzed using Variance Inflation Factors (VIF). The VIF value of 10 is recommended as the maximum acceptable value.

Heteroscedasticity

Heteroscedasticity it is the situations where the variance of the residuals is unequal over a range of measured values, which makes the confidence intervals and hypotheses tests unreliable. In testing heteroscedasticity, a scatter plot method indicated the distribution of residuals vs the fitted values (predicted values). The Breusch-Pagan test was also used for normally distributed data. This study used a Breusch-Pagan test. A P-value less than 0.05 shows the presence of heteroscedasticity in the regression model.

3.8. Ethical Consideration

A letter of authority was obtained from the Laikipia University institutional ethics review committee authorizing the collection of data from the institutions (Appendix I). A permit was obtained using the NACOSTI letter for collecting data (Appendix II). This was to guarantee that ethical issues are compiled to throughout the study. Ethical considerations of this study was to maintain the validity, confidentiality, credibility, objectivity and integrity of the research as while as protecting the rights and well-being of participants. This is emphasized by (Waweru et al., 2021) indicated that research ethics issues must be observed in research, they include; informed consent, objectivity, confidentiality and honesty in handling of data and storage. This research obtained informed consent to ensure that participants clearly understood the purpose, procedures, potential risks, and benefits of the study before voluntarily agreeing to participate. The study-maintained confidentiality and anonymity as vital to protect participants' privacy and personal information. In addition, this study-maintained information manipulation, integrity and objectivity by avoiding bias, or distortion, ensuring the accuracy and reliability of results. It was also important to minimize any potential harm that could arise such as psychological, emotional or physical that individual may have experienced throughout the research process.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter analyzes, interprets data and presents findings in line with the objectives of the study, which included, evaluating the influence of financial knowledge, examining the influence of cash management and evaluating the influence of debt management on the financial wellness of employees in public TVET institutes in Nyandarua County. The response rate, the pilot study results and normality test results are presented in this chapter. Both descriptive statistics in the form of totals, percentages, mean and standard deviation and inferential statistics comprising of correlations, ANOVA and regression analysis are presented in this chapter.

4.2 Response Rate

The targeted respondents were 121 employees, however, the study received responses from 91 respondents, thereby giving a response level of 75.2% indicated in table 4.1. The response level was regarded as very good and therefore appropriate for data analysis. According to (Mugenda & Mugenda, 2009) a response rate of 50 % is adequate, 60 % good, and response rate exceeding 70 % is rated as very good.

Table 4.1 Response Rate

| Category | Frequency | Percentage (%) |
|--------------|------------|----------------|
| Response | 91 | 75.2 |
| Non-response | 30 | 24.8 |
| Total | 121 | 100.0 |

4.3 Reliability Test Results

Reliability of a research tool was determined using cronbach alpha coefficients (Zikmund et al, 2013). The cronbach's alpha coefficients were used to measure internal consistency of the research tool. A score of at least 0.7 is considered to be trustworthy according to Orodho (2005). In the specific testing the alpha scores obtained for every variable was as shown in table 4.2 where the financial knowledge obtained an alpha

Score of 0.8112, cash management with alpha score of 0.8364, debt management knowledge had internal reliability score of 0.7097. The dependent variable, financial wellness had an alpha score of 0.8463. Therefore, the research instrument was deemed reliable based on the cronbach's alpha coefficients which were at least 0.7.

Table 4.2 Reliability Test Results

| Variable | Number of Items | Cronbach's Alpha |
|---------------------------|------------------------|-------------------------|
| Financial Knowledge | 12 | .8112 |
| Cash management Knowledge | 7 | .8364 |
| Debt Management Knowledge | 5 | .7097 |
| Financial Wellness | 4 | .8463 |

4.4 Demographic Information

The demographic information that was analyzed in the study comprised the following;

4.4.1 Respondent's Gender

The study seeking to determine the gender of the respondents working in the public technical and vocational institutions in Nyandarua County. From the research results it is evident that most of the respondents were males 69 constituting 75.8 % while female respondents were 22 comprising 24.2%. From the tally it was suggested that majority of the staff working in public TVET institutes are males. A fair gender balance was represented by the distribution an indicating a thriving effort of various gender integration campaigns as shown in Table 4.3. Hence, the public TVET institutes incorporation with government agencies should ensure there is a balance between ratio of men to women working in those institutions.

Table 4.3 Respondents' Gender

| Gender | Frequency | Percent |
|---------------|------------------|----------------|
| Female | 22 | 24.2 |
| Male | 69 | 75.8 |
| Total | 91 | 100.0 |

4.4.2 Respondent's Age Group

From the frequency distribution Table 4.4, it was evident that majority age group comprising 38.5% was between 18 and 29 years followed by those at 30-39 years at 31.9% those between 50-59 years at 18.7 % and those aged between 40 and 49 years constituted 11.0%. The distribution of the respondents' ages implies that most employees at public TVET institutes are youthful below 40 years and were within the age affected by financial literacy levels.

Table 4.4 Respondent's Age Group

| Age Group | Frequency | Percentage (%) |
|------------------|------------------|-----------------------|
| 18-29 Years | 35 | 38.5 |
| 30-39 Years | 29 | 31.9 |
| 40-49 years | 10 | 11.0 |
| 50-59 years | 17 | 18.7 |
| Total | 91 | 100.0 |

4.4.3 Respondent's Level of Education

From the findings participants with certificates had the lowest level of education, and they were only three with a proportion of 3.3% of the total, diploma holders were 20 and constituted 22.0% of the sample. Respondents with undergraduate degrees were 46 translating to 50.5%, master's degree holders were 15 translating to 16.5% and only 7 respondents had a PhD qualification and comprised 7.7% of the sample. This finding indicated that the respondents had sufficient intellectual capacity to respond and provide valid, reliable responses relating to financial literacy and financial wellness of employees of public TVET institutes in Nyandarua County as shown in Table 4.5.

Table 4.5 Respondent's Level of Education

| Level of Education | Frequency | Percentage % |
|---------------------------|------------------|---------------------|
| Certificate | 3 | 3.3 |
| Diploma | 20 | 22.0 |
| Undergraduate | 46 | 50.5 |
| Master | 15 | 16.5 |
| PhD | 7 | 7.7 |
| Total | 91 | 100.0 |

4.4.4 Respondent's Income Level

The study further sought to establish the respondents' amount of income, from the findings in Table 4.6, confirmed that majority of the staffs of public TVET institutes in Nyandarua County were earning between Kshs 21,000 - 40,000 and comprised 36.3% of the total, 23.1% earned between Kshs 61,000 and Ksh 80,000, while 15.4% of the respondents earned over Kshs 80,000 and a similar percentage had income of between Ksh 41,000 and Kshs 60,000. Only 9.9% earned between Kshs 11,000 and Kshs 20,000. From the findings, the respondents' earnings were classified as low income to medium income which required the earners to possess the maximum level of financial knowledge to enable them allocate the revenue among numerous competing expenditure areas so as to achieve financial wellness.

Table 4.6. Respondent's Income Level

| Work experience | Frequency | Percent (%) |
|------------------------|------------------|--------------------|
| Ksh 11,000-20,000 | 9 | 9.9 |
| Ksh 21,000-40,000 | 33 | 36.3 |
| Ksh 41,000-60,000 | 14 | 15.4 |
| Ksh 61,000-80,000 | 21 | 23.1 |
| Over Ksh 81,000 | 14 | 15.4 |
| Total | 91 | 100.0 |

4.5 Descriptive Results

4.5.1 Descriptive Data Analysis on Financial Knowledge

The first objective of this research was to evaluate the influence of financial knowledge on the financial wellness of employees in public technical, vocational education, and training institutes in Nyandarua County. The study obtained data and presented the findings as shown in table 4.7 where the majority of the respondents at 44% agreed that they had adequate financial knowledge on the importance of saving for future needs, 41.8% strongly agreed with the statement, 12.1% disagreed, 1.1% strongly disagreed and another 1.1% were neutral. Therefore, the employees working in public technical, vocational education, and training institutions in Nyandarua County can be presumed to have adequate financial knowledge on the need to save for future needs.

The construct mean was 4.13 with a standard deviation of 1.002. This finding was in concurrence with (Ismail & Zaki, 2019) who established that financial literate people are able make health financial decisions that make them financially sound in future. Additionally, mental accounting theory (Thaler, 1999) explained that individuals classify money in different "mental accounts," which affects their saving and spending behavior. Employees who possess higher financial knowledge are inclined to allocate part of their income toward savings, to ensure future financial safety. Prospect theory (Kahneman & Tversky, 1979) suggested that individuals weigh potential gains and losses differently, expressing that financially knowledgeable employees are risk-aware and make good savings and investment choices to avoid future financial problems. Furthermore, institutional theory by (Meyer & Rowan, 1977) emphasized that societal norm and organizations shape financial habits. In this regard, institutions that emphasize financial literacy and provide access to financial education contribute to employees' ability to make informed financial decisions.

The theory also agrees with the findings of (Setyoningrum et al., 2021) who established that financial knowledge improves personal ability to make rewarding investment decisions, effective use of financial instruments and services, improve spending habits towards sustainable economic development and happiness. Financial knowledge empowers a person to make sound and rational decisions about savings leading to

financial health in future. These findings are also in tandem with (Lusardi & Mitchell, 2014) who argued that persons who possess higher financial literacy are prepared for financial planning, retirement savings, and investment choices, reducing the likelihood of financial insecurity. Additionally, Atkinson and Messy (2012) point out that financial knowledge that encourages saving behavior, it also improves management of financial risks. The similarity between these results and the current study reinforces the notion that financial education plays an important role in shaping individuals' ability to make well-versed and rational financial decisions, finally leading to better financial wellness.

Secondly, the respondents were asked whether they often invested in bonds that give higher returns than stocks when held for a long period and the majority of the respondents at 56% strongly disagreed meaning they don't invest in bonds, 26.4% agreed that they invested in bonds to earn higher returns, 13.2% strongly agreed and only 4.4% disagreed with the statement. This indicates that the employees in public TVET institutes do not invest in bonds as a higher returns' investment opportunity. The construct mean was 4.25 with a standard deviation of 1.029. In regards to this, there is a clear need for financial literacy programs focusing on TVET institutes' employees. Such training initiatives increase awareness of diverse investment opportunities, such as bonds, and empower employees to make informed financial choices that contribute to their continuing financial security and overall economic well-being.

