“Lecturers’ financial well-being: The mediating role of financial literacy in Southwest Papua, Indonesia”

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ARTICLE INFO	Rokhimah, Triyonowati and Suhermin (2026). Lecturers’ financial well-being: The mediating role of financial literacy in Southwest Papua, Indonesia. *Knowledge and Performance Management*, *10*(2), 20-37. doi:10.21511/kpm.10(2).2026.02
DOI	http://dx.doi.org/10.21511/kpm.10(2).2026.02
RELEASED ON	Tuesday, 28 April 2026
RECEIVED ON	Sunday, 04 January 2026
ACCEPTED ON	Tuesday, 14 April 2026

JOURNAL	"Knowledge and Performance Management"
ISSN PRINT	2543-5507
ISSN ONLINE	2616-3829
PUBLISHER	LLC “Consulting Publishing Company “Business Perspectives”
FOUNDER	Sp. z o.o. Kozmenko Science Publishing

NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
71	1	15

BUSINESS PERSPECTIVES

LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine

www.businessperspectives.org

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LECTURERS' FINANCIAL WELL-BEING: THE MEDIATING ROLE OF FINANCIAL LITERACY IN SOUTHWEST PAPUA, INDONESIA

Abstract

Lecturers' financial well-being is an important factor influencing work motivation, teaching quality, and professional commitment in implementing the Tri Dharma of Higher Education. This study is motivated by the financial challenges faced by lecturers at private higher education institutions in underdeveloped, frontier, and outermost regions, particularly in Southwest Papua, Indonesia, which are characterized by limited income and high financial vulnerability. The study aims to examine the effects of financial stress, money attitude, financial risk tolerance, and financial socialization on financial well-being, with financial literacy as a mediating variable. Using a quantitative explanatory design, data were collected from 230 certified lecturers across eight private higher education institutions in Southwest Papua through a census approach within a defined sub-population. Data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The findings show that money attitude has a positive and significant direct effect on financial well-being and financial literacy. Financial stress and financial risk tolerance significantly influence financial literacy but have no direct effect on financial well-being, while financial socialization shows no significant effect. Financial literacy significantly mediates the relationships between financial stress, money attitude, and financial risk tolerance toward financial well-being. The model explains 39.7% of financial well-being and 34.8% of financial literacy variance. These results highlight the importance of structured financial literacy programs for lecturers in underdeveloped, frontier, and outermost regions.

Keywords financial stress, money attitude, risk tolerance, financial socialization, PLS-SEM, Indonesia, Southwest Papua, lecturers

JEL Classification G41, G53, I31, D14, I32

Type of the article: Research Article

Received on: 4th of January, 2026
Accepted on: 14th of April, 2026
Published on: 28th of April, 2026

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Conflict of interest statement:
Author(s) reported no conflict of interest

INTRODUCTION

Human resource quality is the cornerstone of national development goals. Within the higher education sector, lecturers serve as the vanguard in implementing the Tri Dharma of Higher Education, comprising Education, Research, and Community Service (Anda & Tay, 2024). The issue of financial well-being has emerged as a globally relevant topic, as it is empirically proven to correlate closely with labor productivity, stress reduction, and overall quality of life (OECD, 2024). However, the optimization of these academic roles is inextricably linked to the well-being of lecturers, particularly within their financial context (Radiman et al., 2025).

Financial incapacity is a critical issue that undermines the quality of instructional delivery (Bai, 2023). According to a survey The Conversation (2023), the average salary of lecturers in Indonesia remains below the regional minimum wage (UMR). Rinanda and Hastalona (2023) further assert that the welfare of private higher edu-

http://dx.doi.org/10.21511/kpm.10(2).2026.02

cation institution (PHEI) lecturers is particularly concerning, as salaries are determined by foundation policies and generally fall short of the provincial minimum wage (UMP). This condition underscores the tangible challenges to the financial well-being of private university lecturers and reinforces the urgency of research in this area.

Research on financial well-being becomes increasingly crucial when focused on private university lecturers in regions with high economic and geographical challenges, such as Southwest Papua. This is especially true for certified lecturers, although certified lecturers earning relatively tall compared to non-lecturers constant, pressure financial still perceived and potential influence level welfare their finances. This condition is especially influenced by regional factors, because the area is still including category foremost, outermost, and left behind, which has an impact on the highcost need principal. As example, price rice in West Papua is recorded of Rp 17,250 per kilogram, taller compared to the national average, and being in the 4th position of the highest main need in Indonesia (Databoks, 2025). The height cost of this need, coupled with the low-level literacy finance, also influence condition lecturer finances. This situation is the background interest researchers to study financial well-being. In addition, lecturers in this area often face significant remuneration disparities compared to their counterparts in public universities or major metropolitan centers. Furthermore, financial literacy remains uneven due to the region's status as a underdeveloped, frontier, and outermost area.

1. LITERATURE REVIEW AND HYPOTHESES

Study of financial well-being has develop rapidly along with the efforts of scholars to understand behavioral and psychological factors that influence financial results. Although, the findings empirical about influence directly financial stress, money attitude, financial risk tolerance and financial socialization towards financial well-being still hasn't been consistent across context and population. Further, lecturers, especially in institutions education tall private sector, is a less wealthy group explored in a way significant in literature welfare financially, although role their strategic in development source power man

Financial well-being reflects an individual's capacity to manage finances effectively, balancing current and future needs while navigating unexpected financial contingencies without compromising life stability (Sinnewe & Nicholson, 2023). This concept emphasizes that financial well-being is determined not only by income levels but also by the ability to control expenditures, plan financial goals, and maintain a desired quality of life (Fan & Henager, 2022; Noor et al., 2020).

Subjective Well-Being theory posits that an individual's subjective welfare is influenced by cognitive and affective evaluations of their life, including their financial status (Diener, 2009). Financial stress defined as psychological pressure resulting from financial constraints, debt, or an inability to manage spending can impair an individual's perception of financial security and stability. Numerous studies have identified that financial stress significantly and negatively impacts financial well-being (Fan & Henager, 2022; Rahman et al., 2021) although divergent findings exist within the academic profession, where this impact is not always significant (Fan & Ryu, 2023).

