

Influence of Financial Knowledge, Financial Attitude, and Locus of Control on Personal Financial Management Behaviour of Government Employees in Colombo District of Sri Lanka

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Abstract

This study investigates the key factors that influence personal financial management behaviours among government employees in Sri Lanka, focusing on financial attitude, financial knowledge, and locus of control as predictors of financial behaviour. The research is motivated by the distinctive financial challenges faced by government employees, such as largely fixed incomes, limited exposure to diverse investment opportunities, and prevalent debt obligations, which may constrain effective financial decision-making and heighten the need for targeted interventions. Data were collected via a structured survey of government employees in the Colombo District using simple random sampling; 250 questionnaires were distributed, and 228 valid responses were obtained. Reliability and relationships among variables were examined using Cronbach's alpha, Pearson correlation, and multiple regression analysis. Results show that financial attitude and financial knowledge are positively and significantly associated with personal financial management behaviour, while locus of control exhibits a weaker but positive influence. Together the three predictors explain approximately 80% of the variance in financial management behaviour. Practical implications include the need for tailored financial literacy programmes, behavioural interventions, and workplace policies to strengthen the financial well-being of government employees. Limitations of the study include its cross-sectional, self-reported design and its focus on the Colombo District, which may limit generalisability; future research should consider broader, longitudinal samples and objective financial measures to validate and extend these findings.

Keywords: financial knowledge, financial management behavior, government employees, locus of control, personal financial attitude