Institutional theory suggests that financial behaviors are fashioned by societal and organizational norms, meaning that the deficiency of institutional support for financial education and investment diversification helps employees to favor traditional savings methods over long-term investments. Mental accounting theory, proposed by (Thaler, 1999) suggests that persons classify money into separate mental accounts and view bonds as complicated or separate from their normal financial management. Consequently, they allocate money toward urgent expenses rather than long-term investment opportunities. Additionally, prospect theory, by (Kahneman & Tversky, 1979) clarified that people avoid financial risks related with speculative profits, even when investments provides higher potential returns. Risk aversion explains the

reluctance of TVET employees to invest in bonds, as they perceive them as insecure compared to holding cash or selecting financial options that they are familiar with. To overcome these biases, financial literacy programs empowers employees to overcome these biasness's by not only educate employees about bonds but also reframe investment choices to reduce fear of losses and promote rational financial planning. Utilizing these theoretical insights helps to create more effective strategies to encouraging investments diversification and enhancing financial well-being.

On whether they diversified their spending of money among different portfolios to spread the risks and increase revenue, most of the respondents at 49.5% agreed strongly that they diversified investment expenditure with a view to managing risks. 36.3% agreed with the statement, only 8.8% disagreed and 5.5% were neutral with the statement with a mean of 4.26 and a standard deviation of 0.917. This confirms with the findings of (Zhan et al., 2006) who pointed out that pre-post financial training of limited income population and suggested that financial training increases economic management practices significantly such as risk diversification that led to economic wellbeing. It is therefore necessary for employees in public technical, vocational education, and training institutions to appreciate the value of diversification as a measure to spreading risks and cushioning themselves against financial shocks, which may come their way, and hence assuring their financial wellbeing. Financial knowledge is important because it empowers individual making sound financial decisions that enhances their financial wellbeing. Mental accounting theory describes how a person categorizes funds into separate psychological accounts that influence their financial choices. TVET employees psychological allocate money to several investments as a risk management plan, aligning with these research's findings on diversification. This behavior emphasizes the necessity for financial literacy plans to improve rational investment decisions and continuing financial healthy.

The respondents were asked if they were able to make daily financial planning choices and from the findings, 53.8% of the employees were able to make daily financial planning choices, 28.6% agreed with the statement, 7.7% disagreed implying their inability to make daily financial planning choices and 1.1% strongly disagreed. Only

8.8% were neutral. The construct mean was 4.26 with a standard deviation of 0.987. These findings imply that many employees in public TVET institutes are able to make daily financial planning choices. Mental accounting theory's application is noticeable on the way employees classify their monetary choices into separate psychological accounts, assisting them distribute resources successfully and prioritize financial strategy. Prospect theory applies to individuals weighing potential gains and losses as they make routine monetary decisions, frequently selecting strategies that minimize anticipated risks. Regarding institutional theory, it suggests that employees' financial attitudes is shaped by the societal and organizational norms within TVET institutions that influence their financial literacy and decision-making process. This finding was also in agreement with (Olima, 2013) who stated that financial literacy influence a person's financial management, leading to enhanced planning and investment choices. Therefore, financial literacy amplifies the employees' ability to make rational routine investment decisions, which translate to prudent financial management and wellness.

The study also sought from the respondents whether they were able to analyze the financial situation prevailing in the economy and made appropriate decisions to avoid financial stress. The findings indicate that the majority at 27.5% were neutral, 23.1% strongly disagreed with the statement, and 15.4% disagreed. Those who agreed with the statement were 18.7% and those who strongly agreed were 15.4%. The construct mean was 2.88 with a standard deviation of 1.373. These findings suggested that the financial decisions made by employees in the public technical, vocational education, and training institutions do not necessarily follow the prevailing economic conditions. This finding is contrary to (Kamunzyu & Kariuki, 2019) who concluded that being financially knowledgeable includes the capability to make a rational decisions and effective financial practices based on prevailing economic situations that concern money given the present and future use of financial resources, therefore enhancing financial well-being. However, the ability to accurately understand the prevailing economic conditions and what they potent to the individual employee is important in sound financial planning that rids them of financial stress.

Further, the study sought to establish from the respondents if they were able to make good new economic choices and the majority at 35.2% strongly agreed, 19.8% agreed while a significant proportion of 33% were neutral, 11% disagreed and 1.1% strongly disagreed that they made good new financial decisions. The mean was 3.77 with a standard deviation of 1.086. Further, the majority of the respondents at 39.6% agreed that they avoided spending their income on non-budgeted items, 27.5% strongly agreed and 7.7% were neutral. Those who disagreed were 22% with 3.3% who strongly disagreed with the statement whose mean was 3.66 and standard deviation of 1.195. Further, on whether the respondents were able to recognize a good financial investment, 39.6% disagreed with the statement, 2.2% strongly disagreed. Only 7.7% were neutral. Those who agreed that they were able to recognize good financial investment were 28.6% and 22% strongly agreed with the statement. Therefore, the majority were able to recognize good investment opportunities. The mean was 3.29 and standard deviation of 1.259. The financial wellness of an employee's lies on their ability to plan and identify viable investment opportunities that can guarantee a financial return on their investment and assure them of financial wellness. Therefore, economic literacy is an essential ingredient to achieving economic wellness of the employees working in public technical, vocational education, and training institutions in Nyandarua County.

It was also established that many respondents knew where to find financial advice in case they needed to make decisions involving money since 30.8% strongly agreed with the statement, 22% disagreed and 28.6% were neutral, 14.3% agreed and only 4.4% strongly disagreed. The mean was 3.45 and standard deviation was 1.258. Further, a majority of the respondents at 30.8% disagreed with the statement that their bank or financial advice works for me and they keep a monthly written plan that addresses their income and spending, 14.3% strongly disagreed and 8.8% were neutral. However, 28.6% agreed with the statement and 17.6% strongly agreed. This result means that the majority of the workers in public technical, vocational education, and training institutions do not always rely on the advice from the bank and they do not keep written plans to control their income and spending. These findings corroborated with (Chen &

Volpe, 1998) established that persons with low degree of financial literacy have a limited capacity to make a wise decision. Therefore, they have a higher risk to make incorrect financial choice and therefore good financial knowledge will empower individuals to process financial information and make rational financial choices concerning assets accumulation, financial management and debt. Therefore, decreasing the chances of bankruptcy and financial stress. The public technical, vocational education, and training institutions in collaboration with financial institutions should advice public technical, vocational education, and training institutions employees to seek advice from financial institutions, and plan and keep their financial records in order to properly manage the financial resources.

Employees in public TVET in Nyandarua County may experience unique financial wellbeing results due to regional financial conditions, institutional factors, and accessibility to financial services. Unlike research conducted in corporate or urban settings, where financial literacy was linked to diversified investment portfolios and wealth accumulation (Lusardi & Mitchell, 2014), these opportunities are limited to TVET employees because of lower income levels and economic constraints. Moreover, financial literacy programs in developed economies get assistant from strong government interventions (OECD, 2020), in Kenya public TVET institutions may lack organized financial education strategies, reducing the overall impact of financial literacy on employees' financial wellbeing. Regional and cultural influences play a role, as financial habits are shaped by local financial realities and social norms (Atkinson & Messy, 2012). Additionally, variations in measuring financial health across studies could result in differences in findings, as some research focus on subjective wellness and others on objective monetary indicators (Xiao, 2016). These factors highlight the contextual differences in how financial knowledge influences financial wellness among employees in different settings.

Table 4.7 Descriptive Statistics on Financial Knowledge

| Statement | SD % | D % | N % | A % | SA % | Mean | Std Dev |
|--|-----------------|----------------|----------------|----------------|-----------------|-------------|--------------------|
| I have adequate financial knowledge of the importance of savings for future needs | 1.1 | 12.1 | 1.1 | 44.0 | 41.8 | 4.13 | 1.002 |
| I often invest in bonds that give higher returns than stocks when held for a long period | 56 | 4.4 | 0 | 26.4 | 13.2 | 4.25 | 1.039 |
| I diversify the spending of my money among different assets and investments to spread the risks and increase revenue | 0 | 8.8 | 5.5 | 36.3 | 49.5 | 4.26 | .917 |
| I'm able to make daily investment decisions | 1.1 | 7.7 | 8.8 | 28.6 | 53.8 | 4.26 | .987 |
| I 'am able to analyze the economic situation prevailing in the economy and therefore I don't strain financially | 23.1 | 15.4 | 27.5 | 18.7 | 15.4 | 2.88 | 1.373 |
| I am able to make good investment decisions that are up to date | 1.1 | 11.0 | 33.0 | 19.8 | 35.2 | 3.77 | 1.086 |
| I avoid spending my income on non-budgeted items | 3.3 | 22.0 | 7.7 | 39.6 | 27.5 | 3.66 | 1.195 |
| I can recognize a good economic investment | 2.2 | 39.6 | 7.7 | 28.6 | 22.0 | 3.29 | 1.259 |
| I know where to I can get advice involving financial decision-making. | 4.4 | 22.0 | 28.6 | 14.3 | 30.8 | 3.45 | 1.258 |
| I struggle to understand financial information | 9.9 | 36.3 | 15.4 | 23.1 | 15.4 | 2.98 | 1.273 |
| My bank or financial advice works for me | | | | | | | |
| I file a monthly written budget plan that addresses my revenues and expenditures. | 14.3 | 30.8 | 8.8 | 28.6 | 17.6 | 3.04 | 1.374 |

4.5.2 Descriptive Data Analysis on Cash Management Knowledge

The study's second objective was examining the influence of cash management knowledge on the financial wellness of employees in public technical, vocational education, and training institutions in Nyandarua. From the findings in Table 4.8, most of the respondents at 47.3% strongly disagreed to having too much cash on hand and 37.2% disagreed while 4.4% were neutral. 8.8% agreed to have too much cash on hand and 4.4% strongly agreed. The mean was 1.88 with a standard deviation of 1.124. Therefore, it was established that many of the employees in public technical, vocational education, and training institutions in Nyandarua County do not have too much cash on hand which implied that they had no liquidity challenge which could hinder their financial wellness since they were in a position to clear their emerging financial obligations as they fall due. However, on the other side, having too much cash on hand is a waste of cash, which could be invested in viable ventures to generate more wealth. Therefore, it is advisable to hold optimal amount of cash at hand.