Conversely, financial stress may also influence financial literacy. While generally viewed as a detrimental factor, financial pressure can, under certain conditions, trigger adaptive responses by increasing motivation to learn and improve personal financial management. Rehman and Mia (2024), Demertzis et al. (2020) and Lusardi (2019) demonstrate that financial anxiety can drive individuals to enhance their financial knowledge. However, alternative findings suggest that excessive financial stress may diminish an individual's capacity for effective financial management (Fan & Ryu, 2023; Xiao & Kim, 2022).

Consistent with subjective well-being theory, individual perceptions of money influence financial satisfaction and stress levels (Diener, 1984). Money attitude reflects the values, beliefs, and evaluations an individual holds toward money, which subse-

quently dictate their financial behavior (Johnson & Kornelsen, 2021; Ogunleye et al., 2024). A positive attitude toward money characterized by planning, prudence, and self-control fosters healthy financial management behaviors and enhances financial well-being. Empirical evidence indicates a positive relationship between money attitude and financial well-being (Handayati et al., 2023; Rahmawati & Marcella, 2023; Sabri et al., 2020b), although some studies have observed a negative correlation due to obsessive or materialistic attitudes (de Almeida et al., 2021; Handayati et al., 2023). Furthermore, individuals with a positive money attitude tend to be more motivated to acquire financial knowledge. Riaz et al. (2022) suggest that attitudes toward money are positively associated with financial literacy, though negative attitudes may obstruct financial learning.

Financial risk tolerance represents the extent to which an individual is willing to accept uncertainty and potential losses in financial decision-making (Grable & Lytton, 1999). Prior research suggests that individuals with higher risk tolerance tend to engage in more productive financial behaviors, leading to improved financial well-being (Mousavi & Rasaeimanesh, 2023; Ullah et al., 2023). However, high risk tolerance without the support of financial literacy can result in adverse outcomes (Song et al., 2023; Ulfa et al., 2023). Additionally, studies by Sembel et al. (2024) and Bayar et al. (2020) indicate that financial risk tolerance has a positive effect on financial literacy.

Financial socialization is the process of acquiring financial values, attitudes, and skills through social interactions with family, peers, and media (Bandura, 1993). Positive financial socialization is believed to cultivate healthy financial behaviors and bolster financial welfare. While several studies have found that financial socialization significantly impacts financial well-being (Marchyta et al., 2024; Shanmuganathan, 2020; Jusoh, 2024), others suggest that this influence is not always direct or consistent, particularly outside the family context (Pak et al., 2023). Financial well-being is also viewed as the foundational basis for financial literacy, individuals exposed to constructive financial socialization tend to possess higher financial understanding (Ameer & Khan, 2020). Nevertheless, the effectiveness of socialization is heavily dependent on the quality of communication and the expertise of the socializing agents (Albeerdy & Gharleghi, 2015).

Financial literacy is the ability to make informed financial decisions, such as budgeting, saving, understanding financial products, and managing debt and financial risks (Lusardi & Mitchell, 2014). Extensive research has shown that financial literacy positively and significantly influences financial well-being (Lone & Bhat, 2024; Marchyta et al., 2024; Rahman et al., 2021; Sajid et al., 2024). Individuals with high financial literacy tend to exercise better control over their financial circumstances, thereby enhancing their well-being, although some findings indicate a non-significant relationship (Prasetya, 2023).

Financial literacy serves as a mediating mechanism that bridges the gap between psychological factors, financial behavior, and financial well-being. The negative impact of financial stress on welfare can be mitigated when individuals possess sufficient financial literacy to manage pressure rationally (Zhang & Chatterjee, 2023). Similarly, a positive money attitude is more effective in enhancing financial well-being when channeled through sound financial understanding and skills (Ameliawati & Setiyani, 2018; Sesini & Lozza, 2023). Furthermore, financial risk tolerance only contributes to financial well-being when supported by the literacy required for wise and strategic decision-making (Arpana & Swapna, 2020; Song et al., 2023; Hermansson and Jonsson (2021). Finally, financial socialization through social environments shapes the values and knowledge that bolster literacy and encourage healthy financial behaviors, although the effectiveness of this mediating pathway varies (Ameliawati & Setiyani, 2018; Jusoh, 2024).

Although financial well-being has been widely examined across various contexts, existing studies remain fragmented and often lack strong theoretical integration in explaining how financial pressure and hardship shape overall well-being. This indicates a notable gap in literature, particularly in linking psychological and behavioral factors within a comprehensive analytical framework. More (Radiman et al., 2025) has explicitly examined financial well-being within the lecturer's

http://dx.doi.org/10.21511/kpm.10(2).2026.02

context, highlighting the limited attention given to this professional group. In contrast, prior studies have predominantly focused on several broader population categories.

First, a substantial body of research has examined students and young adults, emphasizing financial literacy, behavior, and early financial decision-making as key determinants of financial well-being (Ameer & Khan, 2020; Chaity et al., 2024; Jusoh, 2024; Marchyta et al., 2024; Castro-González et al., 2020; Fan & Park, 2021; Sajuyigbe et al., 2024; Singh & Malik, 2022; Zhang & Chatterjee, 2023). Although much research has been conducted on this matter, there has not yet been a study that specifically examines lecturers. Second, studies on professionals and employees tend to focus on workplace-related financial conditions, income stability, and financial behavior in shaping well-being (Arpana & Swapna, 2020; Munasinghe & Buvanendra, 2023; Munna et al., 2025; Rahmawati & Rasyid, 2025). Third, research on retirees and households generally emphasizes long-term financial security, savings adequacy, and financial planning (Ameer & Khan, 2020; Gupta et al., 2025; Tan et al., 2024). Additionally, other studies have explored specific groups such as parents, women, investors, and banking customers, often focusing on financial decision-making, risk behavior, and access to financial services (Ameer & Khan, 2020; Singh & Malik, 2022; Naveed & Ali, 2024; Cova & Natoli, 2020).

