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The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 6, Iss. 3, pp 28 - 44, July 1, 2019. www.strategicjournals.com, ©Strategic Journals

EFFECT OF FINANCIAL LITERACY ON PERSONAL FINANCIAL MANAGEMENT IN KENYA AIRPORTS AUTHORITY

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Accepted: June 28, 2019

ABSTRACT

The main focus of the study was to evaluate the effect of financial literacy on personal financial management in Kenya Airports Authority. The specific objectives are to establish the effect of financing knowledge, financial behaviour and financial attitude on personal financial management in Kenya Airports Authority. The study used descriptive research design. The target population comprised of 398 employees at the Jomo Kenyatta International Airport. Questionnaires were used to obtain primary data in form of close-ended questions. Data analysis was done with the use of SPSS version 22 and presented quantitatively in form of percentages and mean. The study concluded that acquisition of financial knowledge promoted employees' financial management and accountability to a greater extent. This study concluded that development of strong logical personal financial behaviors promoted individual's financial management. Developing strong financial behaviour helped employees at JKIA in balancing their personal greed, optimism, fear, herd instinct, overconfidence and tendency about previous experience. The study concluded that personal financial planning has a significant positive effect on financial management behaviour. Ensuring that employee's acquire the basics of money management skill is absolutely critical to making smarter financial decisions. The management of JKIA through their human resource department must help their staff in understand the basic financial principles. The study recommended that management of JKIA through its structure must create a conductive environment where employees can create responsible financial behaviour so that the staff has preparation and knowledge to manage their finance. The management of JKIA through their human resource department must help their staff develop the right financial altitude to capture and understand all overall impacts of financial decisions. Through financial literacy programmes, their important to ensure that JKIA employee are equipped with financial planning skills. Financial planning skills are an important contributor in achieving the success or failure of financial aspects. A good financial planning skill affects good behaviour. Good and appropriate financial planning skills can be started by applying a good and proper financial attitude as well.

***Key Words:** financing knowledge, financial behaviour, financial attitude, personal financial management*

CITATION: Lang'at, M. C., & Abdullah, A. (2019). Effect of financial literacy on personal financial management in Kenya airports authority. *The Strategic Journal of Business & Change Management,* 6 (3), 28 – 44.

INTRODUCTION

The world is a global village where no nation can live alone like an island unaffected by phenomenon emerging in other countries. A situation prevailing in one or more countries affects others nations as they are dependent on each other. Globalization has led to Finance being more complex than it was before; new financial products come up every day and are made available in the global marketplaces which lead to increase in risks that are unpredictable. There is need for development of sound financial strategies to ensure the well-being of individuals. Due to this our society needs to be well informed about new developments as well as be made aware of the basic financial knowledge that is essential for business and social life (OECD, 2013).

Financial literacy helps individuals acquire the necessary ability, tools and knowledge to make well informed decisions on financial matters with confidence. They manage personal finances with higher degree of competency and are made aware of available financial products that they can use to improve their financial standing. It is the ability of an individual to understand and process information and use it to make informed financial decisions in relation to financial plans, debt, pension and accumulation of wealth (Lusardi & Mitchell, 2014).

Anastasia, Yunastiti and Mintasih (2018) in Indonesia focused on financial literacy, materialism and financial behavior and noted financial behavior has a vital role for every individual since it is closely related to students' ability in achieving the expected goals. Financial behavior can improve individual's financial management responsibility. Consequently, the individual's welfare can be improved and financial crisis can be avoided. In addition to financial literacy, financial behaviour can be affected by an individual materialistic attitude. Improving financial education is crucial to financial management. In terms of improving financial education in school, it can be done by evaluating and improving the quality of teaching and learning process itself.

Financial management according to (Mitchell, 2011) is handling of financial situations in a way that is responsible and will lead to achieving of financial independence. It is managing of money in all areas of life. It includes both organisation and Personal financial management (Bhatt, 2012). Personal financial management is the process of managing financial resources to achieve economic satisfaction in the different life cycle stages that an individual is at. This process is self-motivated. It includes activities such as budgeting of individuals income and expenditure, investing, saving and purchase of insurance. In Kenya and other countries financial goals of individuals include having emergency funds, pension funds and children education funds etc. Skills for money management are influenced by three major factors: desire to make ends meet, ones understanding of the approaches of financial management and control (Kempson, 2017).

