



Does Financial Literacy Drive Financial Happiness and Job Success for Muslim? Insights from Thailand's Southern Border Provinces

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ABSTRACT

This research aims to (1) investigate and explore the influence of financial literacy on financial happiness, (2) examine the influence of financial literacy on job performance, and (3) assess the impact of financial happiness on job performance among Muslim state officers in the three southern border provinces of Thailand, namely Yala, Pattani, and Narathiwat. This study employs a quantitative research approach, utilizing questionnaires for data collection. The sample group consists of 510 Muslim state officers working in local administrations within the three southern border provinces. Statistical analyses included frequency, percentage, mean, and standard deviation, with data analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The study's findings indicate that two hypotheses were supported. Hypothesis 1, which posits that financial literacy positively influences financial happiness, showed a direct effect of 0.845. Hypothesis 3, which suggests that financial happiness positively influences job performance, demonstrated a direct effect of 0.694. However, Hypothesis 2, which proposed a positive influence of financial literacy on job performance, was rejected, with a direct effect of 0.109 and an indirect effect of 0.586. These findings can be applied in various contexts to enhance the quality of life in terms of financial literacy, financial happiness, and job performance among Muslim state officers in the southern border provinces of Thailand.

Keywords: Financial Literacy, Financial Happiness, Job Performance, Muslim State Officers, Southern Border Provinces

JEL Classifications: D14, G53, M50

1. INTRODUCTION

The current economic conditions have heightened concerns about financial security, especially in a rapidly evolving digital society. In response, the Thai government has introduced the Thailand 4.0 policy to reduce inequality and address the challenges of a middle-income country (Asia, 2015). Financial literacy has thus become a critical life skill, encompassing not only increased financial knowledge but also its application in achieving financial security in daily life.

According to the 2022 Household Socio-Economic Survey, the average monthly household expenditure in Thailand was 22,372 THB, an increase of 756 THB from 2021, representing a 3.5% rise. A significant portion of this expenditure, 35.8%, was related to food, beverages, and tobacco (Ministry of Digital Economy and Society, 2022). Additionally, a materialistic social trend has influenced individuals to prioritize possessions and modernity, leading to increased household spending and resulting in debt accumulation. A survey by the University of the Thai Chamber

of Commerce revealed that household debt in Thailand at the end of 2022 amounted to 14.97 trillion THB, equivalent to 89.3% of GDP, the highest in 16 years. Of this, 79% was formal debt, and 21% was informal debt, primarily driven by rising living costs, insufficient household income, and excessive spending on consumer goods. As a result, individuals often resort to borrowing to meet their needs or to maintain social status, with loans also used for income-generating purposes, such as starting a business or investing in assets.

However, borrowing from financial institutions in Thailand typically involves interest payments, which conflict with Islamic principles prohibiting interest-based transactions. In Thailand, Muslims comprise approximately 5.41% of the population, second only to Buddhists, who constitute 92.52% of the population. The majority of Muslims are concentrated in the three southern border provinces: Yala, Pattani, and Narathiwat (Religious Information Centre, 2023). Due to the challenges Muslims face in borrowing money, the Thai government established the Islamic Bank of Thailand in 2002 to facilitate financial transactions and borrowing in accordance with Islamic law, which has greatly benefited Muslims in the southern border provinces.

Financial literacy is crucial in helping the public, including Muslims in the three southern border provinces, manage their finances effectively. With sound financial management from the onset of income generation, having financial knowledge and a positive financial attitude can help individuals achieve financial goals, improve quality of life, prevent unnecessary debt, and lead to overall happiness in both work and daily life (Chuangprayoon & Wongprid, 2023).

Given the issues discussed above, the researcher is interested in examining the financial literacy of Muslims residing in the three southern border provinces. This research focuses on the unique financial planning strategies, living conditions, and societal factors that influence financial happiness and job performance among Muslim state officers, particularly in the context of the challenges they face in borrowing from financial institutions. The current environment, with its emphasis on external factors such as housing, vehicles, consumer goods, and materialism, has increased daily living expenses. A lack of financial knowledge and understanding often leads to rising debt, which can affect mental well-being and, ultimately, impact the job performance of Muslim employees in various governmental agencies.

2. LITERATURE REVIEW

2.1. Financial Literacy

The Organization for Economic Co-operation and Development (OECD) (2017) defines financial literacy as the knowledge and understanding of financial concepts and risks, as well as the skills, motivation, and confidence to apply such knowledge and understanding in making effective financial decisions in a variety of contexts. This, in turn, helps improve the financial well-being of individuals and society as a whole.

Financial literacy plays a critical role in empowering individuals to make informed financial decisions and secure their financial future (Dalina, 2019; Garg & Singh, 2018). In Thailand, financial literacy remains below the global average. According to the OECD study, this highlights the necessity of promoting financial education widely, particularly in rural areas where access to financial resources is limited. Efforts to improve financial literacy in Thailand have been implemented through educational programs targeting specific groups, such as schoolchildren and underserved populations.