Overall, this distribution indicates that existing research has largely concentrated on economically active or general population groups, while lecturers remain underexplored despite their distinct financial characteristics and strategic role in the education sector. However, rather than merely reflecting diversity in research subjects, this pattern highlights a structural imbalance in literature, where lecturers, despite their strategic role in human capital development remain underrepresented. This gap is particularly important because lecturers, especially in private higher education institutions, operate under unique financial conditions shaped by income rigidity, institutional constraints, and regional disparities.

Furthermore, prior research suggests that behavioral and social factors influence financial well-being not only directly but also indirectly through cognitive mechanisms. However, inconsistencies in empirical findings and the lack of contextualized studies indicate the need for a more integrative approach. In particular, financial literacy may function as a key mediating variable that explains how psychological and behavioral factors translate into financial well-being outcomes. This issue becomes more critical in structurally constrained regions such as Southwest Papua, Indonesia, where high living costs, limited financial access, and unequal distribution of economic resources may alter the dynamics of financial behavior and well-being. Therefore, this study aims to examine the effects of financial stress, money attitude, financial risk tolerance, and financial socialization on financial well-being, with financial literacy as a mediating variable among certified lecturers in private higher education institutions in Southwest Papua. The following hypotheses were formulated within the framework of this study:

H1: Financial stress has a negative impact on financial well-being.

H2: Financial stress has a positive impact on financial literacy.

H3: Money attitude has a positive impact on financial well-being.

H4: Money attitude has a positive impact on financial literacy.

H5: Financial risk tolerance has a positive impact on financial well-being.

H6: Financial risk tolerance has a positive impact on financial literacy.

H7: Financial socialization has a positive impact on financial well-being.

H8: Financial socialization has a positive impact on financial literacy.

H9: Financial literacy has a positive impact on financial well-being.

H10: Financial stress influences financial well-being through the mediation of financial literacy.

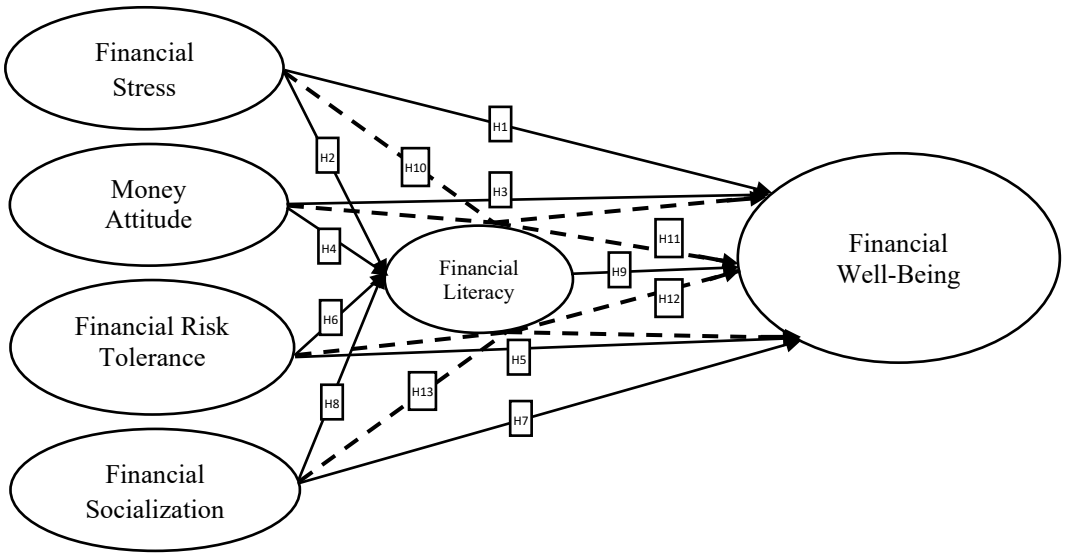

Figure 1. Conceptual framework

H11: Money attitude influences financial well-being through the mediation of financial literacy.

H12: Financial risk tolerance influences financial well-being through the mediation of financial literacy.

H13: Financial socialization influences financial well-being through the mediation of financial literacy.

2. METHODS

This study adopts a quantitative approach utilizing an explanatory research design. The primary focus is to examine the causal relationships between behavioral determinants financial stress, money attitude, financial risk tolerance, financial socialization and financial well-being, as mediated by financial literacy. Based on objective research, this research involved university lecturers' tall private sector in Southwest Papua Province which has own certificate educator as respondents research. Certified lecturers chosen because based on problems found that even though the lecturer is certified earning relatively tall compared to non-lecturer's constant, pressure financial still perceived and potential influence level welfare their finances. There are 230 certified lecturers meeting these criteria across the 8 institutions, all of whom were included as respondents. Consequently, this study employs a non-probability sampling technique via a census sampling applied to a defined sub-population. This census method was selected to obtain accurate, comprehensive data that fully represents the specific research population. Primary data were collected through a structured questionnaire. The instrument utilized a 5-point Likert scale to measure indicators for all variables: financial stress, money attitude, financial risk tolerance, financial socialization, financial literacy, and financial well-being. This research was conducted from May to July 2025. Prior to the main data collection, the research instrument underwent rigorous validity and reliability testing.

The data analysis method employed is variance-based Structural Equation Modeling, specifically Partial Least Squares (PLS-SEM), processed using SmartPLS software. PLS-SEM was chosen for its robustness in analyzing complex relationships between latent variables, its effectiveness for predictive purposes, and its ability to accommodate mediation models (Hair et al., 2021). The analysis proceeded in two stages: first, the evaluation of the measurement model (outer model), which includes testing for convergent validity, discriminant validity, and reliability (Composite Reliability and Cronbach's Alpha). The second stage involved evaluating the structural model (inner model), which includes assessing R-square (R^2), effect size (f^2), and hypothesis testing through bootstrapping (Ghozali & Latan, 2014).