The Kenya Airports Authority is an autonomous body established in 1991 through an Act of Parliament. Its main functions are to administer, control and manage aerodromes; provide and maintain facilities necessary for efficient operations of aircrafts; provide rescue and fire fighting equipment and services; construct, operate and maintain aerodromes and other related activities; construct or maintain aerodromes on an agency basis on the request of any Government Department; provide such other amenities or facilities for passengers and other persons making use of the services or facilities provided by the Authority as may appear to the Board necessary or desirable. Finally, approve the establishment of private airstrips and control of operations thereof. It manages international airports, domestic airports and airstrips (KAA Report, 2018).

Statement of the Problem

Financial experts agree that while people have much more money today than they did generations ago, the amount of knowledge on how to manage that money hasn't kept pace at all (Maura Fogarty,

2012) Managing personal finances is a crucial and often difficult issue. Personal debt continues to rise and bankruptcy rates are uncertain due to recent changes in bankruptcy legislation, while the personal savings rate remained in the red at negative 1.5% in 2017 in developing nations (Bennett, 2016). The role financial literacy plays on sound personal financial management is a question that people from different walks of life and the world in general struggle with (Wachira & Kihiu, 2012). In recent times, concern for the levels of financial literacy in society as a whole has grown considerably and is expected to grow even more in the future (Fox, Bartholomae & Lee, 2013).

Surveys around the world consistently indicate that financial literacy levels are low in high income countries and even lower in middle- and low-income countries (Agwa & Asenge, 2017). In Kenya the levels of financial literacy are very low despite the concerted efforts to raise literacy levels by the government and other stakeholders. The Kenyan government while admitting the seriousness of this problem said education and training in Kenya today does not focus on financial literacy and personal financial management (Jayantilal, 2017). Findings from FinAccess national survey (2018) revealed that 40 per cent of the adult population in Kenya lack financial literacy. There is no documented evidence on the number of employees at Kenya Airports Authority and specifically Jomo Kenyatta International Airport who lack financial literacy and its effect on personal financial management hence this study will be important so as to fill this gap.

Studies have established differing results on effect of financial literacy on personal financial management. Tabiani and Mahdzan (2012) explored the impact of financial literacy on saving in Klang Valley, Malaysia which showed a significant positive relationship between financial literacy and saving decision. Elsewhere in Ghana, Atakora (2013) found that there was no relationship between the financial literacy and investment decisions and concluded that the decision to invest depends on one's experience, age and exposure. Jayantilal (2017) studied the effect of financial literacy on personal finance management in bank of Baroda (Kenya) limited. The study found that the financial literacy positively affects personal finance management among the employees. This finding calls for a need for further study to substantiate whether there exists a relationship between financial literacy and personal financial management. Hence this study sought to fill the gap by establishing the effect of financial literacy on personal financial management in Kenya Airports Authority.

Research Objectives

The main focus of the study is to evaluate the effect of financial literacy on personal financial management in Kenya Airports Authority. The specific objectives were:-

- To establish how financial knowledge affect personal financial management among employees in Kenya Airports Authority.
- To assess the effect of financial behaviour on personal financial management among employees in Kenya Airports Authority.
- To determine the effect of financial attitude on personal financial management among employees in Kenya Airports Authority.
- To establish the effect of financial planning on personal financial management among employees in Kenya Airports Authority.

LITERATURE REVIEW

Theoretical Review

Social Learning Theory

The origins of behaviorist learning theories can be traced backed to the late 1800's and early 1900's with the formulation of "associationistic" principles of learning. The general goal was to derive elementary laws of learning and behavior that may then be extended to explain more complex situations. This theory was developed by Skinner who determined that once the behavior is associated with a consequence, whether a reinforcement or punishment, the likelihood of the action continuing changes. Skinner argued that

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positive reinforcement and punishment are not equal; with the former providing longer lasting results and the latter having negative side effects (Skinner, 2012). Critics of learning theory question the greater scientific basis of behaviorism over psychosocial or psychoanalysis theory and the ability to explain complex human behaviors by only considering the observable and ignoring the important roles of cognitions and emotions (Breger, 2013).