Financial skills are another important factor in creating a stable and sustainable economy. Financial literacy among Thais has improved over time. A 2020 survey indicated that 71% of Thais possess financial skills, which is above the OECD average. These financial skills refer to the ability to understand and manage financial services appropriately, as well as financial discipline and planning, all of which are essential for long-term financial security.

Regarding Islamic finance, Shariah principles, which are the foundation of Islamic religious laws, emphasize fair financial management and prohibit the collection of interest, which is seen as a societal threat. Islam forbids the charging of interest to prevent exploitation and injustice in society. Muslims are therefore encouraged to manage their finances according to Shariah principles, which focus on socially beneficial investments and avoiding harmful activities. Additionally, there are Shariah-compliant ways to seek profit, such as engaging in business and joint ventures, which promote sustainability and equity within the Islamic community (Muhammed, 2024).

2.2. Financial Happiness

Veenhoven (2010) Veenhoven defines happiness as an individual's evaluation of how much they like their overall life. It refers to a state of well-being and satisfaction that individuals experience when they have a positive relationship with their finances. This includes various aspects such as financial security, satisfaction with income, wealth, and the ability to achieve financial goals (Arampatzi et al., 2015; Takaporn et al., 2022; Xiao et al., 2009). Financial happiness can be assessed through five key indicators:

1. Consumer debt: Credit card debt and personal loans with high interest rates are considered non-income-generating debt and can become a significant financial burden. Therefore, it is advisable to avoid overextending on debt
2. Debt payment burden: Monthly debt payments that exceed 40% of an individual's income can lead to financial stress in times of crisis. It is important to carefully assess the debt burden
3. Savings-to-income ratio: Saving at least 10% of one's income is a key factor in building financial security and preventing future financial hardship
4. Emergency fund: It is recommended to have emergency savings equivalent to at least 6 months' worth of expenses to cope with unforeseen circumstances, such as job loss or other emergencies
5. Investment ratio: Regular investment for retirement is essential in building wealth. Investing at least 10% of income and having sufficient knowledge of investments are important for mitigating risks.

2.3. Job Performance

Studies on job performance are crucial for evaluating the potential and efficiency of employees within an organization, as performance directly affects an organization's success or failure. Job performance is defined as the outcome of employees' behaviors and actions that contribute to work effectiveness (Janthapoon, 2019; Sungcharoen, 2005). It comprises individual expertise, motivation, and the working environment (Yang & Hwang, 2014).

Campbell (1990) divided job performance into eight components: task-specific skills, general skills, communication, dedication, discipline, teamwork, leadership, and management. Viswesvaran & Ones (2002) proposed ten components, including overall performance, productivity, dedication, job knowledge, interpersonal skills, management, work quality, communication, leadership, and rule compliance.

From these studies, the researcher selected Viswesvaran's (2000) components, focusing on overall performance, productivity, dedication, and work quality as key factors in measuring employee performance. Evaluating job performance from multiple dimensions allows organizations to appropriately improve and develop their employees' potential.

2.4. The Influence of Financial Literacy on Financial Happiness

Financial literacy is a critical factor that enables individuals to make effective financial decisions, plan for the future, and reduce financial stress. Numerous studies have found that financial literacy significantly influences individuals' financial well-being. Perry and Morris (2005) noted that financial skills are linked to the ability to maintain a budget, save money, and control spending. Previous research also found a positive relationship between financial skills and debt management. Lusardi and Tufano (2015) emphasized that a lack of financial skills incurs opportunity costs; for instance, without proper financial knowledge, individuals may not understand compound interest or amortization, resulting in higher interest rates and increased transaction costs (Hawae, 2021). The research by Pang and Lu (2018) found that financial compensation and performance have a positive impact on financial efficiency dimensions, such as return on assets, revenue growth rate, and profitability Peiris (2021). Aruni Nusit (2018) pointed out that fundamental economic and financial literacy, including knowledge of interest rates, inflation, deflation, and risk management, are essential factors that influence saving behavior.

Carroll (2001) identified factors that determine savings motivation, hypothesizing that income affects the conditions, duration, and risks associated with saving. Income expectations and potential risks drive individuals to plan for future savings. Additionally, the study by Drentea and Lavrakas (2000) indicated that financial literacy positively influences individuals' perceptions of their financial situation. When individuals have a deep understanding of financial concepts, they feel more confident in their financial decision-making and overall financial status (Kornnicha, 2017). This positive perception helps reduce financial anxiety and increase financial happiness.

Another aspect to consider is the relationship between financial literacy and the ability to set and achieve financial goals (Tipapong, 2021). Lusardi and Tufano (2015) found that individuals with higher levels of financial literacy are more likely to set specific financial goals and work toward achieving them. The ability to set and accomplish financial goals fosters a sense of achievement and satisfaction, leading to greater financial happiness.

Based on the review of relevant concepts, theories, and research on the influence of financial literacy on financial happiness, the following hypothesis is proposed:

Hypothesis 1 (H_1): Financial literacy has a positive influence on financial happiness.

