INTERNATIONAL JOURNAL OF INDUSTRIAL MANAGEMENT
ISSN: 2289-9286 e-ISSN: 2590-3594
VOLUME 17, NO. 2, 2023, 119 – 125
DOI: https://doi.org/10.15282/ijim.17.2.2023.9460

RESEARCH ARTICLE

FINANCIAL MANAGEMENT OF WORKING BUSINESS STUDENTS DURING THE COVID-19 PANDEMIC

Shiela Mae Arnaldo, Ira Trinika Remonde, Raquel Sanama, and Glenndon C. Sobrejuanite*

College of Business Administration Education, Financial Management University of Mindanao, Davao City, Philippines

ABSTRACT - Working business management students were among those who were affected by the COVID-19 pandemic when it comes to managing their finances. This study focuses on the level of financial management of working business students during the pandemic in three areas namely financial literacy, financial planning, and financial behavior. A descriptive research design was utilized by the researchers in the conduct of the study. There were 200 business students who are working who participated in this study. They were chosen through purposive sampling. A standardized survey questionnaire was formulated by the researchers and was sent out and retrieved via Google Forms. Kruskal-Wallis and Mann-Whitney U tests were used by the researchers to test the significant difference between indicators and the profile of the respondents. Results showed that there is a very high level of financial management among those students who are working in terms of the three indicators namely financial literacy, financial planning, and financial behavior. Results showed that financial planning has the highest mean among the three indicators which means it is highly practiced by working business students. It was also revealed in the study that there was no significant difference in terms of financial literacy and financial behavior when analyzed according to the profile of the respondents. There was, however, a significant difference in terms of financial planning and the year-level profile of the respondents. Financial management plays a vital role among working business students as this translate into how well they manage their financial resources.

ARTICLE HISTORY
Received : 06-09-2022
Revised : 10-10-2022
Accepted : 11-11-2022
Published : 28-06-2023

KEYWORDS
Financial management,
Financial literacy,
Financial planning,
Financial behaviour,
Descriptive research design,

1.0 INTRODUCTION

It was a very challenging time for working business students when the COVID-19 pandemic struck. Students who were working while studying had to do some odd jobs to support themselves and their studies. Many of them had to face layoffs or being furloughed from their work due to the situation. Because of this, it caused major disruptions to their lives and studies, especially in how to properly manage their financial resources. Falahati, Sabri, and Paim (2012) stated that a financial problem is caused by the failure to manage finances and it needs to be taken care of within six months. Many students working in the business industry have a hard time paying for their education. Having to work and study at the same time provide students with financial resources that can somewhat help them pay their college tuition. Those who are lacking in the area of financial planning may be prone to investing in securities that have a very high risk, acquiring too much debt, and having not enough savings for retirement (Nga, Yong, & Sellappan, 2010).

Several students at the college level who suffered from a financial crisis have failed to plan how to spend properly which resulted in their unexpected financial problems. According to Nucum (2018), students who are working have apparently experienced the idea of work-study balance over several decades. Financial hardship is the most common reason why students work either part-time or full-time. Setting aside a portion of one’s income for savings is the most common financial technique as stated by Mien and Thao (2015). Long-term stability and good health can be increased by an individual if he or she practised good financial management. The aim of this study is to determine the financial management practices of working business students during the COVID-19 pandemic.

2.0 LITERATURE REVIEW

The Prospect theory which was conceptualized by Daniel Kahneman and Amos Tversky was the anchored theory of this study in the field of financial planning. This theory states that a person makes decisions when presented with multiple options and permits different weighting capacities for gains and for losses. One of the most relevant outcomes of the study of Kahneman and Tversky is that there are people who are too confident in their own capacity. Overconfidence among individuals leads them to experience repeatedly heavy losses as they frequently underrate the risk of the markets and they usually make not well-thought decisions on the present market condition based on the past prices.

***CORRESPONDING AUTHOR | G. C. Sobrejuanite** | ✉ glenndon_sobrejuanite@umindanao.edu.ph

The student's financial knowledge, attitude, and conduct can be impacted by personal finance education. Managing finances is one of the challenges that the current generation is facing. Family financial socialization was found to be a considerable driver of financial learning, attitude, and behavior, whereas earnings, job experience, and talking about finance with friends were found to be other financial behavior drivers. This does not mean that financial knowledge is not essential, it means that this must be incorporated if the goal is for the betterment of people’s actions and attitudes towards money (Johan, Rowlingson, & Appleyard, 2020).