The Dual-Process Theory

This theory proposes that financial decisions are driven both by cognitive and intuitive processes due to this financial literacy may not always yield optimal financial decisions. It argues that the behavior of a high level of financial literacy might depend on the two thinking styles: intuition (system 1) and cognition (system 2) (Glaser & Walther, 2013). Intuition refers to the ability to acquire knowledge without the use of reason. It provides beliefs, judgements, understandings or views that cannot be rationally justified. Taylor (1981) citied by Chan & Park (2013) argues that individuals who rely on intuition prefer to take mental short cuts to make decisions. These decisions are influenced largely by individuals' emotions. According to Glaser and Walther (2013) the positive effect of financial literacy on reasonable investment decisions is reduced by a high prevalence of intuition as a result increased use of intuition results in sub optimal investment decisions.

Goal Setting Theory

This theory states that goal setting is essentially linked to task performance. It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance (Edwin & Gary, 2012). In simple words, goals indicate and give direction to an individual, group of people and organizations about what needs to be done and how much efforts are required to be put in place in order to achieve it. According to Latham (2014) goals are likely to determine how well they perform to related tasks. Specifically, clearly defined and more challenging goals yield higher performance than vague, easy or do-your -best goals. To be effective, goal setting theory assumes that individuals must be committed to the goal, must get feedback and must have the ability to perform the task. This means that financial literacy programs should be more effective when they are motivated by perceptions and concerns about financial well-being later in life.

Conceptual Framework

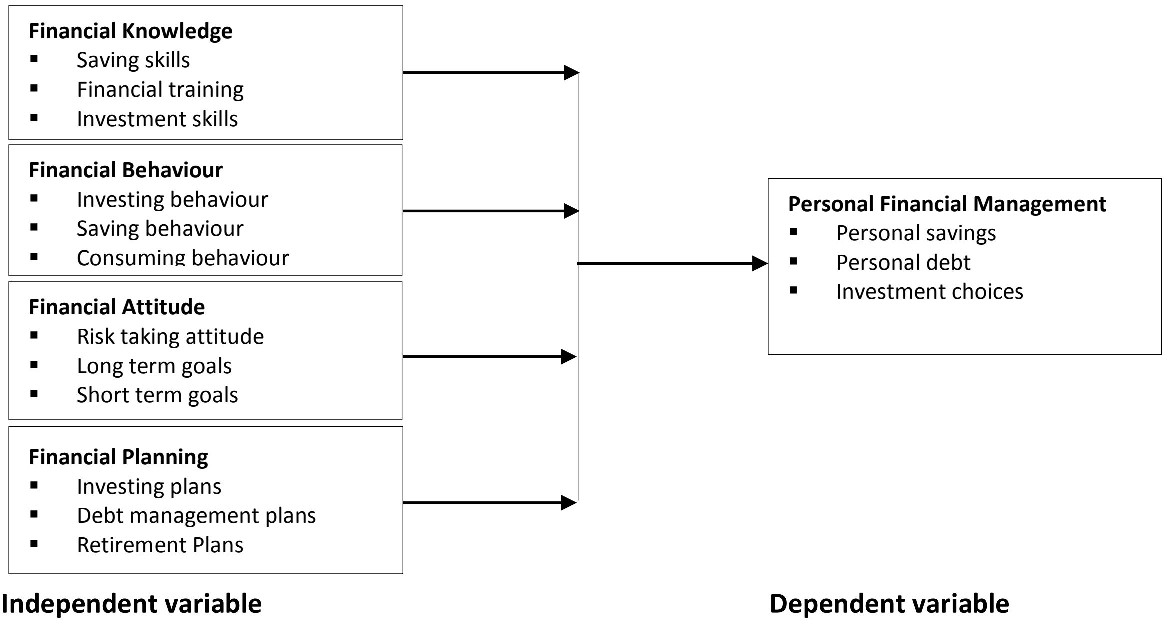

Figure 1: Conceptual Framework
Source: Author (2019)

Empirical Review

Literature on financial literacy abroad, Robb and Sharpe (2009) using an internet-based survey sampled a group undergraduate and graduate student on financial knowledge in relation to student card credit behaviour and the results indicated that decisions related to credit card are majorly determined by financial knowledge though not wholly. There was an insignificant difference between the students' credit card balance and financial knowledge. Contrary to expectations students who had high level financial knowledge had higher credit balances that they did not invest. These emphasized the complexity of the link between investment decisions and individual's financial knowledge.