2.5. The Influence of Financial Literacy on Job Performance

Financial literacy plays a crucial role in an individual's job performance, affecting decision-making abilities and financial stability. Employees with financial literacy are better able to create budgets, allocate resources, and manage expenses efficiently, which enhances work performance and benefits the organization. Financial literacy is a valuable asset in the workplace, enabling employees to make cost-effective financial decisions and improve resource management. Eniola and Entebang (2016) state that financial literacy is critical for driving company growth because financially literate employees exhibit better work behaviors. These employees are less concerned about personal financial problems and have solid financial plans, which positively impact their job performance. Khadijah Muhammad Usama and Wan Fauziah Wan Yusoff also found that financial literacy has a positive influence on job performance, as it helps employees avoid work failures caused by poor financial decisions.

Financial literacy enables employees to understand salaries, benefits, retirement plans, and make informed decisions about savings and investments. This leads to a sense of financial security, greater work focus, and increased job satisfaction (Malinda et al., 2018). Additionally, financial literacy helps employees manage debt and credit more effectively, reducing workplace stress and contributing to better job performance.

Furthermore, financial literacy enables employees to plan for future financial goals, such as purchasing a home, starting a family, or pursuing higher education. With an understanding of investments, insurance, and retirement planning, employees can reduce financial stress and concentrate more effectively on their work. Financial literacy equips employees with the ability to manage finances and make well-informed decisions, benefiting both the employees and the organization. Organizations can promote financial education to help employees succeed and contribute to organizational growth (Usama & Yusoff, 2019).

Based on the review of relevant concepts, theories, and research on the influence of financial literacy on job performance, the following hypothesis is proposed:

Hypothesis 2 (H_2): Financial literacy has a positive influence on job performance.

2.6. The Influence of Financial Happiness on Job Performance

Financial happiness, or satisfaction with one's financial status, has been shown to have a significant impact on job performance. Numerous studies have examined the relationship between financial happiness and job performance, revealing that financial well-being can greatly influence work performance, motivation, and job satisfaction. When employees experience financial stress or dissatisfaction, it can negatively affect their ability to meet organizational goals.

The study by Dunn and Norton (2014) sheds light on how financial well-being influences job performance, indicating that financial happiness has a positive effect on work performance by reducing stress. Financial stress, stemming from economic insecurity or debt, can be a source of distraction and anxiety for individuals. When financial happiness is achieved, employees feel more secure, enabling them to focus more on their work and thereby improving job performance.

Harter et al. (2003) found that financial happiness also has a positive impact on job performance, as employees who feel financially secure and satisfied are more likely to engage with their assigned tasks at a higher level, demonstrating commitment and enthusiasm in their work. This engagement leads to improved efficiency and effectiveness in job performance.

Additionally, Lyubomirsky et al. (2005) suggest that individuals who are financially satisfied are more likely to achieve their goals. Financial satisfaction leads to increased effort and performance in the workplace. When employees feel financially secure, they are more motivated to excel in their assigned tasks and to participate actively in organizational activities, contributing to the success of the organization.

Financial happiness plays a vital role in influencing job performance by reducing stress, increasing motivation, enhancing job satisfaction, improving work-life balance, and promoting engagement in work. Based on the review of relevant concepts, theories, and research on the influence of financial happiness on job performance, the following hypothesis is proposed:

Hypothesis 3 (H_3): Financial happiness has a positive influence on job performance.

Based on the literature review, the researcher developed a research structure and conceptual framework, incorporating factors such as financial literacy, financial happiness, and job performance of Muslim state officers in the three southern border provinces of Thailand, to provide insights that can benefit learners and be applied by government agencies, as shown in Figure 1.

3. RESEARCH METHODOLOGY

This research focuses on Muslim state officers working in local administrative organizations in the three southern border provinces of Thailand, namely Yala, Pattani, and Narathiwat, where the exact population size is unknown. The rationale for selecting this population is that state officers have a low to moderate income

base compared to the national minimum wage. Additionally, these officers face varying levels of financial literacy, distinct living conditions, and challenges in borrowing from financial institutions due to the principles of Islamic finance, which differ from conventional financial systems.

This study employs a causal research design and collects data through a survey using a cross-sectional approach. The sample size was determined using G-Power with a significance level of 0.95 and an effect size of 0.02, resulting in a sample size of 485 individuals.

However, to account for potential errors in data collection and incomplete responses, the researcher increased the sample size by 5% to ensure the robustness of the findings. Therefore, the final sample size for the study was set at 510 individuals, representing the entire population.

The sampling method used was quota sampling. The researcher initially surveyed 10 individuals to estimate the number of Muslim state officers working in the local administrative organizations (Subdistrict Administrative Organization, Provincial Administrative Organization, and Municipalities) of the three provinces. The findings revealed that Yala had the highest number of Muslim state officers, followed by Pattani and Narathiwat, respectively. Based on this consultation and estimation, the researcher allocated 40% of the sample to Yala, with 30% to both Pattani and Narathiwat. To account for differences between subgroups, the convenience sampling method was used to randomly select participants from each subgroup for data collection.