http://dx.doi.org/10.21511/kpm.10(2).2026.02

Table 1. Demographic analysis

Demographic	Responses	Frequency	Percentage
Gender	Female	136	59.1%
	Male	94	40.9%
Age	25-30	11	4.8%
	31-40	108	47%
	41-50	90	39.1%
	> 50	21	9.1%
Educational Level	Master's Degree (S2)	192	83.5%
	Doctoral Degree (S3)	38	16.5%
Income Level	< IDR 2 million	7	3%
	IDR 2-3 million	112	48.7%
	IDR 3-4 million	71	30.9%
	IDR 4-6 million	38	16.5%
	> IDR 6 million	2	0.9%
Marital Status	Married	201	87.4%
	Unmarried	29	12.6%
Number of Dependents	No dependents	35	15.2%
	One dependent	76	33%
	Two to four dependents	119	51.7%
	More than five dependents	0	–

Demographic information for the respondents is presented in Table 1. The sample is predominantly female (59.1%), with males accounting for 40.9%. The majority of respondents fall within the age ranges of 31-40 years (47%) and 41-50 years (39.1%), indicating a concentration of lecturers in their productive years. Regarding educational background, 83.5% of respondents hold a Master's degree (S2), while 16.5% hold a Doctorate (S3). Income levels are mostly concentrated between IDR 2-3 million (48.7%) and IDR 3-4 million (30.9%), reflecting relatively moderate-income brackets. Most respondents are married (87.4%), and regarding dependents, the majority support 2-4 individuals (51.7%), followed by those with one dependent (33%). In summary, the demographic profile characterizes the respondents as highly educated, productive-age professionals with moderate incomes and significant familial responsibilities.

Table 2. Outer loadings financial well-being

Variable	Item Code	Loading Factor	Cut Off Value	Remarks
Financial Well-Being (FWB)	FWB1	0.925	0.5	Valid
	FWB2	0.926		
	FWB3	0.874		
	FWB4	0.899		
	FWB5	0.926		
	FWB6	0.905		
	FWB7	0.890		
	FWB8	0.892		
	FWB9	0.889		
	FWB10	0.883		
	FWB11	0.874		
	FWB12	0.910		
	FWB13	0.892		
	FWB14	0.914		

3. RESULTS

This study employs the Partial Least Squares (PLS) approach for hypothesis testing, with data processing conducted using SmartPLS version 3.0 software. The analysis utilized a one-tailed test. Convergent validity was evaluated based on the outer loading values of each indicator. In empirical research, a variable's validity is confirmed if the loading factor exceeds 0.50 and the Average Variance Extracted (AVE) value is greater than 0.50 (Hair et al., 2021).

Table 1 demonstrates that all statement items for the financial well-being variable yield loading factor values exceeding 0.5. This indicates that each variable is effectively explained by its respective indicators, thereby fulfilling the requirements for convergent validity.

Table 3 demonstrates that all items for the financial literacy variable exhibit loading factor values exceeding 0.5. This indicates that each indicator effectively explains its respective variable and satisfies the criteria for convergent validity.

Table 3. Outer loadings financial literacy

Variable	Item Code	Loading Factor	Cut Off Value	Remarks
Financial Literacy (FL)	FL1	0.742	0.5	Valid
	FL2	0.731		
	FL3	0.760		
	FL4	0.714		
	FL5	0.843		
	FL6	0.881		
	FL7	0.877		
	FL8	0.899		
	FL9	0.503		
	FL10	0.731		
	FL11	0.760		
	FL12	0.714		

Table 4. Outer loadings financial stress

Variable	Item Code	Loading Factor	Cut Off Value	Remarks
Financial Stress (FS)	FS1	0.846	0.5	Valid
	FS2	0.694		
	FS3	0.757		
	FS4	0.744		
	FS5	0.772		
	FS6	0.770		
	FS7	0.741		
	FS8	0.791		
	FS9	0.681		
	FS10	0.822		
	FS11	0.841		

Table 4 demonstrates that all items for the financial stress variable yield loading factor values exceeding 0.5. This indicates that the indicators effectively represent the variable, thereby satisfying the requirements for convergent validity.

Table 5. Outer loadings money attitude

Variable	Item Code	Loading Factor	Cut Off Value	Remarks
Money Attitude (MA)	MA1	0.791	0.5	Valid
	MA2	0.55		
	MA3	0.548		
	MA4	0.535		
	MA5	0.805		
	MA6	0.822		
	MA7	0.813		
	MA8	0.881		
	MA9	0.876		
	MA10	0.578		
	MA11	0.690		
	MA12	0.738		
	MA13	0.736		
	MA14	0.706		
	MA15	0.713		
	MA16	0.708		
	MA17	0.679		
	MA18	0.736		
	MA19	0.578		

Table 5 illustrates that all statement items for the money attitude variable exhibit loading factor values above 0.5. These results indicate that each indicator effectively accounts for its respective variable, thereby fulfilling the criteria for convergent validity.

Table 6. Outer loadings financial risk tolerance

Variable	Item Code	Loading Factor	Cut Off Value	Remarks
Financial Risk Tolerance (FRT)	FRT1	0.868	0.5	Valid
	FRT2	0.848		
	FRT3	0.881		
	FRT4	0.853		
	FRT5	0.824		
	FRT6	0.867		

Table 6 demonstrates that all statement items for the financial risk tolerance variable yield loading factor values exceeding 0.5. This indicates that the indicators effectively explain the variable, thus satisfying the requirements for convergent validity.

Table 7. Outer loadings financial socialization

Variable	Item Code	Loading Factor	Cut Off Value	Remarks
Financial Socialization (FSZ)	FSZ1	0.816	0.5	Valid
	FSZ2	0.833		
	FSZ3	0.853		
	FSZ4	0.808		
	FSZ5	0.828		

Table 7 demonstrates that all items for the financial socialization variable exhibit loading factor values exceeding 0.5. This indicates that the indicators effectively explain the variable and satisfy the criteria for convergent validity. To ensure reliability evaluation, the analysis requires Composite Reliability and Cronbach's Alpha values to be higher than 0.7 (Hair et al., 2021), while the Average Variance Extracted (AVE) must exceed 0.5 (Ghozali & Latan, 2014).