Mahendr and Harsha (2013) focused on the level of financial literacy and its impact on investment decision – an in-depth analysis of investors in Gujarat State. The exploratory research design was used in the study and the chi-square test is used to check the association between financial literacy of investors and investment decisions. With regard to the relationship between financial literacy and financial behaviour, it was found that financial literacy leads to controlled spending behaviour and encouraged saving behaviour and also had a significant impact on investment decision of investors. It is also found that financial literacy does have statistically significant impact on investment decision. It was concluded that financial literacy may empower the investors to make investment decision.

Lusardi (2008) examined whether financial literacy is of importance to informed consumers living in U.S. Financial literacy is grouped into two, basic and advanced literacy. These refers to knowledge of risk diversification, impact of inflation, working of interest rates and knowledge in assets pricing, risk return as well as how various financial instruments works. Financial literacy deficiencies has affected individual's or family's day-to-day money management and ability to save for long-term goals such as buying a home, seeking higher education, or financing retirement. Poor management of money can also lead to behaviours that make the individuals, organization and even a country vulnerable to severe financial crises.

Regionally, Barbara (2015) assessed the effect of financial literacy on saving behaviour: a case study of small-scale miners in Manso Atwere in Amansie West District in Ghana. The quantitative data is analysed through descriptive statistics and qualitative with content analysis. Financial literacy was found to have an effect on individual saving behaviour. The findings showed high level of financial illiteracy among the respondents. This could be due to their educational level with majority of them having elementary/basic school education. The common place of saving among them is their various homes due to savings challenges faced. The researcher recommends that government should include financial literacy in the educational curriculum of the basic or elementary schools and higher learning institutions.

A number of studies have also been conducted locally on financial literacy. Agunga (2016) focused on effect of financial literacy on financial preparedness for retirement among permanent and pensionable employees in state owned corporations in Nairobi, Kenya. The study used a descriptive study design and data was analysed using descriptive and inferential statistics. The study found that financial literacy positively affected financial preparedness for retirement. However, knowledge of financial instrument was found to be insignificant while computation capability for retirement was significant. Demographic characteristics and financial factors findings revealed that they moderate the relationship between financial literacy and financial preparedness for retirement and both were as well significant.

Kinoti (2012) conducted a study on financial management literacy and application among university students in Nakuru town as a contingency against unemployment in Kenya. The study

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examined saving habits among the university students, evaluated the investment practices which the university students indulged in and also examined the attitude of the university students towards financial management. It concludes that despite the great saving potentials among these students, the level of savings and investments practiced among them were generally moderate compared to the observed high levels of expenditure. This implies that there was a mismatch between the saving and expenditure. The study also concluded that despite the respondents‟ efforts to invest in various investment options, a significant proportion still lacked knowledge on critical aspects such as the rate of returns on various investments and the risk-return relationship on various investments.

Wamae (2015) focused on the role of financial literacy on personal financial management: a case of bankers in Nairobi City. A descriptive quantitative research design was used for the study and statistical inferences were drawn by use of Pearson correlation analysis. The study found that there existed challenges in personal financial management among staff in the banking sector. Little income contributed to lack of financial management as work environment issues played a key role. Lack of financial education was indicated to hamper personal financial management among employees in the banking sector. Lack of financial discipline and commitment on personal financial management contributed greatly to the challenges.

METHODOLOGY

Descriptive research technique was used for this study since it allows the researcher to obtain large amounts of data from a sizable population in a highly effective, easy and in an economical way using questionnaires (Saunders, Lewis & Thornhill, 2012). There were 398 employees at Kenya Airports Authority- Jomo Kenyatta International Airport as per the staff human resource department 31st December 2018. The researcher utilized a stratified random sampling strategy since the study population was not homogenous and in this way, it was conceivable to isolate this populace into strata to induce a representative sample. Questionnaires were used to obtain primary data. This research tool provided a quick and economical way of obtaining the needed data from a large population. Secondary data was used to supplement the primary data which was collected on the field. The data was obtained from the journals related to the topic so as to link the findings to earlier empirical findings. The secondary data was obtained from annual reports of the Kenya Airports Authority. Pilot test was done to ensure that the research tool was reliable and valid, 38 employees from the study population was used for the pilot study. Data analysis was done with the use of SPSS version 22 and presented using percentages and means. A multiple regression model was used to assess the collective effect of four independent variables and the depended variable. The regression model was as follows:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Where: Y = Personal financial management; β_0 = Constant Term; β_1, β_2, β_3 and β_4 = Beta coefficients; X_1= Financial knowledge; X_2= Financial behaviour; X_3= Financial attitude, X_4 = Financial planning and ε = Error term