3.1. Research Instruments

The research instrument used in this study is a structured questionnaire developed based on a literature review. It consists of four sections:

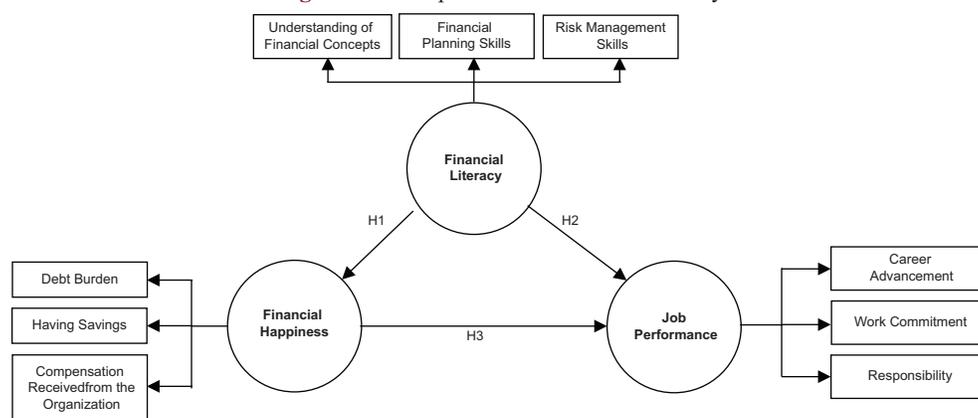
1. **Personal Factors:** This section gathers general information about Muslim state officers residing in the three southern border provinces of Thailand, including gender, age, education level, marital status, and average monthly income
2. **Financial Literacy:** This section includes questions on understanding financial concepts, financial planning skills, and risk management skills
3. **Financial Happiness:** This section addresses topics such as various debt burdens, savings, and compensation received from the organization
4. **Job Performance:** This section covers topics such as career advancement, work commitment, and responsibility towards duties.

A 5-point Likert scale is used, where respondents mark the box that corresponds most closely to their situation, choosing only one option per question.

3.2. Data Collection

The researcher collected both primary and secondary data as follows:

1. **Primary data:** Collected through questionnaires administered to the sample group of 510 Muslim state officers residing in

Figure 1: Conceptual framework for the study

the three southern border provinces of Thailand, including Yala, Pattani, and Narathiwat. The data were analyzed using statistical methods

- Secondary data: Collected from relevant academic papers, research reports, books, and other documents, which were analyzed alongside the primary data to aid in the interpretation and conclusion of the study.

3.3. Instrument Development and Validation

The research instrument was developed based on a literature review and was tested for content validity by three experts. These experts evaluated whether the questionnaire items were aligned with the specified research scope. The evaluation scores were used to calculate the index of item-objective congruence (IOC index) (Turner and Carlson, 2003), with the following scoring system: a score of +1 indicated that the item matched the context, 0 indicated uncertainty, and -1 indicated that the item did not match the context. The criterion for content validity was that each item needed to have an IOC index of at least 0.67. The researcher selected only items that met or exceeded this threshold, confirming that all items in the questionnaire were valid in all aspects.

3.4. Data Analysis and Statistical Methods

The data analysis began with a descriptive statistical analysis to describe the general characteristics of the sample. Descriptive statistics such as frequency, percentage, maximum, minimum, mean, and standard deviation were used, as the measurements were nominal. For analyzing the observed variables used in the study, all observed variables that explained the causal factors were measured using a Likert scale.

Next, the quality of the factor indicators was assessed. This included examining convergent validity, which measures the correlation between factor scores and indicator scores using the factor loading value, which must not be lower than 0.708. The average variance extracted (AVE), another measure of convergent validity, must be at least 0.50, according to Hair et al. (2019). Additionally, discriminant validity was tested to analyze the relationship between factor scores and cross-loadings of other factor indicators, using the Heterotrait-Homotrait (HTMT) method. The HTMT value must range between 0 and 1 to indicate that the indicators of each factor do not overlap with other variable groups, as per Hair et al. (2019).

Finally, structural model analysis (SEM) and hypothesis testing were conducted to measure the causal relationships between the factors, following the research conceptual framework. The R^2 value, which ranges from 0 to 1, was used to determine the predictive power of the model. The explanatory power was classified into three levels: (1) 1.00-0.75 indicates a high level, (2) 0.74-0.50 indicates a moderate level, and (3) 0.49-0.25 indicates a low level, as outlined by Hair et al. (2019). This analysis was conducted using the SmartPLS (Partial Least Square Path Modeling: PLS Path Modeling) software, which is appropriate for the sample size used in this study.