This aligns with mental accounting theory, which clarifies how individuals classify and manage their finances based on subjective perceptions rather than strict financial principles, guiding them on how they balance liquidity and investments. In addition, institutional theory emphasizing how fiscal behavior patterns are formed by institutional norms and structures, suggesting that the financial management practices in TVET institutions may be influenced by institutional policies that foster efficient cash utilization. Moreover, prospect theory suggests that individuals' financial decisions are affected by perceived gains and losses, meaning that employees may avoid excessive cash holdings due to the opportunity cost of uninvested money. While maintaining liquidity ensures financial security, holding too much idle cash can be a missed opportunity for investment and wealth generation. Therefore, optimal cash management strategies should be promoted to help employees balance financial security and investment growth (Kahneman & Tversky, 1979).

Secondly, the study sought to establish from the respondents if they spent their money based on their income and expenses plan and the majority at 47.3% disagreed, 45.1% strongly disagreed, 1.1% were neutral, 3.3% strongly disagreed and another 1.1%

disagreed with the statement whose mean was 1.73 and standard deviation of 0.908. This finding suggested that many respondents spent income without following a budget and hence did not conform with the findings of (Xiao et al., 2006) who pointed out that a person with sound financial knowledge can manage their economic wellbeing, for instance pay bills in due time, are debt free, having savings, having different portfolio investments, and insurance are likely to be satisfied with their financial condition compared to people who cannot manage their finances resources well. These respondents are likely to make unsound financial decisions that results in mismanagement of their financial resources hence leading them to bankruptcy as compared to people who are financially knowledgeable and who take up responsibility for their financial well-being thus, they live comfortably during the employment period and after retirement.

The study established that the employees in public technical, vocational education, and training institutions in Nyandarua County never keenly watch on their personal financial situations as shown by 74.7% of the respondents, 18.7% disagreed with the statement, 3.3% were neutral, 2.2% agreed and 1.1% strongly agreed. The construct mean was 1.36 with a standard deviation of 0.753. Therefore, for an employee to enjoy financial wellness, it is important to plan on expenditure by preparing and adhering to a budget that will guide the employee in utilizing the finances.

When asked whether they were able to track their ongoing spending to ensure they stick their written plan, the most of the respondents at 37.4% disagreed with the statement, 34.1% strongly disagreed and 15.4% were neutral, 7.7% agreed and 5.5% strongly agreed on spending in line with their budget. The mean was 2.13 with a standard deviation of 1.137. This finding shows that the respondents did not conform with findings of (Abdullah & Chong, 2014) who noted that financial literacy enables persons to make competent decisions concerning the use and stewardship of money and assets hence being a good steward of money enables employees to makes proper budgeting plans, investments, and savings, and putting up an insurance cover which insures sound cash management practices that will result in good financial well-being.

Further, another majority of 35.2% disagreed that they efficiently managed their money through technology, 28.6% strongly disagreed, 18.7% were neutral, 9.9% strongly agreed and 7.7% agreed. The mean was 2.35 with standard deviation of 1.251. Finally, many respondents at 34.1% strongly disagreed that they know how to plan for potential financial emergencies, 16.5% were neutral, 8.8% disagreed and 4.4% agreed with only 1.1% who strongly agreed with the statement. The mean was 2.24 and standard deviation of 2.310. It is important for an employ to track their spending and ensure they stick to their plan and avoid financial uncertainties, which can curtail the financial wellness.

In public TVET institutes in Nyandarua County, sound cash management knowledge plays a crucial role in ensuring financial wellness among employees, as it assists in maintaining liquidity, managing expenses, and reducing financial problems. Appropriate cash flow forecasting allows institutions to forecast revenues, controlling of expenditures and allocating of resources efficiently, contributing to employees' financial security and overall institutional sustainability. This observation is similar to findings in other educational institutions; for example, research conducted in Nakuru Town East Sub-County indicated that effective cash flow forecasting resulted to enhanced financial stability in public secondary schools, ensuring that schools could meet operational costs and economically obligations without troubles (Ngetich, Waruguru, & Wahome, 2018).

Furthermore, study on TVET institutes in Nyeri County indicated that sound financial management, including cash management, improves institutional competitiveness by ensuring financial resources are utilized properly, reducing inefficiencies, and improving long-term financial planning (Kahiga, Kibaara, & Gichohi, 2024). Yet, the influence of cash management knowledge on financial wellness in Nyandarua County may differ from other research because of unique institutional challenges, such as delayed government disbursements, lower funding levels, and limited access to financial literacy programs. Compared to institutions in more developed regions where financial management structures are advanced, TVET institutes in Nyandarua County may struggle with inconsistent cash flow management, directly affecting employees'

ability to meet their financial needs. Therefore, while the positive influence of cash management knowledge on financial wellness is evident across different settings, regional disparities in financial practices and resources may create significant variations in outcomes.

Table 4.8 Descriptive Statistics of Cash Management Knowledge

| Statement | SD % | D % | N % | A % | SA % | Mean | Std Dev |
|--|-----------------|----------------|----------------|----------------|-----------------|-------------|--------------------|
| I have too much cash on hand | 47.3 | 37.2 | 4.4 | 8.8 | 4.4 | 1.88 | 1.124 |
| I know how to spend my money based on my income and expenses | 45.1 | 47.3 | 1.1 | 3.3 | 3.3 | 1.73 | .908 |
| I keenly watch personal financial affairs | 74.7 | 18.7 | 3.3 | 2.2 | 1.1 | 1.36 | .753 |
| I know how to budget for upcoming expenses | 34.1 | 35.2 | 8.8 | 16.5 | 5.5 | 2.42 | 2.310 |
| I track ongoing spending and make sure I stick to my written cash plan | 34.1 | 37.4 | 15.4 | 7.7 | 5.5 | 2.13 | 1.137 |
| I efficiently manage my money through technology | 28.6 | 35.2 | 18.7 | 7.7 | 9.9 | 2.35 | 1.251 |
| I Know how to plan for potential emergencies | 34.1 | 8.8 | 16.5 | 4.4 | 1.1 | 2.42 | 2.310 |

4.5.3 Descriptive Data analysis on Debt Management Knowledge

The third objective aimed at analyzing the influence of debt management knowledge on financial wellness of public technical and vocational institutions in County of Nyandarua. The analysis of data collected was presented in Table 4.9 where the most of the respondents at 30.8% agreed that they were able to reliably pay off their debts when the fall due, 17.6% strongly agreed and another 17.6% were neutral. Those who disagreed were 20.9% while 13.2% disagreed strongly.

The mean was 3.19 with a standard deviation 1.316. Therefore, the majority of the employees were able to pay their debts when the fall was due. With regard to this, institutional theory explains that financial conduct, comprising debt management, are influenced by policies, workplace norms, and the financial literacy culture encouraged within institutions. Debt repayment behaviors by Employees in TVET institutions are determined by support systems available and finance guidelines in these institutions.

Prospect theory explains that individuals may struggle with debt repayment, as individuals may evaluate financial risks based on anticipated losses rather than objective financial realities, leading to poor debt management decisions. Furthermore, mental accounting theory advocates that individuals categorize funds into different psychological "accounts," prioritizing spending over debt repayment, which explains why some employees do not meet their obligations on time. Given these insights, improving financial education and institutional support systems, like debt counselling and structured repayment plans, could improve employees' debt management knowledge and overall financial wellbeing (Lusardi & Tufano, 2022).

Secondly, the study sought to establish if respondent were able to evaluate the possible risk exposure before undertaking an investment and the majority agreed at 31.9%, while 18.7% strongly agreed and 9.9% were neutral, 20.9% strongly disagreed with the statement as 18.7% disagreed. The construct mean was 3.07 with a standard deviation of 1.444. This is in agreement with research by the National Education Association (2023), which found out that individuals with low financial literacy are likely to incur late payment fees, use high interest cost borrowing methods, and experience financial problems, due to inadequate risk assessment before undertaking financial commitments. Hence, improving financial literacy is essential to equip a person with the skills required to evaluate risks effectively, make sound investment choices, and avoid potential financial difficulties.

Further, many of the respondents at 62.6% strongly agreed that they were able to improve their credit rating, 22% agreed while on the contrary, 9.9% strongly disagreed and 4.4% disagreed as 14.3% remained neutral. However, the majority at 35.2% disagreed with the statement that they were able to go into debt safely and acquire manageable debts, 14.3% strongly disagreed and another 14.3% remained neutral. 18.7% strongly agreed with the statement, 17.6% agreed with the statement whose mean was 2.91 with a standard deviation of 1.363. This was in agreement with Lusardi & Tufano (2015) who pointed out that a person with low degree of financial knowledge are likely to experience debt problems.

Finally, as to whether the respondents were prepared for higher interest rates on borrowed money, 40.1% agreed so, 12.1% strongly agreed and 12.1% remained neutral. 20.9% disagreed with 14.3% disagreeing strongly. The construct mean was 3.15 and a standard deviation of 1.290. These findings can be analyzed through the lenses of Prospect theory which advocates that individuals evaluate potential losses and gains differently, resulting to risk-seeking habits or risk-averse depending on how choices are framed (Liu et al., 2019). In this context, respondents' confidence in enhancing their credit ratings reflects a framing of debt management as a gain, while apprehension about obtaining new debt could imply loss aversion.