FINDINGS

Financial Knowledge

Participants were required to indicate their level of agreement with the following statements that relate to the effect of financing knowledge on personal financial management among employees at Jomo Kenyatta International Airport. From the research findings, majority of the respondents agreed to great extent that financial knowledge is crucial when making personal financial management and financial knowledge influence investment choice decision (mean = 4.22 std dev = 0.63). Further, financial knowledge improves personal financial wellbeing (mean = 4.19 std dev = 0.60) and that financial knowledge is said to result in more responsible financial behavior (mean =4.11 std dev = 0.63). These findings go hand in hand with

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the research findings by Huston, (2017) Financing knowledge help individuals utilize their income and help them identify the financial products and services that will best suit quest.

Further respondents agreed that financial knowledge influence personal borrowing decision (mean = 3.99 std dev =0.63), Kenya airports authority has put in place adequate financial education programs (mean = 3.89 std dev =0.62), and that financial knowledge facilitates adequate emergency fund savings (mean = 3.97 std dev =0.69). These findings go hand in hand with the research findings by Tang, Baker and Peter, (2015). that developing the skill for forward planning can make individuals become a great decision-maker with a financial perspective.

Table 1: Statement Assessing on Financial Knowledge

	N	Min	Max	Mean	Std. Deviation
Financial knowledge is crucial when making personal financial management	178	3.00	5.00	4.22	0.70
Financial knowledge influence personal borrowing decision	178	3.00	5.00	3.99	0.63
Financial knowledge influence personal savings decision	178	3.00	5.00	3.79	0.46
Financial knowledge influence investment choice decision	178	3.00	5.00	4.22	0.63
Financial knowledge is said to result in more responsible financial behavior	178	3.00	5.00	4.11	0.63
Financial knowledge facilitates adequate emergency fund savings	178	3.00	5.00	3.97	0.69
Our organization has put in place adequate financial education programs	178	3.00	5.00	3.89	0.62
Financial knowledge improves personal financial wellbeing	178	3.00	5.00	4.19	0.60

Financial Behaviour

Respondents were required to indicate their level of agreement with the following statements that relate to the effect of financial behaviour on personal financial management among employees at Jomo Kenyatta International Airport. From the research findings, majority of the respondents agreed to great extent that financial literacy is related to financial behavior of individuals (mean = 4.11 std dev =0.51) most of the employees prepare a budget to help me manage my expenses and investment decision (mean = 4.10 std dev = 0.58), long-term financial targets influence the managing of my expenses (mean = 4.07 std dev = 0.61) and that considerable number of employees followed a budget for investment decision (mean = 4.04 std dev =0.60). These findings go hand in hand with the research findings by Parker, & Yoong, (2017) that Good financial behavior leads to competitiveness in a globalized economy and financial illiteracy would lead to shut down of the business.

Further respondents agreed that financial behavior affects personal financial management (mean =3.92 std dev =0.50), most of the employees kept financial reserves in case of emergency (mean =3.91 std dev = 0.63), employees working with KAA saved a portion of their monthly income (mean = 3.83 std dev =0.62), most of the employees were familiar with basic economic concepts that were needed to make sensible saving and investment decisions(mean = 3.81 std dev =0.68) the study also noted decisions made by employees were are guided by information from the budget (mean =3.79 std dev =0.55) and that employees long-term financial decisions were influenced by their retirement plans (mean =3.70 std dev =0.73).These findings go hand in hand with the research findings by Potrich, Kelmara & Wesley (2016) that a good financial behavior involves the ability to make financial decisions that increase wealth and prevent uncertainties of businesses and individuals.