4. RESEARCH FINDINGS

The research on exploring the influence of financial literacy on financial happiness and job performance: A case study of Muslim state officers in local administrations in the three southern border provinces of Thailand analyzed data to reveal trends and key insights as follows:

The study found that the respondents were divided into three groups. The first group consisted of local government employees in Yala province, accounting for 40% of the total sample, including 68 employees from Subdistrict Administrative Organizations, 68 from Provincial Administrative Organizations, and 68 from municipalities, totaling 204 employees. The second group comprised local government employees in Pattani province, accounting for 30% of the total sample, including 51 employees from Subdistrict Administrative Organizations, 51 from Provincial Administrative Organizations, and 51 from municipalities, totaling 153 employees. The final group consisted of local government employees in Narathiwat province, accounting for 30% of the total sample, including 51 employees from Subdistrict Administrative Organizations, 51 from Provincial Administrative Organizations, and 51 from municipalities, totaling 153 employees.

The sample data, as presented in Table 1, provide a general description of the sample, which represents the broader population for this research. The sample comprised 46.5% males (237 individuals) and 53.5% females (273 individuals). Most employees were aged between 30 and 40 years, accounting for

45.7%, followed by those under 30 years old at 33.3%. Employees aged 40 to 50 years accounted for 15.3%, and those aged over 50 represented 5.7%.

Regarding education levels, most employees held a bachelor's degree or equivalent, accounting for 74.9%, followed by those with an education below a bachelor's degree at 23.9%, and those with a master's degree or equivalent at 1.2%. In terms of marital status, the majority of employees were married, representing 55.9%, followed by single employees at 37.5%, separated/divorced at 5.5%, and widowed at 1.2%.

Additionally, in terms of average monthly income, most employees earned between 15,000 and 30,000 THB, accounting for 52.2%, followed by those earning <15,000 THB at 39.0%. Employees earning between 30,001 and 45,000 THB accounted for 6.9%, and those earning more than 45,000 THB accounted for 2.0%.

These data can be used to assess the representativeness of the sample in relation to the broader population, and the findings can be applied in similar contexts for further research and practical application.

From Table 2, it was found that the average scores for understanding financial concepts, financial planning skills, and risk management skills were 4.120, 4.132, and 4.200, respectively. In terms of debt burdens, savings, and compensation received from the organization, the average scores were 4.090, 4.225, and

4.182, respectively. For career advancement, work commitment, and responsibility towards duties, the average scores were 4.267, 4.256, and 4.264, respectively.

Next, the skewness and kurtosis values were analyzed according to Kline's (2016) guidelines, which state that if the skewness coefficient does not exceed ± 3 and the kurtosis coefficient does not exceed ± 10 , the data are considered to follow a normal distribution. Therefore, the data for all variables are normally distributed.

The analysis of the model fit presented in Table 3 shows that the model is sufficiently appropriate for the data collected. The SRMR (Standardized Root Mean Square Residual) value was 0.055 for both the Saturated Model and the Estimated Model, which is below the widely accepted threshold of 0.08, indicating good alignment between the tested model and the observed data. The d_{ULS} (Squared Euclidean Distance) and d_G (Geodesic Distance) values were 0.136 and 0.163, respectively, further supporting the model's suitability in explaining the data. The Chi-square value of the model was 489.873, which indicates an acceptable level of fit between the data and the model. Additionally, the NFI (Normed Fit Index) was 0.883, approaching the 0.90 threshold, which suggests a reasonable fit between the model and the actual data. Overall, these results demonstrate that the model used in this research aligns well with the data and can appropriately explain the observed relationships, ensuring its reliability for interpretation and further analysis.

Table 1: Demographic information

Category	Subcategory	Frequency	Percent
Gender	Male	237	46.5
	Female	273	53.5
Age	Under 30 years	170	33.3
	30-40 years	233	45.7
	40-50 years	78	15.3
	Over 50 years	29	5.7
	Education level	Below bachelor's degree	122
Education level	Bachelor's degree or equivalent	382	74.9
	Master's degree or equivalent	6	1.2
	Marital status	Single	191
Marital status	Married	285	55.9
	Separated/Divorced	28	5.5
	Widowed	6	1.2
	Average monthly income	<15,000 THB	199
15,000-30,000 THB		266	52.2
30,001-45,000 THB		35	6.9
More than 45,000 THB		10	2.0
Total		Total	510

Table 2: The results of the descriptive statistical analysis of the variables studied

Variables	Indicators	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
FL	FL_1	2.600	5.000	4.120	0.467	-0.380	-0.309
	FL_2	2.800	5.000	4.132	0.457	-0.177	-0.447
	FL_3	2.200	5.000	4.200	0.448	-0.621	1.331
FH	FH_1	2.600	5.000	4.090	0.474	0.013	-0.765
	FH_2	3.000	5.000	4.225	0.440	-0.120	-0.597
	FH_3	1.000	5.000	4.182	0.491	-1.131	4.937
JP	JP_1	3.000	5.000	4.267	0.446	-0.104	-0.670
	JP_2	3.000	5.000	4.256	0.457	0.026	-0.833
	JP_3	3.000	5.000	4.264	0.490	-0.117	-0.921