Institutional theory postulates that individuals' habits are influenced by the norms and rules of the organizations they are part of, meaning the mixed responses concerning debt acquisition and preparedness for increasing of interest rate might reflect varying levels of financial literacy and institutional support within TVET institutes. Mental accounting theory explains how individuals categorize and treat funds differently based on subjective criteria, affecting financial choices, which explain respondents' differing attitudes toward debt and credit management, potentially resulting to inconsistent debt management practices (Liu et al., 2019). Therefore, improving financial literacy among TVET employees is crucial to promote enhanced financial decision-making and overall financial wellbeing.

In public TVET institutes in Nyandarua County, effective debt management practices are important for maintaining financial wellbeing among employees. This is in agreement with findings from other regions; for instance, a study in Kisii County revealed that comprehensive financial wellbeing programs, including debt management strategies, significantly improves employee performance (Nyakomittah & Omwenga, 2023). Similarly, studies on TVET institutions in Nyeri County established that sound financial management practices, encompassing debt management, improving institutional competitiveness (Kahiga et al., 2024).

Table 4.9 Descriptive Statistics on Debt Management Knowledge

| Statement | SD % | D % | N % | A % | SA % | Mean | Std Dev |
|--|----------------|---------------|---------------|---------------|----------------|-------------|----------------|
| I am able to reliably pay off my debt when due | 13.2 | 20.9 | 17.6 | 30.8 | 17.6 | 3.19 | 1.316 |
| I evaluate the possible risk exposure before taking up an investment | 20.9 | 18.7 | 9.9 | 31.9 | 18.7 | 3.07 | 1.444 |
| I am able to improve my credit rating | 9.9 | 4.4 | 1.1 | 22 | 62.6 | 1.97 | 2.173 |
| I am able to go into debt safely and acquire manageable debts | 14.3 | 35.2 | 14.3 | 17.6 | 18.7 | 2.91 | 1.363 |
| I am prepared for higher interest rates on money I borrow | 14.3 | 20.9 | 12.1 | 40.1 | 12.1 | 3.15 | 1.290 |

4.5.4 Descriptive Data Analysis on Financial Wellness of Employees

The study dependent variable was financial wellness of employees in public TVET institutes in Nyandarua County. To assess the level of financial wellness, respondents were required to respond to various constructs shown in Table 4.10. The majority of the respondents strongly agreed that financial knowledge made them feel financially secure and were able to manage their debts, as well as cash at their disposal, 26.4% agreed with the statement and 16.5% were neutral. On the contrary, 16.5% disagreed with the statement. Further, 31.5% of the respondents agreed that they were able to undertake investment planning because of financial knowledge, cash and debt management knowledge, 16.5% strongly agreed and 5.5% were neutral. On the contrary, 30.8% disagreed with the statement, 15.4% strongly disagreed. The mean was 2.77 with standard deviation of 1.266. Therefore, financial wellness stems from having financial security as a result of being able to pay due debts using available financial resources.

On whether the respondent was able to meet financial obligations without major financial struggle, the majority at 40.7% disagreed indicating that they met their financial obligations with major financial struggles. 31.9% strongly disagreed with the

statement and 9.9% were neutral, 8.8% were in agreement with another 8.8% in strong agreement. Also, majority of the respondents a 41.8% disagreed that they were able to afford health, education and property insurance as a result of financial knowledge, cash management knowledge and ability to manage debts, 23.1% strongly disagreed. 13.2% were neutral with the same number agreeing with the statement. Only 8.8% strongly agreed that they can afford health, education and property insurance as a result of financial knowledge, cash management knowledge and ability to manage debts. It is important for a person to budget and track his /her income in order to manage financial obligations. In addition, employees should be trained on necessary skills so as to have ability on cash management debt management, and health, education and property insurance, so that one can live health life style that result in good financial wellness.

Table 4.10 Descriptive Statistics on Financial Wellness

| Statement | SD % | D % | N % | A % | SA % | Mean | Std. Dev |
|---|---------|--------|--------|--------|---------|------|-------------|
| Financial knowledge makes feel financially secure, able to manage my debts, as well as cash at my disposal | 0 | 14.3 | 16.5 | 26.4 | 42.9 | 3.31 | 1.364 |
| I am able to undertake investment planning because of my financial knowledge, cash and debt management knowledge | 15.4 | 30.8 | 5.5 | 31.5 | 16.5 | 2.77 | 1.266 |
| I am able to meet my financial obligations without major financial struggle | 31.9 | 40.7 | 9.9 | 8.8 | 8.8 | 2.22 | 1.237 |
| I can afford health, education and property insurance as a result of financial knowledge, cash management knowledge and ability to manage debts | 23.1 | 41.8 | 13.2 | 13.2 | 8.8 | 2.43 | 1.231 |

4.6 Data Diagnostic Tests

This section comprises of data diagnostic tests, which includes the test for normality, linearity, multi-collinearity and heteroscedasticity.

4.6.1 Test for Normality

Kolmogorov-Smirnov test was used to test normality of dependent variables and

independent variables. According to (Lapan, Quartaroli & Julia 2012) the dependent variable data should be normally distributed for inferential analysis to be done based on the multiple linear regression model. Therefore, given H_0 and H_1 , and setting $\alpha=0.05$, then reject H_0 if p-value is less than 0.05 otherwise the data is normal.

Given H_0 : Data is normal and H_1 : Data is not normal

The p-values for financial literacy, cash management knowledge and debt management knowledge were 0.0745, 0.0774, and 0.0690 respectively while that of the dependent variable was 0.0893. Therefore, since all the p-values were more than 0.05, the null hypothesis was accepted and therefore the data was normal, the research could continue and carry out inferential data analysis based on this outcome.

Table 4.11 Tests of Normality

| Variable | Kolmogorov-Smirnov | | |
|---------------------|------------------------|----|------|
| | Asymp. Sig. (2-tailed) | df | Sig. |
| Financial Knowledge | .0745 | 90 | .000 |
| Cash Mgt. Knowledge | .0774 | 90 | .000 |
| Debt Mgt. Knowledge | .0690 | 90 | .000 |
| Financial Wellness | .0893 | 90 | .033 |

4.6.2 Quantile-Quantile Plots

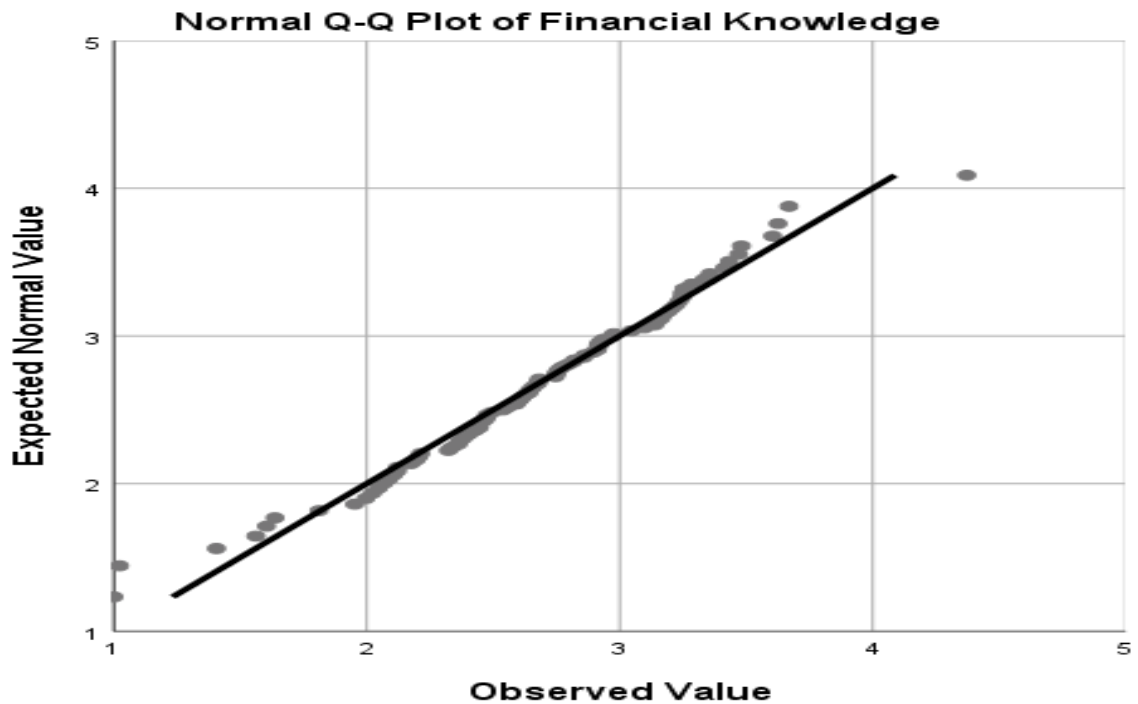
According to (Shenoy & Pant, 1994) variable that are normally distributed most of the points should lie on the theoretical Quantile line. The theoretical Quantile line of the data is fitted and from the normal QQ plot it specifies that the observed values versus the expected normal values are randomly distributed along the line of best fit signifying that the dependent variable is normally distributed.

One way to make it very likely to have normal residuals is to have a dependent variable that is normally distributed (Shenoy & Pant, 1994). Figure 4.1 shows the normal QQ plot which indicates that the condition of normality for financial well-being is satisfied. The Quantile-Quantile (QQ) plot is an excellent way to see whether the data deviate

from other distributions but only interested in the normal distribution. The scatter plot shows the relationship between the actual observed values and what those values would be expected when the data is normally distributed.

From Figure 4.1, the Q-Q plot shows that the observed values are closely randomly distributed along the line of best fit indicating the financial knowledge variable is normally distributed

Figure 4.1 Normal Q-Q Plot of Financial Knowledge



Further, cash management variable was tested for normality using the Q-Q plot shown in Figure 4.2 below where the items are closely aligned along the line of normality hence the conclusion that the cash management variable is normally distributed.

Figure 4.2 Q-Q Plot of Cash Management Knowledge



To test for normality of the debt management knowledge variable using the normal Quantile-Quantile plot, the scatter plot indicated an approximately normal distribution since the items were randomly scattered along the line of best fit as shown in figure 4.3.