Table 8. Composite reliability

Variable	CA	CR	AVE
FWB	0.982	0.984	0.810
FL	0.932	0.943	0.588
FS	0.931	0.941	0.594
MA	0.948	0.954	0.524
FRT	0.928	0.943	0.734
FSZ	0.885	0.916	0.685

http://dx.doi.org/10.21511/kpm.10(2).2026.02

Table 8 shows that the values for each construct exceed 0.7 in terms of both composite reliability and Cronbach's alpha output. Consequently, it can be concluded that each construct and estimation model possesses excellent reliability, permitting further testing.

Furthermore, discriminant validity is considered exceptional if the square root of the Average Variance Extracted (AVE) for a given variable is greater than its correlation with other variables in the model. The square root of the AVE must exceed 0.5 (Ghozali & Latan, 2014).

Table 9. Discriminant validity Fornell-Larcker criterion

Variable	FL	FRT	FSZ	FS	FWB	MA
FL	0.767					
FRT	0.508	0.857				
FSZ	0.335	0.432	0.828			
FS	0.475	0.537	0.394	0.771		
FWB	0.529	0.386	0.381	0.451	0.900	
MA	0.499	0.549	0.515	0.595	0.541	0.724

Table 10 shows that the square root of the AVE for all variables is greater than 0.5 and exceeds the correlation values between the constructs. These findings indicate that all indicators satisfy the criteria for discriminant validity based on the square root of the AVE values.

Table 10. Dicriminant validity HTMT

Variable	FL	FRT	FSZ	FS	FWB	MA
Financial Literacy						
Financial Risk Tolerance	0.550					
Financial Socialization	0.366	0.471				
Financial Stress	0.503	0.573	0.427			
Financial Well-Being	0.547	0.401	0.406	0.468		
Money Attitude	0.530	0.580	0.563	0.632	0.555	

Based on Table 10, all Heterotrait–Monotrait (HTMT) values among the constructs are below the recommended threshold (< 0.85) (Hair et al., 2021). This indicates that each construct namely financial literacy, financial risk tolerance, financial socialization, financial stress, financial well-being, and money attitude demonstrates adequate discriminant validity. Therefore, it can be concluded that each construct measures a distinct conceptual domain, and the measurement model is appropriate for use in subsequent stages of analysis.

Table 11. R-Square Test

Variable	R-Square	R-Square Adjusted
Financial well-being	0.397	0.383
Financial literacy	0.348	0.336

If the R-square value of a model is greater than zero, the model is considered to have an acceptable level of goodness of fit. Based on Table 11, the model examining the effects of financial stress, money attitude, financial risk tolerance, financial socialization, and financial literacy on financial well-being explains 39.7% of the variance in financial well-being, while the remaining 61.3% is attributed to variables not included in this study. This is reflected in the R-square and adjusted R-square values presented in the table above. Similarly, the financial literacy variable is explained by financial stress, money attitude, financial risk tolerance, and financial socialization by 34.8%, whereas the remaining 65.2% is influenced by other factors not examined in this study

Table 12. Effect size value

Variable	Financial literacy	Financial well-being	Remarks
FL	–	0.110	Moderate effect
FS	0.030	0.011	Little effect
MA	0.040	0.066	Little effect
FRT	0.071	0.001	Little effect
FSZ	0.001	0.011	Little effect

Based on Table 12, the effect size (f^2) values indicate that financial literacy has a moderate effect on financial well-being ($f^2 = 0.110$). Meanwhile, financial stress, money attitude, financial risk tolerance, and financial socialization exhibit small effects on both financial literacy and financial well-being, as all f^2 values are below 0.15. This suggests that the contributions of these variables are relatively limited in explaining the endogenous constructs

Table 13. Model fit

Model Fit	Saturated Model	Estimated Model	Remarks
SRMR	0.059	0.059	SRMR < 0.08
d_ULS	7.98	7.98	d_ULS > 2
d_G	2.902	2.902	d G > 0.9

Based on Table 13, the SRMR value is below 0.080, the d_ULS value exceeds 2.000, and the GFI value is above 0.900. These results indicate that the

Table. 14 Direct and indirect effects

Hypotheses	Relationships Between Variables	Path Coefficient	T-Statistics	P-Value	Decision
H1	*Financial stress Financial well-being*	0.109	1.535	0.063	Rejected
H2	*Financial stress Financial literacy*	0.183	2.393	0.009	Accepted
H3	*Money attitude Financial well-being*	0.284	3.122	0.001	Accepted
H4	*Money attitude Financial literacy*	0.225	2.824	0.002	Accepted
H5	*Financial risk tolerance Financial well-being*	-0.033	0.397	0.346	Rejected
H6	*Financial risk tolerance Financial literacy*	0.274	3.046	0.001	Accepted
H7	*Financial socialization Financial well-being*	0.098	1.553	0.061	Rejected
H8	*Financial socialization Financial literacy*	0.029	0.452	0.326	Rejected
H9	*Financial literacy Financial well-being*	0.319	3.824	0.000	Accepted
H10	*Financial stress Financial literacy Financial well-being*	0.058	1.992	0.023	Accepted
H11	*Money attitude Financial literacy Financial well-being*	0.072	2.120	0.017	Accepted
H12	*Financial risk tolerance Financial literacy Financial well-being*	0.088	2.433	0.008	Accepted
H13	*Financial socialization Financial literacy Financial well-being*	0.009	0.406	0.343	Rejected

model satisfies the goodness-of-fit criteria, demonstrating that the model is consistent with the data and that the relationships between the constructs are valid for further testing.

The structural model was analyzed using t-tests through the bootstrapping procedure in SmartPLS to validate the relationships between variables within the research model. Hypothesis testing was conducted by examining the path coefficients, t-statistics, and p-values. A summary of the direct and indirect effect tests is presented in Table 14. Based on these results, financial literacy was found to have a positive and significant effect on financial well-being ($p < 0.05$), indicating that higher levels of financial literacy lead to improved individual financial well-being. Furthermore, money attitude and financial risk tolerance demonstrated positive and significant impacts on financial literacy ($p < 0.05$), suggesting that individuals with better financial attitudes and higher risk tolerance tend to possess superior financial literacy.