Table 4 presents information regarding the Confirmatory Factor Analysis (CFA) and the reliability of the variables used in this research, including the evaluation of Cronbach's Alpha, Composite Reliability (CR), Average Variance Extracted (AVE), Factor Loading, and Variance Inflation Factor (VIF) as follows:

- Cronbach's alpha: The Cronbach's alpha values for each variable range between 0.885 and 0.914, indicating a high level of reliability for the questionnaire used. Generally, an Alpha value above 0.7 is considered reliable
- Composite reliability (CR): The CR values for each variable exceed 0.7, indicating good overall reliability, meaning the indicators are consistent in measuring the same construct
- Average variance extracted (AVE): The AVE values for all variables are greater than 0.5, demonstrating that each construct explains more than 50% of the variance in its indicators, which is an acceptable threshold
- Factor loading: The factor loading values of each indicator range from 0.885 to 0.938, indicating a strong relationship between the indicators and the constructs being measured, as the values exceed 0.7
- Variance inflation factor (VIF): The VIF values range from 2.281 to 3.854, suggesting that there is no significant multicollinearity among the independent variables. A VIF value close to or below 5 is considered acceptable and does not cause issues in the analysis.

Overall, this table demonstrates that the measurement tools used in this research exhibit high reliability and validity, providing confidence in their use for data analysis and interpretation of the results.

Table 5 presents the analysis comparing the validity of the indicators in the research model using the Heterotrait-Monotrait Ratio of Correlations (HTMT) and Fornell-Larcker criteria. The results of the HTMT analysis indicate that the correlation values between different variables range from 0.759 to 0.944,

Table 3: Goodness of model fit

Items	Saturated model	Estimated model
SRMR	0.055	0.055
d_ULS	0.136	0.136
d_G	0.163	0.163
Chi-square	489.873	489.873
NFI	0.883	0.883

Table 4: CFA and Reliability information

Construct	Cronbach's α	CR (>0.7)	AVE (>0.5)	Factor loading	VIF
Financial literacy (FL)	0.903	0.940	0.838		
Understanding of financial concepts (FL_1)				0.920	3.129
Financial planning skills (FL_2)				0.923	3.097
Risk management skills (FL_3)				0.904	2.578
Financial happiness (FH)	0.885	0.929	0.812		
Debt burden (FH_1)				0.906	2.575
Having savings (FH_2)				0.913	2.823
Compensation received from the organization (FH_3)				0.885	2.281
Job performance (JP)	0.914	0.945	0.852		
Career advancement (JP_1)				0.923	2.929
Work commitment (JP_2)				0.938	3.854
Responsibility (JP_3)				0.907	3.062

which are within the range of 0 to 1, suggesting no significant multicollinearity issues between the different and similar variable groups.

The Fornell-Larcker analysis indicates that the correlation values between the different variables range from 0.696 to 0.923, which are above 0.5, showing that the model explains at least 50% of the variance in the indicators.

This analysis demonstrates that the model is effective in measuring the relationships between variables and the distinctions among different components. It supports the reliability of the research results and the interpretation of findings in the relevant context.

The PLSpredict assessment, which evaluates the model using out-of-sample predictive power with synthetic data, is suitable for assessing models that aim to make predictions for decision-making purposes (Shmueli et al., 2019). The first step is to examine the Q²_predict value to confirm that the model outperforms a simple benchmark (naïve benchmark). In this context, the comparison is made with a linear regression model (LM), where the Q²_predict value must be greater than zero (Table 6).

The next step is to compare the Root Mean Squared Error (RMSE) between the PLS-SEM and LM models, with the following criteria for evaluating the level of predictive power:

- If the RMSE of PLS-SEM is lower than that of LM for all indicators, the model has high predictive power
- If it is lower for most or an equal number of indicators, the model has moderate predictive power
- If it is lower for only a few indicators, the model has low predictive power
- If it is not lower for any indicators, the model has no predictive power (Shmueli et al., 2019).

From the PLSpredict analysis results (Table 6), it was found that the constructs for financial happiness and job performance have moderate predictive power.

Based on the evaluation of the model's predictive quality, it can be concluded that the structural model has an adequate level of predictive power for the financial happiness and job performance variables.

The analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM) was conducted to evaluate the proposed hypotheses, examining the relationships and effects between Financial Literacy, Financial Happiness, and Job Performance within the sample group, as illustrated in Figure 2.

The analysis of the influence between constructs in the model, as shown in Figure 2, reveals the following results: Financial Literacy has a positive influence on Financial Happiness, with a coefficient of 0.845; Financial Literacy has a positive influence on Job Performance, with a coefficient of 0.109; and Financial Happiness has a positive influence on Job Performance, with a coefficient of 0.694. The results of the analysis, including direct, indirect, and total effects, are detailed in Table 7.

5. DISCUSSION

5.1. Hypothesis Testing Results Discussion

The research aimed to explore and examine the influence of financial literacy on financial happiness and job performance

among Muslim state officers in local administrative organizations in the three southern border provinces of Thailand. The researcher developed three hypotheses based on a literature review. From the analysis of the structural equation model, the results of hypothesis testing can be summarized (Table 8).