There are insufficient levels of financial literacy in most countries, and the best way to improve financial literacy is through financial teaching. Better information, guidance, and instruction that lead to educated decisions are the abilities gained by financial consumers. The socio-demographic characteristics influence the financial literacy of financial consumers (Fraczek, 2014). According to Khurram and Malik (2019), teenagers' attitudes about financial planning and their awareness of personal finances has a positive association. This demonstrates that millennials are cognizant of their personal money and have a positive outlook on them. Chen and Volpe (1998) assert that university students' lack of financial literacy prevents them from making informed decisions. Although their study did not specifically target college students. Lusardi, Mitchell, and Curto (2010) found that young people's knowledge of basic financial concepts is limited.

According to the Malaysia Financial Planning Council (2004), people can understand the implications of each financial activity and take steps to control their funds through financial decision-making elements such as credit and cash control, investment, risk management, pensions, taxation, retirement savings, and real estate. Furthermore, it emphasized the importance of working people calculating their liquidity for the next six to twelve months and understanding their earning expenses. Nor Akmar Yaakub, Director of the Agency for Credit Counseling and Debt Reduction's (AKPK) Department of Financial Education, recommended against reducing debt during the COVID-19 pandemic, especially for spending reasons, and contends that teens would learn from the crisis the importance of sound money management and building up a significant reserve fund (Lim, 2020).

Having sufficient cash readily available is important in times of crisis, says Stephen Yong, CEO of MyPF's financial education platform, not just to cover expenses for oneself and one's business but also to take advantage of investment possibilities in the market. Lim (2020) cautions young professionals not to cut back on their retirement savings and to not lose sight of their medium to long-term financial goals. According to Awanis (2013) and Ulbrich and Krik (2017), youth were responsible for the extension of student loan payments, debt buildup that has not been paid off, excessive credit card debt, and inability to save since they lacked financial literacy. In a different study, David (2010) and Lee et al. (2015) found that while most young adults believed that financial planning was important and was focused on creating one, just a small percentage of them believed they had the necessary skills and knowledge.

Another study found that individual behavior, such as developing and maintaining a proper budget, paying bills promptly, and consistently conserving money, had an impact on money management and financial decision-making. Consumers commonly engage in poor financial behavior, say Edmiston and Fisher (2006), because they lack the ability to do so, and they do not understand the advantages of making plans and do not anticipate potential problems.

According to research, individuals must exhibit suitable financial behavior and a sufficient level of financial understanding (Hilgert, Hogarth, & Beverley, 2003; Mien & Thao, 2015). Valenzuela and Valencia (2017) mentioned appropriate financial conduct as analyzing a purchase thoroughly, making on-time loan payments, and devising a strategy to fulfill a personal purpose. It follows logically that having outstanding financial conduct and making wise decisions are closely connected. This is crucial since smart financial decisions contribute to success such as increased wealth or decreases indebtedness and protect against unfavorable consequences (Grohmann & Menkhoff, 2015). Because life is a dynamic process that varies with the seasons and may shift one's requirements and priorities appropriately, it is imperative to always be prepared for unexpected situations.

3.0 METHODOLOGY

The descriptive design approach was employed in this study to describe how the COVID-19 epidemic affects working business students, particularly in terms of their financial situation. The study's target respondents were 200 Business Administration students who were enrolled at the University of Mindanao for the academic year 2021–2022, ranging in year level from first year to fourth year. The researchers employed the purposive sampling technique for this study.

An adapted and modified questionnaire was utilized in this research as an instrument to gather the data from the target respondents. The questionnaire was adapted from Knowledge, Attitude, Practice, and Satisfaction on Personal Financial Management Among the Medical Practitioners in the Public and Private Medical Services in Malaysia (Anthony, pp. 128-138, 2011). The statistical tools employed in treating the data were the mean, standard deviation, Kruskal-Wallis, and Mann-Whitney U test.