Conversely, financial stress, financial risk tolerance, and financial socialization did not show significant direct effects on financial well-being ($p > 0.05$). These findings indicate that these factors do not directly determine financial well-being but instead operate through other mechanisms within the model. Further analysis of indirect effects reveals that financial literacy serves as a crucial mediating variable. Specifically, financial literacy mediates the influence of financial stress and financial risk tolerance on financial well-being, indicating full mediation. Additionally, financial literacy mediates the relationship between money attitude and financial well-being, suggesting partial mediation, as the direct effect of money attitude on financial well-being remains significant. However, financial socialization was not found to influence financial well-being either directly or indirectly through financial literacy ($p > 0.05$). This suggests that the role of financial socialization in enhancing respondents' financial well-being is not empirically supported within this research model.

4. DISCUSSION

The results of this study demonstrate that not all variables exert a direct influence on financial well-being. Financial stress, financial risk tolerance, and financial socialization were found to have non-significant effects on the financial well-being of private university lecturers in Southwest Papua, with p-values of 0.063, 0.346, and 0.061, respectively thus, H1, H5, and H7 are rejected. These findings align with Xiao and Kim (2022) and Fan and Ryu (2023), who argue that financial stress does not necessarily diminish individual well-being if individuals possess robust coping strategies. Similarly, Bayar et al. (2020) and Song et al. (2023) suggest that risk tolerance is more closely related to investment decisions than to overall financial welfare. Furthermore, Pak et al. (2024) observed that the influence of financial socialization tends to diminish with advancing age and higher educational attainment. Studies by Xiao and Kim (2022) and Fan and Ryu (2023) identified

http://dx.doi.org/10.21511/kpm.10(2).2026.02

debt or financial stress as a stress exposure that impacts subjective well-being through psychological mechanisms such as self-esteem and social support. The respondents were from the general public and young adults in developed countries with high debt exposure and competitive economic dynamics. Conversely, in this study, among private university lecturers in Southwest Papua, financial stress did not show a significant effect, indicating that job stability, a fixed income structure, and a high level of education can mitigate the impact of financial stress. Furthermore, studies by Bayar et al. (2020) and Song et al. (2023) confirmed that financial risk tolerance plays a role in investment decisions and financial behavior, particularly in the context of active investors. However, in this study, risk tolerance was not relevant to financial well-being because the respondents were not a group with a high-risk investment orientation. Therefore, the differences lie in the population context (academics vs. investors/young adults), the level of financial risk exposure, the local economic structure, and the conceptual model (direct vs. mediated), which resulted in the psychological and financial risk variables in this study not showing the same effects as those found in previous studies.

These findings underscore that financial well-being among professionals is not merely determined by the level of pressure or the courage to face risk, but rather by an individual's capacity to manage and control their financial circumstances. From the perspective of Behavioral Finance Theory Thaler (1999), risk tolerance without the support of adequate literacy and analytical skills potentially increases uncertainty and adverse financial outcomes. In line with Subjective Well-Being Theory Diener (1984), financial well-being is more closely associated with a sense of security and control over personal economic conditions than with risk-taking propensity. Consequently, financial well-being is dictated by the quality of risk management and subjective perception rather than the magnitude of risk or financial pressure itself.

Conversely, money attitude showed a significant positive effect on financial well-being ($p = 0.001$), leading to the acceptance of H3. This result is supported by Handayati et al. (2023), and Sabri et al. (2020a), who emphasized that a positive attitude toward money contributes to financial stability and satisfaction. Conceptually, these results reinforce the view that attitudes toward money influence how individuals make financial decisions, set priorities, and control consumption behavior, which ultimately impact financial stability and satisfaction. In Sabri et al.'s (2020a) study, money attitudes had a significant influence, but were not the dominant factor because financial practices were the primary determinant of financial well-being. This means that, in the context of Malaysian public sector employees, actual behavior was stronger than attitudes. Meanwhile, Handayati et al. (2023) found that the influence of financial attitudes on financial well-being was partially mediated by financial behavior (partial mediation), so attitudes did not work entirely directly, but rather through the implementation of financial behavior. In contrast, Rahmawati and Marcella (2023) did not examine financial well-being directly, but showed that financial attitudes influenced financial management behavior in college students, so financial well-being can only be assumed to be a secondary impact, not a directly tested variable. Thus, the main difference of this study lies in the strength of the direct influence of money attitude on financial well-being without explicit dependence on the dominant mediating variable, as well as in the context of respondents (lecturers) who have income stability and high education levels, so that attitudes towards money are more internalized into subjective well-being evaluations compared to groups of general employees, students, or MSME actors who are more dependent on daily operational financial practices.

A notable finding of this research is that financial literacy emerged as the most significant factor in enhancing financial well-being ($p = 0.000$), thus H9 is accepted. This is consistent with the seminal work of Lusardi and Mitchell (2014), Lone and Bhat (2024), Rahman et al. (2021), and Sajid et al. (2024), stating that financial literacy is a cornerstone of financial well-being. Individuals with high financial literacy tend to exercise better control over their financial conditions, thereby enhancing their overall welfare. The difference lies in the characteristics of the sample: in highly educated groups such as lecturers (Lone & Bhat, 2024), literacy is the main determinant because they are able to internalize knowledge into effective financial control, while in low-income groups (Rahman et al., 2021), finan-

cial behavior and financial stress management are more determining. Thus, the results of this study strengthen the literature that financial literacy is the main foundation of financial well-being, but the strength of its influence can vary depending on the level of education, income, and socio-economic context of the respondents.