Table 2: Statements Assessing on Personal Financial Behavior

	N	Min	Max	Mean	Std. Deviation
Financial behavior affects personal financial management	178	3.00	5.00	3.92	0.50
Financial literacy is related to financial behavior of individuals	178	3.00	5.00	4.11	0.51
My long-term financial targets influence the managing of my expenses	178	3.00	5.00	4.07	0.61
I follow a budget for all my personal expenses and investment decision	178	3.00	5.00	4.04	0.60
I prepare a budget to help me manage my expenses and investment decision	178	3.00	5.00	4.10	0.58
I save a portion of my monthly income	178	3.00	5.00	3.83	0.62
I keep financial reserves in case of emergency	178	3.00	5.00	3.91	0.63
My decisions are guided by information from the budget	178	3.00	5.00	3.79	0.55
My long-term financial decisions are influenced by my retirement plans	178	3.00	5.00	3.70	0.73
I am familiar with basic economic concepts that are needed to make sensible saving and investment decisions	178	3.00	5.00	3.81	0.65

Financial Attitude

Respondents were required to indicate their level of agreement with the following statements that relate to the effect of financial attitude on personal financial management. Majority of the respondents agreed to great extent that their short-term decisions were influenced by their long-term financial goals, financial attitude is improved through procurement of adequate information and that financial literacy influences my consumer behavior (mean = 4.22 in each case) the study also revealed financial literacy can be boosted through the attainment of the right financial attitude (mean = 4.21 std dev =0.61) and that most of the employees working with JKIA made risky decisions in their investments(mean = 4.06 std dev =0.62). These findings go hand in hand with the research findings by Leora, Lusardi, & Peter, (2015) having right financial attitude will help employees develop discipline toward their finances in order to have e more chances of becoming successful in the future.

Further respondents agreed that most of the employees working with KAA have participated in training programs for financial skills mean =3.92 std dev = 0.69), social environment contributed so much to individual financial decisions(mean =3.72 std dev = 0.67), workmates contribute to employees financial decision making (mean =3.71 std dev = 0.62), Making risky decisions will add value on returns(mean =3.69 std dev = 0.65) and that financial attitude is one of the factors that have significant impact on financial management practice (mean = 3.63 std dev =0.61).These findings go hand in hand with the research findings by Atkinson & Messy, (2012) possession of right financial attitude will makes individuals aware of their basic problem, this implying they can adjust their demands to stay within their income and budget.

Table 3: Statements Assessing on Personal Financial Attitude

	N	Min	Max	Mean	Std. Deviation
Financial attitude affects my personal financial management	178	3.00	5.00	3.63	0.61
Financial literacy enhances the attainment of the right financial attitude	178	3.00	5.00	4.21	0.61
I make risky financial decisions in my investments	178	3.00	5.00	4.06	0.62
Making risky financial decisions may add value to my returns	178	3.00	5.00	3.69	0.65
All my short-term decisions are influenced by my long-term financial goals	178	3.00	5.00	4.22	0.66

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My social environment has contributed so much to my financial decisions	178	3.00	5.00	3.72	0.67
My peers contribute to my financial decision making	178	3.00	5.00	3.71	0.62
I have participated in training programs for financial skills	178	3.00	5.00	3.92	0.69
Financial attitude is improved through adequate financial information	178	3.00	5.00	4.22	0.53
Financial literacy influences my consumer behavior	178	3.00	5.00	4.22	0.61

Financial Planning

Respondents were required to indicate their level of agreement with the following statements that relate to the effect of personal financial planning on personal financial management among employees at Jomo Kenyatta International Airport. From the research findings, majority of the respondents agreed to great extent that most of the employees carried out a periodic assessment on their financial position (mean =3.90 std dev =0.62), most of the employees had established long term financial goals, most of the employees closely monitored and reviewed their financial plan, efficient retirement savings relies heavily on successful retirement planning (mean =3.88 std dev = 0.58 in each case) and that the study also established that most of the employees had an investment plan, (mean = 3.83 std dev =0.76). These findings go hand in hand with the research findings by Eagly & Chaiken, (2013) Financial attitude is one of the factors that have significant impact on financial management practice adding that financial planning is an important aspect of life by the fact that all people use money.