4.0 RESULTS

Table 1 presents the level of financial management of working business students during the COVID-19 pandemic. The overall mean rating was 4.41, and the overall standard deviation was 0.71. with a general descriptive equivalent of very high. In terms of financial planning, its mean value is 4.44 with a standard deviation of 0.71 with a descriptive equivalent of very high. Financial behavior got a mean of 4.43 and a standard deviation of 0.66 with a descriptive equivalent of very high. Finally, financial behavior got a mean of 4.36 and a standard deviation of 0.76 with a descriptive equivalent of very high.

Table 1. Level of financial management of working business students during COVID-19 pandemic

Indicators	Mean	Standard Deviation	Description
Financial Planning	4.44	0.71	Very High
Financial Behavior	4.43	0.66	Very High
Financial Literacy	4.36	0.76	Very High
Overall	4.41	0.71	Very High

Table 2 shows the results of the significant difference in the financial management of working business students during the COVID-19 pandemic when analyzed according to their sex. As presented in the table, it is shown that there is no significant difference in the effect of the pandemic in terms of the sex of the respondents. In terms of financial planning, it obtained a p-value of 0.95, financial behavior got a p-value of 0.38, and financial literacy garnered a p-value of 0.71, which together indicates that the participating working business students, regardless of their sex do not affect the management of their finances even though in the time of the pandemic. Hence, with this result, since all p-values were greater than 0.05, it fails to reject the null hypothesis. This finding is consistent with Nidar and Bestari's (2012) and Margaretha and Sar's (2015) research, which found that sex does not significantly affect financial literacy. Men and women have different levels of financial literacy (Fraczek, 2014).

Table 2. Significant difference of working business students during COVID-19 pandemic according to sex

Indicators	Test	Sig.	Decisions
Financial Planning	Independent – Sample Mann-Whitney U Test	0.95	Failed to Reject
Financial Behavior	Independent – Sample Mann-Whitney U Test	0.38	Failed to Reject
Financial Literacy	Independent – Sample Mann-Whitney U Test	0.71	Failed to Reject

Table 3 shows the results of the significant difference in the financial management of working business students during the COVID-19 pandemic when analyzed according to their age. Financial planning generated a p-value of 0.40, financial behavior got a p-value of 0.29, and financial literacy obtained a p-value of 0.59, which together indicates that the participating working business students, regardless of their age, do not affect their management in relation to their finances even in the time of the pandemic. Therefore, with this result, since all p-values were greater than 0.05, it fails to reject the null hypothesis.

These findings are supported by the fact that older financial consumers have higher levels of perceived financial competence compared to younger financial consumers, both objectively and subjectively (Xiao, et al., 2015). As consumers age, their financial condition changes. Their self-efficacy should increase as they lead more sophisticated financial lives.

Table 3. Significant difference of working business students during the COVID-19 pandemic according to age

Indicators	Test	Sig.	Decisions
Financial Planning	Independent – Sample Mann-Whitney U Test	0.40	Failed to Reject
Financial Behavior	Independent – Sample Mann-Whitney U Test	0.29	Failed to Reject
Financial Literacy	Independent – Sample Mann-Whitney U Test	0.59	Failed to Reject

Presented in Table 4 are the results of the significant difference in the financial management of working business students during the COVID-19 pandemic when analyzed according to their civil status. Financial planning generated a p-value of 0.40, financial behavior garnered a p-value of 0.63, and financial literacy got a p-value of 0.62, which collectively indicates that the participating working business students regardless of their civil status, do not affect their management in relation to their finances even in the time of the pandemic. Thus, with this result, since all p-values were greater than 0.05, it fails to reject the null hypothesis.

Research suggests that civil status increases the influence of financial knowledge and experience on financial well-being. Single women can manage their finances and confirmed that, on average, women are more adept at managing and making financial decisions (Agarwalla et al, 2013). Women who are single therefore have full financial rights. Financial management is comparable to being married, according to Brown and Graf (2013), because the wife and husband share the responsibility of making financial decisions for the household.

Table 4. Significant difference of working business students during the COVID-19 pandemic according to civil status

Indicators	Test	Sig.	Decisions
Financial Planning	Independent – Sample Mann-Whitney U Test	0.40	Failed to Reject
Financial Behavior	Independent – Sample Mann-Whitney U Test	0.63	Failed to Reject
Financial Literacy	Independent – Sample Mann-Whitney U Test	0.62	Failed to Reject

Presented in Table 5 are the results of the significant difference in the financial management of working business students during the COVID-19 pandemic when analyzed according to their program. Financial planning generated a p-value of 0.57, financial behavior got a p-value of 0.35, and financial literacy garnered a p-value of 0.99, which together indicates that the participating working students regardless of their program, do not affect their management in relation to their finances even though in the time of the pandemic. Therefore, with this result, since all p-values were greater than 0.05, it fails to reject the null hypothesis.