Regarding the determinants of financial literacy, this study found that financial stress, money attitude, and financial risk tolerance exert significant influences, with p-values of 0.009, 0.002, and 0.001, respectively; therefore, H2, H4, and H6 are accepted. This finding is particularly intriguing, while financial stress is generally assumed to be negative, the results indicate a significantly positive relationship between financial stress and financial literacy. The most plausible interpretation is that high financial stress acts as a catalyst or remedial stimulus, prompting lecturers to actively seek and enhance their financial knowledge as a coping mechanism. This is further supported by Riaz et al. (2022) indicating that money attitude relates to financial capability and wealth accumulation. Additionally, Sembel et al. (2024) and Bayar et al. (2020), show that risk tolerance can significantly improve financial literacy, which subsequently bolsters investment intentions. In terms of population and region, the differences are increasingly clear. Riaz et al. (2022) studied university students in Pakistan, Sembel et al. (2024) studied students in Indonesia, and Bayar et al. (2020) studied university staff in Turkey. This study focuses on private university lecturers in Southwest Papua, a region in eastern Indonesia with socioeconomic characteristics and access to financial literacy that differ from national economic centers and other countries. Thus, the contribution of this study is not only conceptual but also contextual, as it enriches the literature with empirical evidence from an adult academic population and geographic region that are relatively underrepresented in previous financial literacy studies.

In contrast, financial socialization had no significant effect on financial literacy ($p = 0.326$), leading to the rejection of H8, which aligns with Sohn et al. (2012) and Albeerdy and Gharleghi (2015), who found that family-based financial socialization is insufficiently strong to influence literacy in adults. However, Sohn et al. (2012) found that financial socialization significantly influenced financial literacy in Korean adolescents, whereas in this study, socialization had no significant effect on adult lecturers. This suggests that the role of socialization agents is stronger during adolescence when literacy is still developing. Meanwhile, Albeerdy and Gharleghi (2015) found a weak and insignificant influence of socialization in Malaysian college students, thus more closely aligning with the results of this study. The main differences lie in age, level of financial independence, and regional context. In highly educated adults, such as lecturers in Southwest Papua, literacy is more influenced by internal factors than by family socialization.

The primary contribution of this research lies in confirming the pivotal mediating role of financial literacy. Mediation analysis reveals that financial literacy significantly mediates the relationships between financial stress, money attitude, and financial risk tolerance to the financial well-being of private university lecturers in Southwest Papua thus, H10, H11, and H12 are accepted. These results are consistent with Zhang and Chatterjee (2023), Heo et al. (2020), Ameliawati and Setiyani (2018), Song et al. (2023), Arpana and Swapna (2020). Different from previous research that generally focuses on students, investors, or professionals in countries with more developed financial systems and more established access to financial literacy, this study provides empirical evidence on private university lecturers in Southwest Papua with varying socioeconomic characteristics and access to financial services. In this context, financial literacy functions not only as technical knowledge but also as an adaptive mechanism in dealing with limitations, uncertainty, and risk. Thus, this study's contribution is both conceptual through a different mediation structure and contextual, expanding the financial literacy literature from a financial well-being perspective in the under-researched eastern region of Indonesia.

This mediating role is crucial because financial stress and financial risk tolerance showed no significant direct effects on financial well-being. Specifically, financial stress only enhances well-being if it is first transformed into competency financial literacy. Similarly, financial risk tolerance only yields positive outcomes for financial well-being when supported by the knowledge necessary to manage such risks. This provides strong em-

http://dx.doi.org/10.21511/kpm.10(2).2026.02

pirical support for the proposed mediation model, affirming that financial literacy functions as a mechanism that transforms psychological and behavioral factors into optimal financial well-being outcomes.

However, the study also noted a non-significant result regarding the mediating role of financial literacy in the relationship between financial socialization and financial well-being, leading to the rejection of H13. This aligns with Jusoh (2024), suggesting that in the adult stage, the influence of financial socialization no longer has a meaningful impact on the literacy or well-being of these lecturers. Jusoh's (2024) study of community college students in Johor found that parental financial socialization had a direct and significant effect on financial literacy and subjective financial well-being, but financial literacy did not mediate the relationship. This study shows consistent results in terms of the insignificant mediation role of financial literacy between financial socialization and financial well-being in adults. However, the difference lies in the characteristics of the respondents. The previous study focused on students with predominantly low-income families and parents with lower-middle education, while this study examined private university lecturers, a more mature group in terms of age, education, and financial experience.

This indicates that financial values acquired through social or informal circles have lower relevance compared to cognitive drive and personal motivation, perhaps reflecting the individualistic decision-making characteristics of this population. Overall, the tested model provides a comprehensive framework, asserting that to improve lecturers' financial well-being, policy interventions should focus on enhancing financial literacy. This, in turn, will optimize the effects of positive attitudes and mitigate the risks associated with financial pressure. These findings are highly relevant to the context of private universities in Southwest Papua, where financial literacy programs have begun through external collaborations but remain incidental and non-systematic. Therefore, this study reinforces the need for institutions to institutionalize formal, sustainable financial literacy programs, accompanied by contextual "money attitude nudges," ensuring that such policies are both realistic and effective in promoting the long-term financial well-being of lecturers.

CONCLUSION

This study aims to analyze the influence of financial stress, money attitude, financial risk tolerance, and financial socialization on the financial well-being of certified lecturers at private higher education institutions in Southwest Papua, with financial literacy as a mediating variable. Findings indicate that financial literacy and money attitude are the strongest and most significant direct determinants of financial well-being. Financial stress and financial risk tolerance significantly improve financial literacy but do not directly affect financial well-being, while financial socialization does not show a significant effect on either financial literacy or financial well-being. Furthermore, financial literacy plays a significant mediating role in transforming the influence of financial stress, money attitude, and financial risk tolerance into improved financial well-being.

In conclusion, financial literacy serves as a key mechanism that transforms financial stress and financial behavioral characteristics into better financial well-being among lecturers. Therefore, strengthening financial knowledge and money attitudes is crucial for improving the financial stability of lecturers, particularly in the socio-economic context of private higher education institutions in border regions.

AUTHOR CONTRIBUTIONS

Conceptualization: Rokhimah, Triyonowati, Suhermin.
Data curation: Rokhimah.
Formal analysis: Rokhimah.
Investigation: Rokhimah, Triyonowati, Suhermin.

Methodology: Rokhimah, Triyonowati, Suhermin.
Project administration: Rokhimah, Triyonowati.
Supervision: Rokhimah, Suhermin.
Validation: Rokhimah, Triyonowati, Suhermin.
Visualization: Rokhimah, Suhermin.
Writing – original draft: Rokhimah.
Writing – review & editing: Rokhimah.