Figure 4.3 Normal Q-Q Plot of Debt Management Knowledge

Finally, the dependent variable, financial wellness was equally tested for normality and the findings as shown in figure 4.4 show that the set of data roughly follows a normal distribution since more of the points lie on a straight diagonal line.

Figure 4.4 Normal Q-Q Plot of Financial Wellness



4.6.3 Test for Linearity

To test for linearity, between financial knowledge and financial wellness, the p-value was 0.00 which was less than the alpha value of 0.05. Therefore, the null hypothesis of linearity was rejected. Therefore, there was significant linearity between financial knowledge and financial wellness. As to whether there was deviation from linearity, the p-value was 0.188 > 0.05 hence there was no significant deviation from linearity.

Table 4.12 Linearity between Financial Wellness and Financial Knowledge

| | | | Sum of | | Mean | | |
|------------|---------------|----------------|---------|----|--------|----------|------|
| | | | Squares | df | Square | F | Sig. |
| Financial | Between | (Combined) | 39.232 | 88 | .446 | 215.774 | .005 |
| Wellness * | Groups | Linearity | 17.230 | 1 | 17.230 | 8339.248 | .000 |
| Financial | | Deviation | 22.002 | 87 | .253 | 122.401 | .188 |
| Knowledge | | from Linearity | | | | | |
| | Within Groups | | .004 | 2 | .002 | | |
| | Total | | 39.236 | 90 | | | |

The second linearity test was between financial wellness and cash management knowledge as shown in table 4.13 where the p-value of 0.00 < 0.05 implies significant

linearity between the two variables and no significant deviation from linearity since the p-value of $0.326 > 0.05$.

Table 4.13 Linearity between Financial Wellness and Cash Management Knowledge

| | | | Sum of | | Mean | | |
|------------|---------------|--------------------------|---------|----|--------|---------|------|
| | | | Squares | Df | Square | F | Sig. |
| Financial | Between | (Combined) | 28.666 | 35 | .819 | 4.262 | .000 |
| Wellness * | Groups | Linearity | 21.214 | 1 | 21.214 | 110.388 | .000 |
| Cash Mgt. | | Deviation from Linearity | 7.452 | 34 | .219 | 1.141 | .326 |
| Knowledge | Within Groups | | 10.570 | 55 | .192 | | |
| | Total | | 39.236 | 90 | | | |

Finally, the test between financial wellness and debt management knowledge showed significant linearity with a p-value of $0.00 < 0.05$ with no significant deviation from linearity since its p-value of 0.328 was greater than 0.05 as shown in table 4.14.

Table 4.14 Linearity between Financial Wellness and Debt Management Knowledge

| | | | Sum of Squares | df | Mean Square | F | Sig. |
|------------|---------------|----------------|----------------|----|-------------|--------|------|
| Financial | Between | (Combined) | 28.187 | 26 | 1.084 | 6.280 | .000 |
| Wellness * | Groups | Linearity | 20.315 | 1 | 20.315 | 117.67 | .000 |
| Debt Mgt. | | Deviation from | 7.872 | 25 | .315 | 1.824 | .328 |
| Knowledge | | Linearity | | | | | |
| | Within Groups | | 11.049 | 64 | .173 | | |
| | Total | | 39.236 | 90 | | | |

4.6.4 Test for Multicollinearity

Multicollinearity is said to occur when two or more predictors correlate strongly with each other making the regression coefficients unstable and difficult to interpret. The variance inflation factor (VIF) is used to determine the presence or lack of serious Multicollinearity between independent variable. If the VIF exceeds 10, then there is serious multi-collinearity.

The test results shown in Table 4.15 show that all the independent variables financial knowledge, cash management knowledge and debt management knowledge had a VIF value of 2.636, 2.685 and 2.017 respectively which were all less than 10 implying that no serious multi-collinearity existed and therefore linear regression analysis could be done.

Table 4.15 Test for Multicollinearity

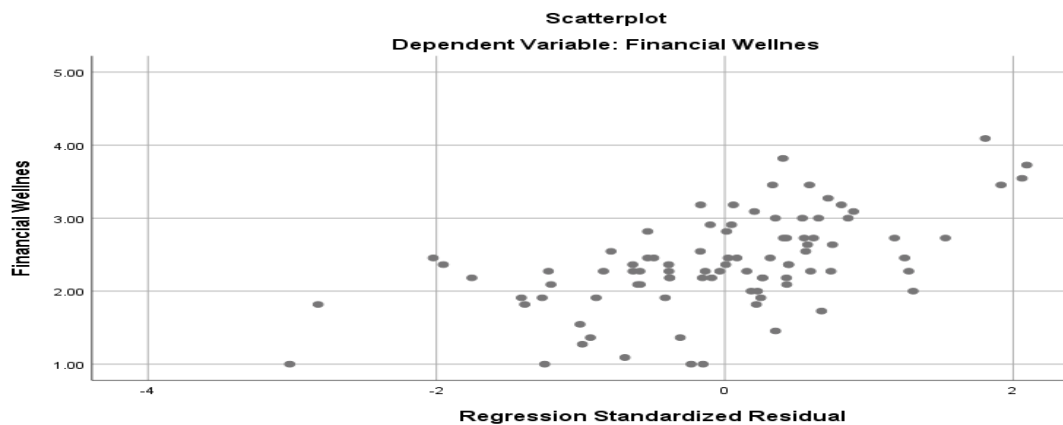
| Model | Unstandardized Coefficients | | Standardized Coefficients | | Collinearity Statistics | | |
|---------------------|-----------------------------|------------|---------------------------|-------|-------------------------|-----------|-------|
| | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 (Constant) | .183 | .203 | | .903 | .369 | | |
| Financial Knowledge | .121 | .119 | .106 | 1.016 | .312 | .379 | 2.639 |
| Cash Mgt. Knowledge | .348 | .092 | .398 | 3.772 | .000 | .372 | 2.685 |
| Debt Mgt. Knowledge | .352 | .084 | .382 | 4.177 | .000 | .496 | 2.017 |

a. Dependent Variable: Financial Wellness

4.6.5 Heteroscedasticity Test

Heteroscedasticity it's the situations where the variance of the residuals is unequal over a range of measured values which makes the confidence intervals and hypotheses tests unreliable. When running a regression analysis, heteroscedasticity results in an unequal scatter of the residuals. Figure 4.5 shows a constant variance pattern which implies homoscedasticity of the residuals.

Figure 4.5 Heteroscedasticity Results



Further, Breusch- Pagan and Koenker test was done to determine the heteroscedasticity or lack of it in the regression model

Ho: The data is not heteroscedastic

H₁: The data is heteroscedastic

From the Breusch-Pagan-Godfrey and Koenker Test the observed value was 0.5732 greater than the p value of 0.05, we fail to reject the null hypothesis and therefore the data does not suffer from heteroscedasticity.

Table 4.16 Breush- Pagan and Koenker Test for Heteroscedasticity

| | | | |
|---------------------|----------|----------------------|---------|
| F-statistic | 129.3975 | Prob. F (3,88) | 0.57320 |
| Obs*R Squared | 0.816916 | Prob. Chi-Square (3) | 0.3586 |
| Scaled explained SS | 592.7935 | Prob. Chi-Square (3) | 0.0000 |

4.7 Inferential Analysis

The inferential analysis constituted correlation and inferential analysis which are presented in this section.

4.7.1 Correlation Analysis

To establish the degree of association between the variables, the study conducted a Pearson’s correlation analysis whose matrix is shown in Table 4.2. The correlation coefficient r ranges from -1 to positive +1. Perfect correlation occurs when r = -1 and r = +1 while when r =0 implies no correlation at all.

4.7.2 Correlation between Financial Knowledge and Financial Wellness

From the study, the correlation coefficient between financial knowledge and financial wellness was r = +0.663 which is considered strong positive correlation implying that when financial knowledge increases by a unit, financial wellness increases by 0.663 units. Therefore, financial knowledge of employees in public TVET institutes influence their financial wellness.

4.7.3 Correlation between Cash Management Knowledge and Financial Wellness

The correlation coefficient between cash management knowledge and financial wellness is $r=+0.735$ which is a strong positive correlation. This implies a strong and appositive relationship between cash management knowledge and financial wellness of any employee.

4.7.4 Correlation between Debt Management Knowledge and Financial Wellness

Further, the correlation coefficient between debt management knowledge and financial wellness was $r=+0.720$, which is also a strong positive correlation such that when debt management knowledge increases by a unit, financial wellness will increase by 0.72 units as shown in Table 4.17 which implies that debt management knowledge has a positive and significant influence on the financial well-being of workers in public TVET institutes.

Table 4.17 Correlations Matrix

| | | Financial Knowledge | Cash Mgt. Knowledge | Debt Mgt. Knowledge | Financial Wellness |
|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| Financial Knowledge | Pearson Correlation | 1 | .761** | .662** | .663** |
| | Sig. (2-tailed) | | .000 | .000 | .000 |
| | N | 91 | 91 | 91 | 91 |
| Cash Mgt. Knowledge | Pearson Correlation | .761** | 1 | .670** | .735** |
| | Sig. (2-tailed) | .000 | | .000 | .000 |
| | N | 91 | 91 | 91 | 91 |
| Debt Mgt. Knowledge | Pearson Correlation | .662** | .670** | 1 | .720** |
| | Sig. (2-tailed) | .000 | .000 | | .000 |
| | N | 91 | 91 | 91 | 91 |
| Financial Wellness | Pearson Correlation | .663** | .735** | .720** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | |
| | N | 91 | 91 | 91 | 91 |

Correlation is significant at the 0.01 level (2-tailed).

4.8 Regression Results

The study carried out analysis on data so as to draw inferences and figure out the relationship between study variables. The independent variables were financial literacy, cash management knowledge and debt management knowledge while the

dependent variable was financial wellness of employees. Marshall and Rossman (2006), explained that regression analysis is a statistical technique of reckoning the relationship between variables. Regression analysis assists in generating equation that explains the statistics relationship linking variables. The results of regression analysis were presented in form of regression model summary tables, analysis of variance (ANOVA) table and beta coefficients table.