Students who had completed a high school personal finance course were contrasted with students who had not, and Mandell (2009) found no differences in the degree of financial literacy between the two student groups. Although these conclusions are not always consistent, research tends to demonstrate that college courses are more effective at teaching personal finance than high schools (Borden, et al. 2007).

Table 5. Significant difference of working business students during the COVID-19 pandemic according to program

Indicators	Test	Sig.	Decisions
Financial Planning	Independent – Sample Mann-Whitney U Test	0.57	Failed to Reject
Financial Behavior	Independent – Sample Mann-Whitney U Test	0.35	Failed to Reject
Financial Literacy	Independent – Sample Mann-Whitney U Test	0.99	Failed to Reject

Shown in Table 6 are the results of the significant difference in the financial management of working business students during the COVID-19 pandemic when analyzed according to their civil status. Financial behavior obtained a p-value of 0.18, and financial literacy got a p-value of 0.75. The data reveals a significant difference in the financial planning that generated a value of p-value of 0.00, which indicated that the participating working students regardless of their year level, affect their financial planning in relation to their finances during the time of the pandemic. This result is supported by Johnson and Lamdin (2015), who discovered a connection between financial planning and educational attainment. This is because motivation to study and other elements, such as cognitive abilities, may have an impact on financial planning (Monticone, 2010). For advice on investment and financial planning, college graduates consult professionals more often than non-college graduates.

Table 6. Significant difference of working business students during the COVID-19 pandemic according to year level

Indicators	Test	Sig.	Decisions
Financial Planning	Independent – Sample Mann-Whitney U Test	0.00	Reject the Null Hypothesis
Financial Behavior	Independent – Sample Mann-Whitney U Test	0.18	Failed to Reject
Financial Literacy	Independent – Sample Mann-Whitney U Test	0.75	Failed to Reject

5.0 DISCUSSION

The purpose of this study was to ascertain the level of financial management of working business students during the COVID-19 pandemic. While employing questionnaires to gather data for the study, data were also obtained using descriptive research methodology and normative survey technique. 200 students responded to the survey. The study was carried out between June 2021 and March 2022. Financial planning received the highest mean rating of all the factors used to assess the level of financial management of working business students during the COVID-19 pandemic, with a score of 4.44. According to a study, students with work experience, particularly in the area of personal financial planning, find it easier than students without work experience. Additionally, more work and travel experience are significantly and negatively related to surface-level learning approaches and positively related to deep learning approaches (Zhang, 2000). According to Brimble et al. (2012), learning financial planning needs perspective within the framework of professionals of practice. He also outlined the educational and learning advantages of integrating learning into higher education programs through industry participation. According to research by Goetz, Tombs, and Hampton (2005) and Brimble et al. (2012), the university plans to give students in financial planning courses useful insights and opportunities for work experience in order to foster the development of their analytical reasoning and business acumen.

With a mean of 4.43, financial behavior ranks second among the indicators. The results of the study have been supported by several studies. The study by Xiao et al. (2007) found associations between cash management behavior and gender, race/ethnicity, credit hours, perceived control, values, financial awareness, financial education, parental advice, parental approval, parental approval compliance, and friend approval. According to the results, undergraduate students in the sample are more likely to implement smart credit and saving management than smart cash management. This is consistent with theory and earlier research, which contends that this age group has completed the process of acquiring a basic understanding of money management and is now starting to learn about managing credit for their immediate needs and long-term saving options for their futures. A variety of psychological factors influence students' monetary management behaviors. Students who have a positive attitude toward the action, and believe it is simple to engage in and prioritize self-actualization are more likely to be involved in cash management behaviors.