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APPENDIX A

Table A1. Research instrument design

No	Variable	Indicator	Statement Items
1.	Financial Well-Being	Ability to manage expenditures (Adam et al., 2017; Ardradhika et al., 2023; Marchyta et al., 2024; Rahman et al., 2021)	I am satisfied with my personal financial condition. I am able to purchase the items I want. I have control over my daily and monthly finances. I have a clear understanding of my financial goals and how to achieve them. I am able to easily meet my financial commitments.
		Ability to cope with financial emergencies (Adam et al., 2017; Ardradhika et al., 2023; Marchyta et al., 2024; Rahman et al., 2021)	My monthly income is sufficient to pay all bills without difficulty. I am confident that I can find funds to cover financial emergencies. I have at least IDR 10,000,000 available for emergency situations. I feel financially secure and prepared for unexpected expenses.
		Ability to achieve financial goals, both short-term and long-term (Marchyta et al., 2024; Tulcanaza-Prieto et al., 2025)	I am able to achieve short-term financial goals, such as purchasing household furniture or electronic devices. I am able to achieve long-term financial goals, such as purchasing a house. I am able to improve my standard of living through formal savings and investments.
		Balance between the fulfillment of basic needs and the desired quality of life (Marchyta et al., 2024)	I usually have extra money available at the end of the month. I have funds remaining at the end of the month after meeting all primary needs.
2.	Financial Literacy	Basic understanding of financial concepts such as interest, inflation, and risk. (Marchyta et al., 2024; Sembel et al., 2024)	I seek information before purchasing a product or service. I understand basic personal finance principles, such as budgeting, the importance of saving, debt management, and financial planning for the future.
		Income and expense management, budgeting skills, and financial control (Lavonda et al., 2021; Marchyta et al., 2024; Rahman et al., 2021)	I allocate part of my income to pay installment obligations regularly. I understand the importance of having life insurance to protect myself and my family. I have a plan to repay my debts and regularly monitor my debt progress. I allocate my annual income for daily expenses, savings, and investments.
		Knowledge and saving behavior (Rahman et al., 2021; Riaz et al., 2022)	My family recommends saving at least three months of income as an emergency fund. I have knowledge of financial products such as savings accounts, deposits, stocks, and insurance. I understand the benefits offered by my savings or virtual checking accounts.
		Understanding of investment instruments (Marchyta et al., 2024; Rahman et al., 2021)	I view insurance as one of the best forms of investment. I believe that all types of investments generate returns. I am familiar with various investment types and understand their respective risks and returns.
3.	Financial Stress	Emotional reactions arising from financial pressure (Heo et al., 2020; Rahman et al., 2021)	I feel stressed when thinking about my personal financial condition. I often worry about my ability to meet monthly financial obligations. I feel anxious about not having enough money to meet daily needs. I feel stressed when thinking about my total amount of debt. I feel stressed when thinking about my credit card debt. I feel helpless when facing financial problems in my life. I worry about my ability to pay medical expenses.
		Impact of financial pressure on interpersonal relationships (Heo et al., 2020)	I frequently argue with my partner or significant other due to financial problems.
		Physical reactions to financial pressure (Heo et al., 2020)	I experience an increased heart rate due to my financial situation. I feel financially unable to purchase healthier food. I experience high blood pressure caused by financial difficulties.

http://dx.doi.org/10.21511/kpm.10(2).2026.02

Table A1 (cont.). Research instrument design

No	Variable	Indicator	Statement Items
4.	Money Attitude	Tendency to use money for social influence (Yamauchi & Templer, 1982; Ardradhika et al., 2023)	I use luxury goods to display my social status. I consider money to be a primary symbol of success. My income level is sometimes a source of pride for me. I use my financial resources to influence others.
		Future financial planning behavior (***Retention Time)*** (Yamauchi & Templer, 1982; Ardradhika et al., 2023)	I engage in financial planning to prepare for the future. I regularly set aside money for long-term needs. I save money as preparation for old age. I consider it important to have emergency savings.
		Feelings of doubt, suspicion, and uncertainty regarding money-related situations (***Distrust)*** (Yamauchi & Templer, 1982; Ardradhika et al., 2023)	I prefer purchasing items when I believe the price is fair. I feel more comfortable after comparing prices before making a purchase. I feel at ease when I can plan my expenses and money usage properly. I feel more focused when my financial matters are well organized.
		Excessive spending for quality (***Quality***) (Yamauchi & Templer, 1982)	I am willing to spend more money to ensure the best quality. 14. I am willing to pay a higher price because I believe it reflects better quality. 15. I often exceed my credit card limit.
		Viewing money as a source of anxiety (Axienty) (Yamauchi & Templer 1982; Ardradhika et al., 2023)	I find it difficult to resist discounts. I shop to cope with stress. Lack of money makes me nervous. I feel guilty after buying something for myself.
5.	*Financial Risk Tolerance*	Risk-taking in investment decisions (Owusu et al., 2023; Rahman et al., 2019)	I am willing to borrow money if I believe the investment will generate profits. I am willing to risk losing money if there is an opportunity for higher returns.
		Comfort and experience in dealing with risky situations (Owusu et al., 2023)	I believe that taking financial risks can help improve my financial condition. I feel more confident taking risks when my investments are performing well.
		Willingness to face uncertainty to obtain returns (Grable & Lytton, 1999; Owusu et al., 2023)	I understand that in investment, higher potential returns are associated with higher risks. I feel confident investing my money.
6.	Financial Socialization	Family influence (Marchyta et al., 2024; Riaz et al., 2022)	My parents have a strong influence on shaping my understanding and attitudes toward finance.
		Peer influence Sebaya (peers) (Marchyta et al., 2024; Riaz et al., 2022)	My peers influence my financial decisions.
		Media influence (Marchyta et al., 2024; Riaz et al., 2022)	Information from the media influences my financial knowledge and decisions.
		Educational influence (Marchyta et al., 2024; Riaz et al., 2022)	The education I received at university influences my financial literacy and behavior.
		Religious influence (religion) (Marchyta et al., 2024)	My religious beliefs influence my financial principles and financial management behavior.