4.8.1. Correlation between Financial Knowledge and Financial Wellness

Regression analysis was carried out to examine the amount of discrepancy in financial wellness explained by financial knowledge. The calculated R value was 0.663. The adjusted R square was equal to 0.433 implying that 43.3% of the corresponding variation in financial wellness can be described by change in financial knowledge. The rest 56.7% is explained by other factors not in the model. The results of the analysis are shown in table 4.18.

The findings of this study are in line with other earlier study. A study by (Atmaningrum et al., 2021) asserts that financial knowledge assists in making profitable financial choices, effective utilization of financial services and products, improve financial behaviors towards sustainable financial growth and contentment. It is also in agreement with the findings of (Huston, 2017) who indicated that individuals with impeccable knowledge in finance related subjects act opportunistically on matters concerning investments, improving personal welfare on wellness; hence, it increases financial satisfaction. Similarly, the findings are in agreement with (Setyoningrum et al., 2021) who indicated that being literate financially empowers people to make lucrative economic decisions, utilize financial products and services effectively, and cultivate investment behaviors that contribute to sustainable economic growth and overall happiness.

Studies have shown that higher levels of financial literacy are positively correlated with improved financial behaviors, such as consistent saving, reduced reliance on high-interest credit, and better retirement planning (Lusardi, 2019; Yakoboski, Lusardi, & Hasler, 2020). Furthermore, financial knowledge contributes to greater

confidence in handling money matters, which reduces financial stress and enhances overall well-being (OECD, 2020). Thus, fostering financial literacy is vital for promoting financial wellness across diverse populations.

Table 4.18 Linear Estimation of Financial Knowledge and Financial Wellness

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .663 | .439 | .433 | .49725 |

The analysis of variance (ANOVA) findings in table 4.19 indicate that the model fit is appropriate for this information. The value of F was 69.684 with a value of P of 0.000 which was below 0.05, implying that comprehensively the model was important in prediction of financial wellness of employees working in public technical, vocational education, and training institutes in Nyandarua County. Hence, the study rejects the null hypothesis that financial knowledge has no significant influence on economic wellness and substantiate that there is a positive and significant influence of economic knowledge on financial wellness. In addition, financial knowledge assists in making profitable investment decisions, effective utilization of finance products and service, improve financial behaviors in relation to sustainable monetary growth and happiness (Atmaningrum, et al., 2021). In conclusion a person that apply confidently financial knowledge and skills in decision making process in different financial sphere improves not only personal financial prosperity but also that of the entire society.

Table 4.19 Analysis of Variance (ANOVA) for Financial Knowledge

| Model | | Sum of squares | df | Mean square | F | Sig. |
|-------|--------------|----------------|-----------|-------------|--------|------|
| 1 | Regression | 17.230 | 1 | 17.230 | 69.684 | .000 |
| | Residual | 22.006 | 90 | .2445 | | |
| | Total | 39.236 | 91 | | | |

Analysis of regression model coefficients was carried out and the results are shown in table 4.20. The table show a positive beta coefficient of 0.755 as indicated in the coefficient's matrix with a value of P as 0.00 and a constant of 0.389 with a p-value of 0.118. Hence, for every one-unit increase in financial knowledge leads to 0.755 unit changing financial wellness, hence the model is as shown below.

Table 4.20: Regression Coefficient of the Relationship between Financial Knowledge and Financial Wellness

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | .389 | .246 | | 1.577 | .118 |
| Financial Knowledge | .755 | .091 | .663 | 8.348 | .000 |

a. Dependent Variable: Financial Wellness

4.8.2 Regression Analysis on Cash Management Knowledge and Financial Wellness

Regression analysis was carried out to determine the amount of variation in financial wellness explained by cash management knowledge. The calculated R value was 0.735. The adjusted R square was equal to 0.536 meaning that 53.6% of the corresponding discrepancy in financial wellness was explained by change in cash management knowledge. The rest 46.4% was attributable to other factors not available in the model. Table 4.21 shows the results of the analysis.

The results are in agreement with early studies. Recent studies have shown that persons who possess strong cash management knowledge are likely to accomplish positive financial performance, which includes, timely bill payments, consistent savings habits and the ability to handle unexpected expenses (Serido et al., 2018). Furthermore, financial literacy programs focusing on cash flow management have been found to improve economical attitude and self-confidence, strengthening the connection between knowledge and well-being (Lusardi, 2019). The ability to plan, track, and adjust individual finances empowers individuals to make sound decisions, resulting to greater control over their cash utilization lives and improved mental well-being

(OECD, 2020). Cash management knowledge significantly contributes to financial wellness by enhancing individuals' ability to effectively budget, save, and handle debt obligations, which in turn attenuates economic stress and promotes long-term stability.

Table 4.21: Linear Estimation of Cash Management Knowledge and Financial Wellness

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .735 | .541 | .536 | .44999 |

The results of analysis of variance (ANOVA) in table 4.22 imply that it is applicable for this data since the value of- F was equal to 4.988 with value of- P = 0.000, which was below 0.05. This implied that the comprehensive model is important in prediction of financial wellness of employees of public TVET institutes in Nyandarua County, Kenya. Hence, this study rejects the null hypothesis that cash management knowledge has no significant influence on financial wellness and substantiate a positive and significant influence of cash management knowledge on financial wellness. Therefore, cash management knowledge positively improves financial wellbeing be course of proper appropriation and distribution of revenue for daily expenditure, accumulation of money for futuristic objectives and creation of assets, enable good stewardship of liquid cash resulting in significance financial wellbeing. This means cash management knowledge plays qualitative and quantitative role in decision-making, reconciliation of cash management techniques resulting in resolving liquidity crisis as a result of sourcing of cash and the utilization of liquid cash in the course of personal activities.

Table 4.22: Analysis of Variance (ANOVA) for Cash Management Knowledge

| Model | | Sum of squares | df | Mean square | F | Sig. |
|-------|------------|----------------|----|-------------|---------|------|
| 1 | Regression | 21.214 | 1 | 21.214 | 104.763 | .000 |
| | Residual | 18.022 | 90 | .2002 | | |
| | Total | 39.236 | 91 | | | |

Analysis of regression model coefficients was carried out and the results are shown in table 4.23. The table shows that there is a positive beta coefficient of 0.0.642 as indicated in the coefficient's matrix with a p-value = 0.00 and a constant of 0.479 with a p-value of 0.015 which is less than 0.05. Hence, both the constant and cash management knowledge contributes significantly to the model. The model can provide information needed to predict financial wellness from cash management knowledge

Table 4.23: Cash Management Knowledge and Financial Wellness

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---------------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | .479 | .193 | | 2.475 | .015 |
| Cash Mgt. Knowledge | .642 | .063 | .735 | 10.235 | .000 |

a. Dependent Variable: Financial Wellness

4.8.3 Regression Analysis on Debt Management Knowledge and Financial Wellness

Regression analysis was performed to determine to what extent discrepancy in financial wellness is explained by debt management knowledge. The calculated value of R was 0.720. The adjusted R square value was equal to 0.512, meaning that 51.2% of the corresponding discrepancy in Financial Wellness can be explained by debt management knowledge. The rest of 48.8% can be explained by other factors that are not in the model. The results of the analysis are shown in table 4.24.

The results are in agreement with (Ong et al., 2019) who emphasized that the significance of debt management knowledge can improve psychological functioning and decision making by instituting a debt-relief programme. This further amplified by Sucuhai (2013) put emphasis on debt management knowledge as vital in financial literacy evaluation because it empowers a person to acquire capital at minimum cost. In addition, debt management is vital for young workers because many debts cause financial stress (Abdullah et al., 2019).

Research has shown that a person with higher debt management knowledge is more likely to make informed choices concerning repayment and borrowing, which leads to greater economic stability and continuous financial satisfaction (Lusardi & Tufano, 2019; Yakoboski et al., 2020). Moreover, financial education programs that include debt management components have been found to significantly improve participants' confidence and behaviors related to borrowing and credit management, thereby promoting sustainable financial wellness (OECD, 2020). Debt management knowledge plays important role in enhancing financial wellness, as it equips individuals with the skills to effectively handle credit, avoid excessive borrowing, and maintain healthy debt to income ratios.

Table 4.24: Linear Estimation of Debt Management Knowledge and Financial Wellness

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .720 | .518 | .512 | .46107 |

a. Predictors: (Constant), Debt Management Knowledge

The analysis of variance (ANOVA) results in table 4.25 indicate that the model fit was appropriate for this information. The value of F was equal to 95.561 with a value of $p = 0.000$ which was below 0.05, implying that the general model is significant in prediction of financial wellness of employees in public technical and vocational institutions in Nyandarua County. Therefore, the study rejects the null hypothesis that debt management knowledge has no significant influence on financial wellness and confirm indeed that there is a positive and significant influence of debt management knowledge on financial wellness of employees in public TVET institutes in Nyandarua County. It is also confirmed by (Amalia, 2019) who pointed out that financial literacy has a significant effect on individual's debt management knowledge behavior. This means that individuals with high level of financial knowledge, the better the person debt management knowledge, and attitude hence individual will be more sensitive of debt management knowledge of the borrowed money.

Table 4.25: Analysis of Variance (ANOVA) for Debt Management Knowledge

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|-----------|-------------|--------|------|
| 1 Regression | 20.315 | 1 | 20.315 | 95.561 | .000 |
| Residual | 18.921 | 90 | .2102 | | |
| Total | 39.236 | 91 | | | |

The result of analysis of regression model coefficients was carried out, the findings are shown in table 4.26. The table shows a positive beta coefficient of 0.663 as indicated in the coefficient's matrix with a p-value of 0.00 and a constant of 0.793 with a p-value of 0.000 which was more than 0.05. Therefore, the constant and debt management knowledge accord significantly to the model and that the model can offer data required to predict financial wellbeing from debt management knowledge.