Hypothesis 1: Financial literacy has a positive influence on financial happiness.

The analysis results ($\beta = 0.845$, $t = 47.809$, $P < 0.001$) support Hypothesis 1. These findings align with Perry and Morris (2005), who noted that financial skills are linked to the ability to maintain a budget, save money, and control spending. This is also consistent with Lusardi and Tufano (2015), who stated that a lack of financial skills incurs opportunity costs; for example, without financial literacy, individuals may not understand how compound interest or amortization works, leading to higher interest rates and increased transaction costs. Furthermore, this finding is consistent with Pang and Lu (2018), who found that compensation and performance positively impact financial efficiency dimensions such as return on assets, revenue growth rate, and profitability. Similarly, Carroll

Table 5: Comparative validity metrics for constructs: HTMT and Fornell-Larcker criterion

Heterotrait-monotrait ratio of correlations (HTMT)			
Construct	Financial Happiness	Financial literacy	Job performance
Financial happiness			
Financial literacy	0.944		
Job performance	0.869	0.759	
Fornell-Larcker criterion			
Financial happiness	0.901		
Financial literacy	0.845	0.916	
Job performance	0.786	0.696	0.923

Table 6: Results of the model's predictive quality analysis

Variable	R ²	Q ² _predict	PLSPredict	
			RMSE (PLS-SEM)	RMSE (LM)
FH	0.714 (Moderate)			(Moderate)
FH_1		0.643	0.284	
FH_2		0.525	0.304	
FH_3		0.560	0.326	
JP	0.622 (Moderate)			(Moderate)
JP_1		0.517	0.311	
JP_2		0.370	0.363	
JP_3		0.318	0.405	

Figure 2: The structural model

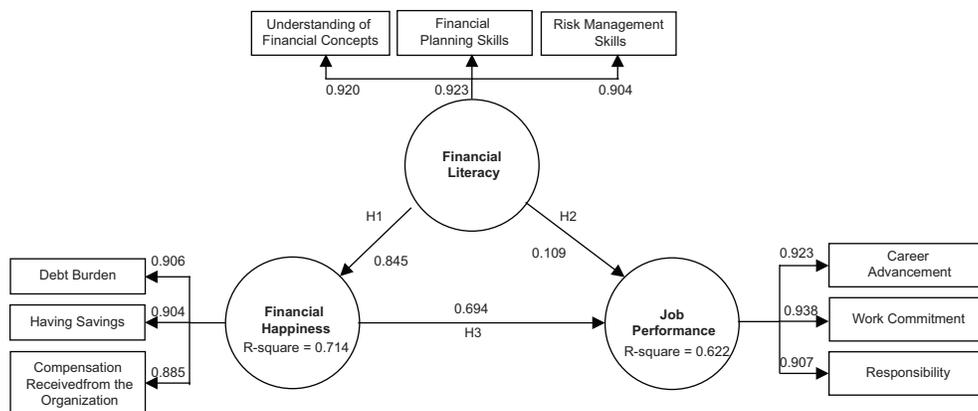


Table 7: Summary of results direct path analysis

Relationship between constructs	Effect	Coefficient	t-value	P-value	Result
Financial literacy → financial happiness	Direct	0.845	47.809	0.000	Supported
	Indirect	-	-	-	-
Financial literacy → Job Performance	Direct	0.109	1.371	0.085	Rejected
	Indirect	0.586	9.254	0.000	Supported
Financial happiness → job performance	Direct	0.694	9.808	0.000	Supported
	Indirect	-	-	-	-

Table 8: Summary of hypothesis testing results

Hypothesis	Result
H ₁ : Financial literacy has a positive influence on financial happiness	Accepted
H ₂ : Financial literacy has a positive influence on job performance	Rejected
H ₃ : Financial happiness has a positive influence on job performance	Accepted

(2001) explained that income determines the conditions, duration, and risks of savings, as expectations about income and potential risks drive future savings plans. This also aligns with Arunee Nusit (2018), who highlighted that knowledge of interest rates, inflation, deflation, and risk management are key factors influencing saving behavior.

Hypothesis 2: Financial literacy has a positive influence on job performance.

The analysis results ($\beta = 0.109$, $t = 1.371$, $P = 0.085$) do not support Hypothesis 2. These findings contradict Eniola, Anthony Abiodun, and Entebang, Harry, who argued that financial literacy is crucial for driving company growth. Financially literate employees exhibit better work behaviors, as they are less concerned about financial problems and have better financial planning, leading to improved job performance. Similarly, Khadijah Muhammad Usama and Wan Fauziah Wan Yusoff found that financial literacy positively influences job performance, as it helps employees avoid failures caused by poor financial decisions.

Hypothesis 3: Financial happiness has a positive influence on job performance.