Finally, financial literacy has a mean of 4.36. Kiliyanni and Sivaraman (2016) discovered that only 44% of the survey items were correctly answered by educated young adults in the Indian state of Kerala in their study. The study also found that financial literacy was influenced by parental education and occupation as well as gender, age, occupation, religion, education, marital status, study field, and income. Agarwal et al. (2015) used the three essential questions from Lusardi and Mitchell (2014) to evaluate financial literacy in a sample of Indian adults who used an online investment service. Almost 80% of the sample exhibited high levels of financial literacy since they were able to accurately answer all three questions.

It was concluded that all these financial management indicators are highly observed and present despite their modest differences in findings. This implies that to handle their money well, they should make financial plans. It is very clear given how much financial planning is used and applied by working business students in this study. It was also found in the study that there was no significant difference in the financial management of business working students during the COVID-19 pandemic according to the profile of the respondents. Since the null hypothesis for this indicator was rejected, there was a significant difference in the year level for financial planning. This result is consistent with Johnson and Lamdin's (2015) conclusion that there is a relationship between financial planning and educational attainment. This is because motivation to study and other elements, such as cognitive abilities, may have an impact on financial planning (Monticone, 2010).

6.0 CONCLUSION AND IMPLICATIONS

Financial planning, the indicator that earned the highest mean value among all indicators, shows that financial management methods are highly favored and observed in this study. Planning your finances as a business student is quite important, according to one interpretation, because having enough money would be helpful during this difficult period. They can track their income and expenses and achieve their goals when they constantly plan for managing their finances. Despite analyzing the age, sex, civil status, program, and year level of the participating business working students, there were no significant differences in financial planning, financial behavior, or financial literacy, except for year level.

It can be seen that they displayed comparable levels of financial management, which is consistent with the Prospect Theory (1979) by Daniel Kahneman and Amos Tversky, which explains how people make decisions when faced with a variety of options and allows them to weigh gains and losses differently. Through this theory, it is easy to comprehend how this influences risk tolerance with purchasing and how people would behave and make financial decisions. Since these three financial management indicators will allow business working students to foresee the existence and emergence of risk in managing their finances, which pave the way for a wise course of action to take to resolve them, financial management is, therefore, a way to gain more money, both in the short and long term and to reduce financial problems from happening.

Areas not explored by this study can be an opportunity for future research that will add more body to the knowledge of this topic.

7.0 REFERENCES

Agarwal, S., Amromin, G., Ben-David, I., Chomsisengphet, S., and Evanoff, D. (2015). Financial literacy and financial planning: Evidence from India. *Journal of Housing Economics*, 27, 4-21.

Agarwalla, S. K., Barua, S. K., Jacob, J., & Varma, J. R. (2013). Financial Literacy Among Working Young in Urban India. *World Development*, 67: 101-109.

Anthony, R. (2011). Knowledge, Attitude, Practice and Satisfaction on Personal Financial Management among the Medical Practitioners in the Public and Private Medical Services in Malaysia. 128- 138.

Awanis, S. (2013). Youth Vulnerability and Susceptibility to Credit Card Misuse and Indebtedness: A Cross-Country Exploration. Doctoral dissertation, *The University of Manchester* (United Kingdom).

Borden, L., Lee, S., Serido, J. and Collins, D., 2007. Changing College Students' Financial Knowledge, Attitudes, and Behavior through Seminar Participation. *Journal of Family and Economic* Issues, 29(1), 23-40.

Brimble, M. and Murphy, B., 2012. Past, Present, and Future: The Role of Tertiary Education in Supporting the Development of the Financial Planning Profession. *Journal of Business Ethics Education*, 9(9999), 105-124.

Brown, M., & Graf, R. (2013). Financial Literacy and Retirement Planning in Switzerland. *Numeracy*, 6(2), 565-584.

Chen, H., & Volpe, R. P. (1998). An analysis of personal financial literacy among college students. *Financial Services Review*, 7(2), 107-128.

David, S. (2010). Personal financial planning attitudes: a preliminary study of graduate students. *Management Research Review*, 3(8), 811-817.

Edmiston, K. D., & Fisher, M. G. (2006). *Financial education at the workplace: Evidence from a survey of Federal Reserve Bank employees* (No. 2006-02). Federal Reserve Bank of Kansas City.

Falahati. L., Sabri, M., & Paim, L. (2012). Assessment a model of financial satisfaction predictors: Examining the mediate effect of financial behaviour strain. *World Applied Sciences Journal*, 20(2), 190-197.

