

# Physical Health, Emotional Exhaustion and Perceived Financial Wellbeing: An Exploration of Malaysian Gen Y Employee

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## Abstract

Generation Y workers are important asset for Malaysia and other country. As the level of bankruptcy among Gen Y workers are alarming, this study try to focus on whether their emotional exhaustion and physical health influence their perceived financial wellbeing. Survey was carried out using online questionnaire to Gen Y workers in services sectors including hotel industry, financial services, and tourism sectors. Out of 285 questionnaires distributed, 200 questionnaires were returned. Results shows that Gen Y workers' emotional exhaustion have a negative significant effect on perceived financial wellbeing while the result for Gen Y physical health is otherwise. Theoretically this study contributes to the literatures of Gen Y financial wellbeing by identifying whether emotional exhaustion and physical health have an influence to their financial wellbeing. Practically this result contributes to decision makers to design policy that can mitigate the emotional exhaustion among Gen Y workers in Malaysia.

**Keywords:** Physical health; emotional exhaustion; perceived financial well-being; gen y

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## 1. Introduction

### The importance of Gen Y to Malaysian Economy

The Generation Y Cohort which were classified as individual that born between the late 1970s to late 1990s, can also been known as Millennials generation. This Gen Y cohorts have almost similar number with the Baby Boomer generation which is around eighty thousand population all over the worlds. Gen Y cohorts has been identified to have unique characteristics and mindsets compare to others generation cohort [1]. According to the data from Department of Statistic of Malaysia in 2011, the estimated number of Gen Y cohort in Malaysia are around 11 million which formed almost half population of Malaysia. Gen Y currently becoming a majority number of workforce of Malaysia compare to Gen X cohorts.

According to the study from [2], Gen Ys are audacious on their financial knowledge and not financially in good shape indirectly give negative effect to their financial well-being and financial management. The study also reported that his cohort of generation are more prone to get financial loan for their life satisfaction without a proper planning on their financial. Apart from other important element of individual's well-being such as social, carrier, physical, and community, financial element can be regarded as most important wellbeing for people nowadays [3].

As large number of studies have reported that the Gen Y cohort have faced severd financial problems due to their different mindset on financial management, the external factors such as economics recessions which lead to high employability rates, inflations, and industrial revolution 4.0 will lead this problem become worsen [4].

Therefore the Gen Y cohort need to equipped themselves with a strong financial knowledge and money saving mindset [5] as previous study has revealed that an individual with good financial management habit are more prudent in their spending, invest more and can handle financial very well [6]. Financial management's knowledge are very important as it can give effect to an individual financial well-being as well as shaped the prudent spending behaviour [7].

### Problem statement

Currently, insolvency cases have turn out to be a main badly-behaved in Malaysia. In an article in the New Straits Times dated 18 November 2016, The Finance Ministry discussed the problem with the Department of Insolvency to tenacity the problems of bankruptcy amid youth [8]. According to the report from Malaysian Insolvency Department (MDI) in year of 2012, out of 23,000 bankruptcy cases recorded, majority of them were aged between 25 to 34 years old. Surprisingly, more than 1000 bankruptcy cases involved Gen Y under 25 years old [8]. Among the main contributing factors that lead to bankruptcy as reported by Malaysian Insolvency Department (MDI) were: 1) failure to pay motor and car loan, 2) failure to pay personal loan, 3) failure to pay housing loan, and 4) become loan guarantors and 5) education loan. The government sights bankruptcy Generation Y as a thoughtful issue not only for the personal, but also on the subject of the loss to the nation. As there are lack of study that focus on Gen Y workers' financial wellbeing, this study try to fill in the gaps by examining whether the Gen Y workers' physical health and emotional exhaustion have influenced on their perceived financial wellbeing. The results of this study contributes theoretically and practically to the stakeholders involved.

### Objective of the study

- To study whether employee's physical health influence their perceived financial wellbeing.
- To examine whether employee's emotional exhaustion influence their perceived financial wellbeing

### Significant of the study

This paper contributes to body of knowledge of financial wellbeing between young generations in Malaysia. This paper shows how the physical health and emotional exhaustion influence the financial wellbeing between Generation Y workers in Malaysia. By understanding this factor, it will indirectly influence the overall wellbeing of the Generation Y workers in Malaysia. Practically, this study provides insight to employers on how Generation Y workers to overcome the bankruptcy. By understanding their employee's physical health and emotional exhaustion, employers can help their employees to overcome bankruptcy.