Further respondents agreed that having an insurance policy reduced the financial risk and protects income, financial education regarding debt should be encouraged even in the workplace and that most of the employees have a retirement plan (mean =3.80 std dev =0.72) Personal or consumer debt was considered to be a major cause of financial distress, most of the employees had a debt management plan (mean = 3.70 std dev = 0.66 in each case). These findings go hand in hand with the research findings by Abiodun, (2016) managing income helps employees in understanding how much money they need for tax payments, other monthly expenditures and savings.

Table 4: Effect of Financial Planning on Personal Financial Management

	N	Min	Max	Mean	Std. Deviation
I have an investment plan	178	3.00	5.00	3.83	0.76
I have a debt management plan	178	3.00	5.00	3.70	0.66
I have a retirement plan	178	3.00	5.00	3.80	0.74
I have established financial goals	178	3.00	5.00	3.88	0.58
I evaluate my current financial position	178	3.00	5.00	3.90	0.62
I monitor and review my financial plan	178	3.00	5.00	3.88	0.69
Financial education regarding debt should be encouraged even in the workplace	178	3.00	5.00	3.80	0.72
Personal debt is considered to be a major cause of financial distress	178	3.00	5.00	3.70	0.66
Having an insurance policy reduces the financial risk and protects income	178	3.00	5.00	3.80	0.74
Efficient retirement savings relies heavily on successful retirement planning	178	3.00	5.00	3.88	0.58

Personal Financial management

The study sought to determine the extent to which respondents agreed with the following statements assessing on personal financial management. From the research findings, majority of the respondents agreed to great extent that they invested in mutual funds, unit trust and treasury bills (mean = 4.17 std dev =0.63), other indicated that they invested part of their income in treasury bonds (mean = 4.11 std dev =0.53), in shares of companies (mean = 4.10 std dev = 0.65) in foreign exchange market (mean = 4.08 std dev =0.66) in life insurance(mean = 4.06 std dev = 0.61) and in in real estate (mean = 4.03 std dev = 0.51). These findings go hand in hand with the research findings by Atkinson & Messy, (2012) personal financial management enables one to make responsible decisions involving money, can help one to manage their debt, account for expenditures and incomes and also utilize various services that revolve around money. Such services may include bank accounts, use of credit and debit cards.

Table 5: Statements on Personal Financial Management

	N	Min	Max	Mean	Std. Dev
I invest part of my income in treasury bonds	178	3.00	5.00	4.11	0.53
I invest part of my income in mutual funds or unit trust	178	3.00	5.00	4.17	0.57
I invest part of my income in shares of companies	178	3.00	5.00	4.10	0.65
I have a life insurance plan	178	3.00	5.00	4.06	0.61
I invest part of my income in treasury bills	178	3.00	5.00	4.17	0.63
I invest part of my income in foreign exchange market	178	3.00	5.00	4.08	0.66
I invest part of my income in real estate properties	178	3.00	5.00	4.03	0.51

Table 6: Correlation Analysis

		Personal financial management **(Y)**	**Financial Knowledge (X1**	Financial behavior **(X2)**	Financial Attitude **(X3)**	Financial planning **(X4)**
Personal financial management (Y)	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	178				
Financial Knowledge (X1	Pearson Correlation	.820**	1			
	Sig. (2-tailed)	.002				
	N	178	178			
Financial behavior (X2)	Pearson Correlation	.793**	.228*	1		
	Sig. (2-tailed)	.003	.038			
	N	178	178	178		
Financial Attitude (X3)	Pearson Correlation	.725**	.166	.501*	1	
	Sig. (2-tailed)	.005	.47	.014		
	N	178	178	178	178	
Financial planning (X4)	Pearson Correlation	.841**	.487*	.174	.189	1
	Sig. (2-tailed)	.001	.025	.163	.105	
	N	178	178	178	178	178

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

*. Correlation is significant at the 0.05 level (2-tailed).

Regression Analysis

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	. 887[a]	.787	.755	.274

a. Predictors: (Constant), financial knowledge, financial behavior, financial attitude and financial planning.