Fraczek, B. (2014). Main purposes and Challenges in the Financial Education of Financial Consumers in the World. *Journal of Economics & Management*, 16, 27-43.

Goetz, J. W., Tombs, J. W., & Hampton, V. L. (2005). Easing college students' transition into the financial planning profession. *Financial Services Review-Greenwich*, *14*(3), 231.

Grohmann, A., & Menkhoff, L. (2015). School, parents, and financial literacy shape future financial behavior. *DIW Economic Bulletin*, 5(30/31), 407-412.

Hilgert, A., Hogarth, M., & Beverly, G. (2003). Household Financial Management: The Connection between Knowledge and Behavior. *Federal Reserve Bulletin*, 89, 309-322.

Johan, I., Rowlingson, K., & Appleyard, L. (2020). The Effect of Personal Finance Education on The Financial Knowledge, Attitudes and Behaviour of University Students in Indonesia. *Journal of Family and Economic Issues*, 42(2), 351-367.

Johnson, M. and Lamdin, D. (2015). Gauging the Financial Capability of Americans. *Business Economics*, 50(3), 135-146.

Kahneman, D. & Tversky, A. (1979). Prospect Theory: An Analysis of Decision under Risk. *Econometrica*, 47(2), 263-291.

Kiliyanni, A. and Sivaraman, S., 2016. The perception-reality gap in financial literacy: Evidence from the most literate state in India. *International Review of Economics Education*, 23, 47-64.

Lee, D., Arumugam, D., & Binti, N. (2015). A study of factors influencing personal financial planning among young working students in Kuala Lumpur, Malaysia. *International Journal of Recent Technology and Engineering*, 7(5), 114-119.

Lim, L. (2020). The socioeconomic impacts of COVID-19 in Malaysia: Policy review and guidance for protecting the most vulnerable and supporting enterprises. *International Labor Organization*, 3 (2).

Lusardi, A. and Mitchell, O. (2014). The Economic Importance of Financial Literacy: Theory and Evidence. *Journal of Economic Literature*, 52(1), 5-44.

Lusardi, A., Mitchell, O. and Curto, V. (2010). Financial Literacy among the Young. *Journal of Consumer Affairs*, 44(2), 358-380.

Mandell, L. (2009). Financial education in high school. Overcoming the saving slump: How to increase the effectiveness of financial education and saving programs, 257-279.

Mien, N.T., & Thao, T.P., (2015). Factors affecting personal financial management behaviors: evidence from Vietnam. *Proceedings of the Second Asia-Pacific Conference on Global Business, Economics, Finance and Social Sciences* AP15, 1-16.

Monticone, C. (2010). How Much Does Wealth Matter in the Acquisition of Financial Literacy. *Journal of Consumer Affairs*, 44(2), 403-422.

Nga, J.H., Yong, L.H., & Sellapan, D. (2010). A study of financial awareness among youths. *Young Consumers*, 11(4), 277-290.

Nucum, N. (2018). Your complete guide to the Academic Track in Senior High School. [Online Available at: https://blog.edukasyon.ph/senior-high/senior-highschool-academic-track/.

Tversky, A. & Kahneman, D. (1992). Advances in prospect theory: Cumulative representation of uncertainty. *Journal of Risk and Uncertainty*, 5(4), 297-323.

Ulbrich, T. & Kirk, L. (2017). It's Time to Broaden the Conversation About the Student Debt Crisis Beyond Rising Tuition Costs. *American Journal of Pharmaceutical Education*, 81(6), 101.

Valencia Álvarez, A. and Valenzuela González, J. (2017). Financial Literacy: Gaps Found Between Mexican Public and Private, Middle, and High-School Students. *Handbook of Research on Driving STEM Learning with Educational Technologies*, 80-106.

Xiao, J., Chen, C. and Chen, F., (2013). Consumer Financial Capability and Financial Satisfaction. *Social Indicators Research*, 118(1), 415-432.

Xiao, J., Shim, S., Barber, B. and Lyons, A., (2007). Financial behavior and quality of life of college students: implications for college financial education. in Proceedings of the Association for Financial Counseling and Planning. *SSRN Electronic Journal*, 3-43

Zhang, L. (2000). University Students' Learning Approaches in Three Cultures: An Investigation of Biggs's 3P Model. *The Journal of Psychology*, 134(1), 37-55.