## 2. Material and Method

This section discusses the materials of this study, which are employee's physical health and emotional exhaustion, perceived environmental performance, the hypotheses for the study, and the conceptual research framework. The methods are the sample and measurement.

### Employee's Physical Health

Employees' poor physical problems including 1) backache (lumbago); 2) Migraine; 3) gastrointestinal disorders; and 4) Low sleep quality has result in the drastic increase of the company's healthcare cost and decrease the company's productivity and performance [9]. Scientific studies has shown that the major cause of the abovementioned health problem are the individual's lifestyle factors such as their work and social environment [10]. Nevertheless there is a lack study focus on the effect of employee's physical health on financial wellbeing. Previous study indicated that employee's physical health can be measure through questionnaire in the form of subjective measure (such as voluntary statement of the individual health problem) and objective measure (such as health assessment conducted by an expert)[11].

### Employee's Emotional Exhaustion

Emotional exhaustion can be seen as syndrome of individual feel psychological stress and exhausted of their work [12]. At the point when individual feel exhausted, they will not concentrate on their work because emotional factors distract their thinking abilities which subsequently decrease their work productivity [13]. Previous study reported that employee's with this problem prone to lost focus in completing their work's task due to limited number of physiological resources [14]. As a large number of study have focused on the effect of employee's emotional exhaustion on their productivity, there is a limited study that focus on the effect of this problem to their financial well-being particularly in the context of Gen Y.

### Perceived Financial Well-being

Financial wellbeing Affect for organization, team and individually from indirectly or directly perspective[15]The employee performance can affect from the changes of their financial level either it low or higher. Furthermore, previous study such as [16] can be influence by the Gen Y employee itself. Financial status, satisfaction, behaviour, attitudes, and financial knowledge has been found as important factor to financial wellbeing. Employee with high financial wellbeing will able to handle their expenses as well as feels financially secure now and expected in the future [17]

### Hypothesis and Conceptual Framework

Based on the literature review, the conceptual framework (Fig. 1) and the hypothesis for this study are as follows:

H1: There is a negative significant relationship between employee's physical health and employee's perceived financial wellbeing.

H2: There is a negative significant relationship between employee's emotional exhaustion and employee's perceived financial wellbeing.

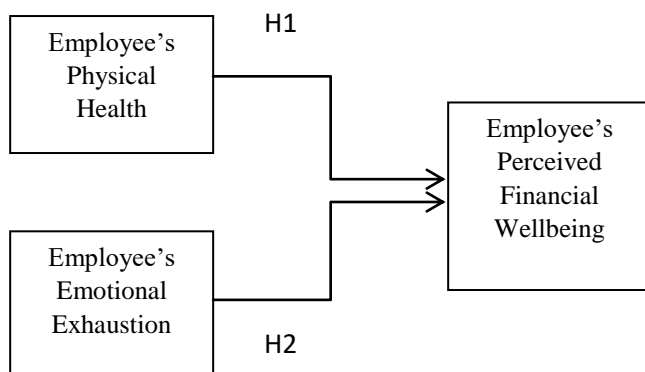


Figure 1: Conceptual Framework of the study

### Sample

A purposive based sampling has been utilized in this study for Gen Y employees working in service sector in Klang Valley. A set of 285 questionnaires were distributed to the employees who working in service sector in Klang Valley. In total, 200 questionnaires were returned. Among the service sectors that have been covered in this study were hotel industry, financial services, and tourism sectors,

### Measurement

The measurement of employee's physical health was adopted from [18] comprising three items with a five-point Likert-type scale, ranging from 1(strongly disagree) to 5 (strongly agree). While the measurement of employee's emotional exhaustion was adopted [19] comprising three items with a five-point Likert-type scale, ranging from 1(strongly disagree) to 5 (strongly agree). While last but not least, the measurement of employee's perceived financial wellbeing was adopted from [20] comprising ten items with a five-point Likert-type scale, ranging from 1(strongly disagree) to 5 (strongly agree). Prior conducted the full-scale survey, the questionnaires has undergone pretesting and pilot testing procedure.