Table 4.26: Debt Management Knowledge and Financial Wellness

| Model | Unstandardized | | Standardized | | T | Sig. |
|---------------------|----------------|------------|--------------|--|-------|------|
| | Coefficients | | Coefficients | | | |
| | B | Std. Error | Beta | | | |
| 1 (Constant) | .793 | .171 | | | 4.633 | .000 |
| Debt Mgt. Knowledge | .663 | .068 | .720 | | 9.776 | .000 |

a. Dependent Variable: Financial Wellness

4.8.4 Combined Influence of Independent Variables on Financial Wellness

A standard multiple regression analysis was done for each and every independent variable on financial wellness. The independent variables included; financial knowledge, cash management knowledge and debt management knowledge.

According to table 4.26, R computed was 0.79 and adjusted R square was 0.626. Which means combining all independent variables together explain 62.6% of the discrepancy in financial wellness. Other factors outside the model are explained by 37.4%. The adjusted R square of 0.626 which is greater than the individual adjusted R square of the bivariate models. Therefore, if all independent variables are combined, they provide

more details about the variations in the dependent variable compared to individual independent variables.

Table 4.27: Model Summary of the Combined Influence

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .799 | .639 | .626 | .40376 |

a. Predictors: (Constant), Debt Management Knowledge, Financial Knowledge, Cash Management Knowledge

The analysis of variance results in table 4.28 indicates the findings of standard multiple regression model. The F-value was 51.225 with p-value of 0.000, which was below 0.05. This indicates that the model was significant in predicting of financial wellness of employees in public technical and vocational institutions in Nyandarua County, Kenya. Hence the study rejects the null hypothesis that financial literacy has not significant influence on the financial wellness of employees in public TVET institutes in Nyandarua County, Kenya. In addition, this study confirms that there is a positive and significant influence of financial literacy on financial wellness.

Table 4.28: Analysis of Variance (ANOVA) for Results for the Combined

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|-----------|-------------|--------|-------------------|
| 1 Regression | 25.053 | 3 | 8.351 | 51.225 | .000 ^b |
| Residual | 14.183 | 88 | .1612 | | |
| Total | 39.236 | 91 | | | |

Table 4.29 shows regression coefficient of the multiple regression model. All the independent variables had a p-value less than 0.05. From the result one-unit change in financial knowledge leads to 0.121-unit change in financial wellness. Further a unit change in debt management knowledge and cash management knowledge lead to 0.352 units and 0.348 units respectively increase in financial wellness. The multiple regression analysis results are shown in Table 4.29;

Table 4.29: Multiple Regression Analysis

| Model | Unstandardized | | Standardized | | |
|---------------------|----------------|------------|--------------|-------|------|
| | B | Std. Error | Beta | t | Sig. |
| 1 (Constant) | .183 | .203 | | .903 | .069 |
| Financial Knowledge | .121 | .119 | .106 | 1.016 | .012 |
| Cash Mgt. Knowledge | .348 | .092 | .398 | 3.772 | .000 |
| Debt Mgt. Knowledge | .352 | .084 | .382 | 4.177 | .000 |

a. Dependent Variable: Financial Wellness

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The findings in section are conclusively summarized with recommendation regarding the study and has proposed further investigations.

5.2 Summary of Findings

The primary objective of this study was to evaluate the influence of financial knowledge on the financial wellness of employees in public TVET institutes in Nyandarua County. From the findings, the correlation coefficient between financial knowledge and financial wellness was $r = +0.663$ which is considered strong positive correlation implying that when financial knowledge increases by a unit, financial wellness increases by 0.663 units. Therefore, financial knowledge of employees in public TVET institutes influence their financial wellness.

The results of analysis of variance (ANOVA) indicated that the model fit is appropriate for this information. The value of F was 69.684 with a value of P as 0.000, which was below 0.05, implying that the general model is important in prediction of financial wellness of employees working in in public TVET institutes in Nyandarua County. Hence, this study rejects the null hypothesis that financial knowledge has no significant influence on economic wellness and confirms that there is a progressive and substantial influence of financial knowledge on financial wellness.

Analysis of regression model coefficients was done and the results was 0.755 showing a positive beta coefficient as indicated in the coefficient's matrix with a value P as 0.00 and a constant value of 0.389 and a value of P as 0.118. Hence, financial knowledge contributes significantly to the model since its p-value is less than 0.005 and therefore the model can provide detailed information required to predict economic prosperity from financial knowledge.

This second objective examined the influence of cash management knowledge on the financial wellness of employees in public TVET institutes in Nyandarua County. The correlation coefficient between cash management knowledge and financial wellness is

$r = +0.735$ which is a strong positive correlation. This implies a strong and apposite relationship between cash management knowledge and financial wellness of employee. The adjusted R square was 0.536, which means that 53.6% of the corresponding variation in economic wellbeing can be described by change in stewardship of cash.

The analysis of variance (ANOVA) indicates that the model fit was suitable for this information since the value of F was equal to 4.988 with p-value of 0.000, which was below 0.05. This suggest that the general model is important in prediction of financial wellbeing of staffs in public TVET Institutes in the Nyandarua County. Therefore, this study rejects the null hypothesis that cash management knowledge has no significant influence on financial wellness and substantiates that there is a positive and significant influence of cash management knowledge on financial wellness.

From the coefficient matrix the p-value= 0.00 and a constant of 0.479 with a p-value of 0.015 which is less than 0.05. Hence, both the constant and cash management knowledge contributes significantly to the model. The model can provide evidence needed to predict economic prosperity from cash management knowledge.

The third objective evaluated the influence of debt management knowledge on the financial wellness of employees in public TVET institutes in the Nyandarua County. The correlation coefficient between debt management knowledge and financial wellness was $r = +0.720$, which is also a strong positive correlation such that when debt management knowledge increases by a unit, financial wellness will increase by 0.72 units, which implies that debt management knowledge has a positive and significant influence on the financial well-being of workers. The R square was equal to 0.512 meaning that 51.2% of the corresponding variation in financial health can be described by debt handling.

The result of analysis of variance (ANOVA) indicated that the model fit was suitable for the data. The value of F was 95.561 with p-value of 0.000, which was below 0.05, suggesting that the general model is important in prediction of economic wellbeing of workers in public TVET institutes in Nyandarua County. Therefore, this study rejects the null hypothesis that debt management knowledge has no significant influence on financial wellness and confirm a positive and significant influence of debt management

knowledge on financial wellness in public technical and vocational institutions in Nyandarua County.

Analysis of regression model coefficients indicates that a positive beta coefficient of 0.663 as shown in the coefficient's matrix with a value of P as 0.00 and a constant value of 0.793 with a p-value of 0.000 which was less than 0.05. Hence, both the constant and debt management knowledge significantly contributes to the model and that the model provides information required in predicting economic wellness from debt management knowledge.

From the multiple regression analysis of financial knowledge, cash management knowledge and debt management knowledge on financial wellness, the calculated R-value was 0.799 and adjusted R square was 0.626 which implying that independent variables all combined explain 62.6% of the variations in financial wellness. Other factors outside the model can be explained by 37.4%. Therefore, a combination of independent variables provides more details about the variations in the dependent variable than the individual independent variables.

With p-value of 0.000, which was less than 0.05, the overall model was significant in prediction of financial wellness of employees in public technical and vocational institutions in Nyandarua County, Kenya. Hence, a null hypothesis is rejected that financial literacy has not significant influence on the economic wellness of employees in public technical and vocational institutions in Nyandarua County, Kenya. The study further confirms that there is a positive and significant impact of financial literacy on financial prosperity.

Altogether, the independent variables had a p-value equal or less than 0.05. Therefore, the constant and the independent variables positively contribute to the model and the model provide data required to predict financial wellness from the independent variables combined.

5.3 Conclusion

Owing to the study's investigations and the outcomes it can be pointed out that financial knowledge which is measured by an individual's ability to make savings for future needs, invest in bonds that give higher returns than stocks when held for a long period, diversification of the spending and investments among different assets to spread the risks and increase revenue, ability to make day-to-day financial decisions and being able to analyze the financial situation prevailing in the economy as well as avoiding spending income on non-budgeted items borders on a positive outcome on financial wellness of workforce in the Institution under the study resulting to progressive on matters financial wellness.

Secondly, cash administration which is shown by the individual's ability to maintain an optimal amount of cash on hand, knowing how to spend money based on revenue and expenditure, keeping a close personal watch on financial affairs, knowing how to budget for upcoming expenses, tracking spending to make sure it is consistent with budget, managing money efficiently through technology and being able to plan for potential emergencies was established to have progressive and significant influence on financial wellness.

Thirdly, debt management knowledge measured by an employee's ability to reliably pay off debt when due, ability to evaluate the possible risk exposure before taking up an investment, being able to improve their credit rating, and go into debt safely by acquiring manageable debts, being prepared for higher interest rates on money borrowed have a progressive and significant impact on economic wellbeing of staffs in public technical and vocational institutions.

5.4 Recommendations

This research recommends that since the financial health of employees is positively related to the extent to which people are financially knowledgeable, then public TVET institutions should subject their employees to financial knowledge acquisition to help them make profitable economic decision, utilize financial products and service, avoiding risk and enhance their economic growth through financial behavior change

through undertaking of economic literacy training, group or individual capacity building, and exposure to experiences in financial products as well as services to enhance their economic literacy.

This study recommends that the in public technical, vocational education, and training institutions should let their employees realize that over- borrowing results in financial problems and that many employees realize that they are in financial crisis, hence being obliged to spend their earnings without a budget and that high cost of borrowing, high cost of transactions, and lack of necessary information that they cannot access makes them highly indebted. Therefore, Individual with good knowledge on debt management knowledge are capable of a well-managed debt portfolio with low risk but good returns, therefore increasing their economic wellbeing.

The study recommends to the in public technical, vocational education, and training institutions to encourage their employees to ensure optimum utilization of cash flows to ensure liquidity, by ensuring proper collection, investment, and disbursement of cash in a manner that ensures profitability and that the employees should individual can make proper budgeting plans, investments, and savings, and putting up an insurance cover which ensures sound cash management practices that will result in good financial well-being.

5.5 Areas for Further Study

The following areas are considered for further study, which includes:

- i. The association between employee's age and financial wellness of employees in public technical and vocational institutions in Kenya
- ii. The relationship between gender and financial wellness of employees in technical institution in Kenya
- iii. The influence of emerging technologies on financial wellness of employees' public TVET institutions in Kenya.