Table 8: ANOVA Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.744	4	4.936	15.6203	0.001
	Residual	54.668	173	0.316		
	Total	74.412	177			

Table 9: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	**t**	**Sig.**
(Constant)	1.447	0.284		5.095	0.001
Financial Knowledge	0.735	0.216	0.704	3.403	0.006
Financial behavior	0.683	0.187	0.662	3.652	0.002
Financial Attitude	0.665	0.221	0.641	3.009	0.003
Financial planning	0.716	0.183	0.683	3.913	0.001

$Y=1.447+0.735X_1+0.683X_2+0.665X_3+0.716X_4$

Hypothesis Testing

A hypothesis testing was conducted to test whether there exist a significant relationship between the independent variables and the dependent variables. The hypothesis testing was conducted at 5 % significance level and since the t values for all the variables were more than 2, the null hypothesis was rejected in favor of the alternative. The null hypothesis was further rejected since the p values of significance for all the values were less than 0.05 (5%) significance level. It was thus deduced that there existed a significant relationship between financial knowledge, financial behavior, financial attitude and financial planning as independent variables with personal financial accountability which was the dependent variables.

Table 10: Hypothesis Testing

Research Hypothesis	β	t	Sig	Comment
H_{01}: Financial knowledge does not have a significant effect on personal financial management among employees at Jomo Kenyatta International Airport.	0.835	4.418	0.003	Reject H_{O1}
H_{02}: Financial behavior does not have a significant effect on personal financial management among employees at Jomo Kenyatta International Airport.	0.803	4.294	0.012	Reject H_{O2}
H_{03}: Financial attitude does not have significant effect on personal financial management among employees at Jomo Kenyatta International Airport.	0.79	3.575	0.014	Reject H_{O3}
H_{04}: Financial planning e does not have significant effect on personal financial management among employees at Jomo Kenyatta International Airport.	0.786	4.295	0.004	Reject H_{O4}

CONCLUSIONS

The study concluded that acquisition of financial knowledge promoted employees' financial management and accountability to a greater extent. Financial knowledge influence employee's savings decision and investment decision. The management of JKIA organization did little in promoting financial education programs.

This study concluded that development of strong logical personal financial behaviors, promoted individual's financial management. Developing strong financial behaviour helped employees at JKIA in balancing their personal greed, optimism, fear, herd instinct, overconfidence and tendency about previous experience.

The study concluded that there is positive influence of financial attitude toward financial management and behaviour through financial literacy. Development of strong financial management attitude helped of a employee to better do their planning, budgeting, control, use, search, and save their monthly income.

The study concluded that personal financial planning has a significant positive effect on financial management behavior. The higher the level of personal financial planning skills owned by the employees then the behavior of personal financial management will also be better. Conversely, the lower level of financial literacy employees, then the level of personal financial management behavior is also gets worse.

RECOMMENDATIONS

Ensuring that employees acquire the basics of finance management skill is absolutely critical to making smarter financial decisions. The management of JKIA through their human resource department must help their staff in understand the basic financial principles. Programmes should be initiated to enlighten employees on various financial literacy areas such as how interest rates work, the power of compound interest over time in retirement savings and the different kinds of financial investment products (stocks vs. mutual funds vs. bonds).

The management of JKIA through its structure must create a conductive environment where employees can create responsible financial behaviour so that the staff has preparation, and knowledge to manage their finance. Building the behaviour is easier than maintaining the behaviour. Therefore, consistency is necessary for employees to improve on knowledge and emotional ability so that they can get used to organize finance more effectively and efficiently

The management of JKIA through their human resource department must help their staff develop the right financial altitude to capture and understand all overall impacts of financial decisions on one's (ie. person, family, community,) circumstances and to make the right decisions related to the cash management, precautions and opportunities for budget planning.

Through financial literacy programmes, it is important to ensure that JKIA employee are equipped with financial planning skills. Financial planning skills are an important contributor in achieving the success or failure of financial aspects. A good financial planning skill affects good behavior. Good and appropriate financial planning skills can be started by applying a good and proper financial attitude as well. Without the application of good financial planning skills in financial management, it will be difficult for students to have savings in the long term.

Recommendations for Further Research

The current study sought to evaluate the effect of financial literacy on personal financial management among Kenya Airports Authority employees, study variables (financial knowledge, financial behavior, financial attitude and financial planning) only accounted for 75.5% on employees' financial management and accountability (dependent variable) therefore other variables accounting for 24.5% on financial management and accountability must be revealed and their impact assessed.

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