### Data collection

A quantitative method was used to gather data in this research, specifically, the study created online survey platform using Google Survey to suit the objectives of this study and to cover all the elements which we need to

investigate. The link of the questionnaire had been uploaded along with an introduction letter to the respondent's email. The sample was limited to Gen Y workers in service sector which born from 1980 to 2000. Currently the estimated number of Gen Y population in Malaysia were 14 million in 2016. Only 200 usable questionnaires were obtained and analysed.

### 3. Result and Discussion

Collected data are processed the statistical package for the social science (SPSS v.22). Results of analysis are presented in Table 1, Table 2, and Table 3. Table 1 presents the socio-demographic information about the respondents. In the sample, 41 percent were male and 59 percent were female. Regarding to the age of Gen Y employees, 29.5 percent age from 20 to 24, 43 percent age from 25 to 30, and 27.5 percent age from 31 to 38. For marital status, 45.5 percent of respondents are single, 52.5 percent are married, and 2 percent have others. In term of education level, 43 percent of respondents have diploma, 38 have degrees, and 19 percent have other type of education. Last but not least, for races, 46 percent of respondent are Malay, 29 percent are Chinese, 17.5 percent are Indian, 4.5 percent are Bumiputera Sabah, 1 percent are Bumiputera Sarawak, and 2 percent are from other races.

Table 1: Demographic Of Respondent

Demographic Profile	Categories	Number	Percentage
Gender	Male	82	41
	Female	118	59
Age	20-24	59	29.5
	25-30	86	43
	31-38	55	27.5
Marital Status	Single	91	45.5
	Married	105	52.5
	Others	4	2
Education Level	Diploma	86	43
	Degree	76	38
	Others	38	19
Races	Malay	92	46
	Chinese	58	29
	Indian	35	17.5
	Bumiputera Sabah	9	4.5
	Bumiputera Sarawak	2	1
	Others	4	2

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.510 <sup>a</sup>	.311	.303	.50448

a. Predictors: (Constant), Emotional Exhaustion, Physical Health

b. Dependent Variable: Financial Well-Being

The value of  $R^2$  is 0.311, which tells us that Gen Y workers' emotional exhaustion and physical health can account for 31.1 percent of the variation in respondents' perceived financial wellbeing. This result shows the overall fit of the model and the relative contribution of each of the independent variables to the total variance explained.

Table 3: Coefficient of Variable

	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	2.966	.282			10.503	.000
Physical Health	-.016	.065	-.017		-.244	.807
Emotional Exhaustion	-.163	.052	-.220		-3.160	.002

a. Dependent Variable: Financial Well-Being

This study used multiple regression analysis to examine whether Gen Y financial well-being can be predicted based on their physical health and emotional exhaustion as well as to identify the overall fit of the model. Table 3 shows that the emotional exhaustion makes a significant contribution ( $p < .001$ ) to predict the respondents' perceived financial well-being. Nevertheless the result for physical health is otherwise. Therefore Hypothesis 1 is rejected while Hypothesis 2 is supported.

#### 4. Conclusion

Based on the outcome of the papaer, it can be finalized that Gen Y worker's emotional exhaustion in Malaysia has a negative influence on their perceived financial wellbeing. This result indicate that Gen Y workers which felt emotionally exhausted and drained as a result of bring together stress from their individual or work lives, have negative perception on their current financial wellbeing. This condition is not good for them as apart from financial distress, emotional exhaustion can lead to more serious health problem. On the other hand, this study did not find any significant effect between Gen Y workers' physical health and their perceived financial wellbeing. It can be presumed that since Gen Y are relatively young, they are still healthy and did not faced any serious health problem yet.

Theoretically this study contributes to the literatures of Gen Y financial wellbeing by identifying whether emotional exhaustion and physical health have an

influence to their financial wellbeing. Practically this result contributes to decision makers to design policy that can mitigate the emotional exhaustion among Gen Y workers in Malaysia. It is acknowledged that this there are any factors that may contribute to perceived financial wellbeing of Gen Y. Future studies can focus on other factors that can influence Gen Y workers perceived financial wellbeing. As this study only focus on Gen Y workers in service sectors, future study can extend it to Gen Y workers in other sectors.

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