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APPENDIX I
INTRODUCTION LETTER

Raphu M. Sitai,
P. O. Box 174- 20300,
Email: raphu07@yahoo.com
Nyahururu.

Dear Sir/Madam,

RE: AN INTRODUCTORY LETTER TO THE RESPONDENTS

I am a student at Laikipia University researching the Influence of Financial Literacy on the Financial Wellness of Employees in Public Technical Institutions in Nyandarua County, Kenya. This research is a partial fulfillment of the requirement for the conferment of the Master's Degree in Business Administration.

I am in the process of collecting data through the questionnaire; I am humbly requesting your participation as a sampled respondent. The questionnaires contain questions that are pertinent to this research, and I would appreciate it if you kindly handle all the questions.

I understand the sensitivity of the likely responses that I anticipate. Therefore, I assure you that the responses are intended only for this academic research and shall be treated with the confidentiality it deserves.

Attached herewith is the questionnaire for your kind response.

Your participation is highly appreciated,

Thank you for your cooperation.

Yours faithfully,

Raphu M. Sitai.

APPENDIX II
QUESTIONNAIRE

QUESTIONNAIRE NO:

Date...../...../2023

Please provide information on the following questions. Information collected from each questionnaire will be used for academic purposes only, and the responses will be treated with the utmost confidentiality.

PART A: GENERAL INFORMATION

Department/ Section _____

Question1: Category (Tick as Appropriate)

Academic Staff []

Non-academic Staff []

PART B: DEMOGRAPHIC DATA

Instructions: tick in the spaces provided.

| Variable | Investors' Grouping | |
|--------------------|---------------------|--|
| QUESTION 2 | | |
| Age | 18-25 years | |
| | 26-35 years | |
| | 36-45 years | |
| | 46-55 years | |
| | More than 55 years | |
| Question 3 | | |
| Education Attained | Certificate | |
| | Diploma | |
| | Under Graduate | |

| | | | | | |
|--|--|--|--|--|--|
| c). I diversify the spending of my money among different assets and investments to spread the risks and increase revenue | | | | | |
| d). I'm able to make day-to-day financial decisions | | | | | |
| e). I'm able to analyze the financial situation prevailing in the economy, and therefore, I don't strain financially | | | | | |
| f). I can make good financial decisions that are new to me | | | | | |
| g). I know how to make a complex financial decision | | | | | |
| h). I avoid spending my income on non-budgeted items | | | | | |
| i). I can recognize a good financial investment | | | | | |
| j). I know where to find the advice I need to make decisions, money | | | | | |
| k). I struggle to understand financial information | | | | | |
| l). My bank or financial advice works for me | | | | | |
| m). I keep a monthly written plan that addresses my income and spending | | | | | |

Question 8

| | | | | | |
|---|-------------------|----------|---------|-------|----------------|
| The following statements represent variables of cash management knowledge-related questions. Please indicate your level of agreement to each of the | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|---|-------------------|----------|---------|-------|----------------|

| | | | | | |
|---|---|---|---|---|---|
| following items related to financial literacy using a scale of 1-5 where 1= = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree & 5 = Strongly agree. | | | | | |
| Cash Management Knowledge | 1 | 2 | 3 | 4 | 5 |
| a). I have too much cash on hand. | | | | | |
| b). I know how to spend my money based on my income and expenses. | | | | | |
| c). I keep a close personal watch on my financial affairs. | | | | | |
| d). I know how to budget for upcoming expenses. | | | | | |
| e). I track my ongoing spending to make sure I stick to my written cash plan. | | | | | |
| f). I efficiently manage my money through technology. | | | | | |
| g). I know how to plan for potential emergencies. | | | | | |

Question 9

| | | | | | |
|--|-------------------|----------|---------|-------|----------------|
| The following statements represent variables of financial wellness-related questions. Please indicate your level of agreement with each of the following items related to financial literacy using a scale of 1-5 where 1= = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree & 5 = Strongly. | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
| Finance wellness | 1 | 2 | 3 | 4 | 5 |
| a). I worry about not having enough money to pay my bills | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| b). I know how I will pay my monthly loans | | | | | |
| c). I rely on mobile banking loans to survive every month | | | | | |
| d). I would have a challenge getting cash or credit to meet an unexpected need within the next month. | | | | | |
| e). In the past 12 months, I have run out of money severally. | | | | | |
| f). I set aside at least 10% of my income to cover my living expenses for three to six months if I become unemployed. | | | | | |
| g). I would have trouble getting Kshs 5,000 in cash or credit to meet an unexpected need within the next month. | | | | | |
| h). In the past 12 months, I have run out of money severally. | | | | | |
| i). In the past 12 months, I have borrowed money several times from my family and/or friends. | | | | | |
| j). The amount of total debt (e.g. credit card debt, car loan debt, or money owed to family or friends) I have right now is overwhelming. | | | | | |
| k). I am in a position to support my family financially. | | | | | |
| l). I do provide financial support for my other relatives apart from the nuclear family. | | | | | |
| m). I have more loan debts than I expected to have at this point. | | | | | |
| n). In the past 12 months, I have used a credit card several times. | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| o). I have difficulty paying my rent. | | | | | |
| p). In the past 12 months, I have borrowed payday loans several times. | | | | | |
| q). I have a home mortgage loan. | | | | | |
| r). I have a family insurance policy. | | | | | |
| s). I can handle a major unexpected expense. | | | | | |
| t). I am concerned that the money I have or will save won't last | | | | | |
| u). I have money left over at the end of the month. | | | | | |

Question 10.

| | | | | | |
|---|-------------------|----------|---------|-------|----------------|
| The following statements represent variables: Debt management- related questions. Please indicate your level of agreement with the following items related to financial literacy using a scale of 1-5, where 1= = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree & 5 = Strongly agree. | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
| Debt Management Knowledge | 1 | 2 | 3 | 4 | 5 |
| 1. Are you able to reliably pay off your debt? | | | | | |
| 2. I evaluate the possible risk exposure before taking up an investment. | | | | | |
| 3. Are you able to improve your credit rating? | | | | | |
| 4. Are you able to go into debt safely? | | | | | |
| 5. I am prepared for higher interest rates on money I borrow. | | | | | |

APPENDIX III

APPROVAL LETTER FROM ETHICS REVIEW COMMITTEE LAIKIPA UNIVERSITY

LAIKIPIA

P.O. Box 1100-20300,
NYAHURURU,
KENYA



UNIVERSITY

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INSTITUTIONAL SCIENTIFIC ETHICS REVIEW COMMITTEE

Ref: LU/APP/059/2023

14th November, 2023

Raphu M. Sitai,
P. O. Box 1801-70100,
GARISSA

Dear Mr. Raphu M. Sitai

**Re: Influence of Financial Literacy on Employees' Financial Wellness in Public Technical
Institutions in Nyandarua County, Kenya**

This is to inform you that Laikipia University Institutional Scientific Ethics Review Committee (LU-ISERC) has reviewed and approved your above research proposal. Your application approval number is LU/APP/59/2023. The approval period is 14th November, 2023 – 13th November, 2024.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including (informed consents, study instruments, MTA) will be used;
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by Laikipia University Institutional Scientific Ethics Review Committee;
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to Laikipia University Institutional Scientific Ethics Review Committee within 72 hours of notification;
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to Laikipia University Institutional Scientific Ethics Review Committee within 72 hours;

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Mission: To serve students and society through research, education, scholarship, training, innovation, outreach and consultancy




Laikipia University is ISO 9001:2015 and ISO/IEC 27001:2013 Certified



- v. Clearance for export of biological specimens must be obtained from relevant institutions;
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal and
- vii. Submission of an executive summary report within 90 days upon completion of the study to Laikipia University Institutional Scientific Ethics Review Committee.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely


Prof. Charles Nguta PhD

Chairman - Laikipia University Institutional Scientific Ethics Review Committee



APPENDIX IV NACOST PERMIT

| | |
|---|--|
|  <p>REPUBLIC OF KENYA</p> |  <p>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION</p> |
| Ref No: 421879 | Date of Issue: 11/December/2023 |
| RESEARCH LICENSE | |
|  | |
| This is to Certify that Mr.. RAPHU mosongo SITAI of Laikipia University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nyandarua on the topic: INFLUENCE OF FINANCIAL LITERACY ON EMPLOYEES' FINANCIAL WELLNESS IN PUBLIC TECHNICAL INSTITUTIONS IN NYANDARUA COUNTY, KENYA for the period ending : 11/December/2024. | |
| License No: NACOST/TP/23/31693 | |
| Applicant Identification Number |  |
| | Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION |
| | Verification QR Code |
| |  |
| NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application. | |
| See overleaf for conditions | |

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and
Innovation(NACOSTI),
Off Waiyaki Way, Upper Kabete,
P. O. Box 30623 - 00100 Nairobi, KENYA
Telephone: 020 4007000, 071 3788787, 0735404245
E-mail: dg@nacosti.go.ke
Website: www.nacosti.go.ke

APPENDIX V INTRODUCTION LETTER

LAIKIPIA UNIVERSITY

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bpgs@laikipia.ac.ke; www.laikipia.ac.ke

OFFICE OF DIRECTOR GRADUATE SCHOOL

Ref: MB24/4184/18

9th October, 2023

TO WHOM IT MAY CONCERN

RE: RAPHU MOSONGO SITAI – REG. MB24/4184/18

The above mentioned is a Postgraduate student of Laikipia University undertaking a Master of Business Administration degree at the department of commerce, school of business and economics. His research proposal entitled, 'INFLUENCE OF FINANCIAL LITERACY ON EMPLOYEES' FINANCIAL WELLNESS IN PUBLIC TECHNICAL INSTITUTIONS IN NYANDARUA COUNTY, KENYA' has been **Examined and Accepted** by the Board of Graduate School and is hereby authorized to conduct his research.

Any assistance accorded to his will be highly appreciated.

Thank you.

for 

Prof. FELICIA YIEKE
Director

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