The analysis results ($\beta = 0.694$, $t = 9.808$, $P < 0.001$) support Hypothesis 3. These findings align with Dunn and Norton (2014), who stated that financial happiness positively influences work performance by reducing financial stress. Economic insecurity or debt can be distracting and a source of anxiety for individuals. Once financial happiness is achieved, employees feel more secure, allowing them to focus more on their work, which leads to improved job performance. This is also consistent with Harter et al. (2003), who found that financial happiness has a positive impact on job performance. Employees who feel financially secure and satisfied are more likely to cooperate at a high level with assigned tasks, showing greater commitment and enthusiasm in their work, which leads to increased efficiency and effectiveness. Additionally, this finding aligns with Lyubomirsky et al. (2005), who indicated that individuals who are financially satisfied are more likely to achieve set goals. Financial satisfaction drives greater effort and performance in the workplace. When employees

feel financially secure, they are more motivated to excel in their duties and actively participate in activities that contribute to organizational success.

5.2. Application of Research Findings

1. The positive influence of financial literacy on financial happiness among Muslim state officers in the three southern border provinces of Thailand:

The research finding that financial literacy positively influences the financial happiness of Muslim state officers in the three southern border provinces can be applied to improve the quality of life for this group. This can be achieved by developing specialized financial training programs, such as those focused on financial planning, debt management, savings, and investment. Additionally, establishing financial counseling services through government agencies will help boost confidence in financial decision-making, reduce stress, and enhance the financial security of state officers.

2. The positive influence of financial happiness on job performance among Muslim state officers in the three southern border provinces of Thailand:

The research found that financial happiness positively influences job performance. Government agencies should develop policies and welfare programs that promote financial happiness, such as savings schemes, health insurance, and financial counseling services, to improve employee performance. It is essential to create an environment that promotes savings and financial support, as well as monitor and evaluate these initiatives to ensure they are suitable for the specific needs of the region.

3. The influence of financial literacy on job performance among Muslim state officers in the three southern border provinces of Thailand:

The analysis results indicate that the hypothesis suggesting a direct positive influence of financial literacy on job performance was rejected. However, it was found that financial literacy has a positive influence on financial happiness, which in turn has a positive influence on job performance. Based on these findings, several applications can be made:

- Government agencies should prioritize enhancing the financial literacy of state officers, particularly in the three southern border provinces. Financial literacy can increase employees' confidence and financial happiness, helping them stay focused and committed to their work
- Organizations and agencies should implement training programs focused on developing financial literacy among state officers, covering topics such as personal financial

planning, debt management, and effective investment strategies. This will allow officers to apply the knowledge gained to their daily lives, ultimately improving their long-term job performance

- c. Agencies should create an environment that supports continuous learning and self-development in financial matters, such as offering financial-related benefits, providing financial counseling services, and organizing activities that promote financial literacy. This will ensure that state officers have regular opportunities to enhance their financial knowledge.

Furthermore, focusing on the financial happiness of state officers will contribute to their mental stability and enhance their work performance. Agencies should regularly evaluate and monitor the impact of financial literacy development programs to ensure they meet the needs of the three southern border provinces and adapt to changing circumstances in the region.

5.3. Research Limitations

This study faced limitations regarding the unknown population size. The Provincial Statistics Office, Municipal Office, Subdistrict Administrative Organization Office, and Provincial Administrative Organization Office did not provide reports on this matter, as it involves sensitive data related to gender and religion. Additionally, government policies under the Personal Data Protection Act (PDPA) limited access to precise population numbers, resulting in the researcher being unable to determine the exact population size.

5.4. Suggestions for Future Research

Future studies should consider expanding the scope of research to include local government officials in other provinces of Thailand. This would allow for a comparison of the influence of financial literacy on financial happiness and job performance across diverse contexts. Such an approach would enable researchers to analyze and identify factors contributing to variations in financial happiness and job performance levels in different regions more clearly.

Moreover, future research should incorporate qualitative methods to gather more detailed and in-depth data. Conducting in-depth interviews with state officials in the area would provide a better understanding of their experiences and perspectives regarding financial literacy and financial happiness.

6. CONCLUSION

The study titled "Exploring the Influence of Financial Literacy on Financial Happiness and Job Performance: A Case Study of Muslim State Officers in Local Administrative Organizations in the Three Southern Border Provinces of Thailand" focuses on examining the impact of financial literacy on financial happiness and job performance among state officials in the local administrative organizations of Pattani, Yala, and Narathiwat. These provinces are characterized by unique cultural and economic conditions, aligned with a predominantly Muslim population. The research employed questionnaires to collect data from state officers, aiming to explore their financial literacy, financial management skills (income and

expenditure), savings, and debt management, ultimately evaluating their financial happiness and job performance.

The data analysis revealed that financial literacy plays a crucial role in financial happiness. Officials with good financial knowledge and skills are more capable of managing their finances effectively, leading to greater financial stability, reduced stress, and increased financial happiness. This underscores the importance of providing financial literacy education to government officials working in regions facing economic and social challenges.

Moreover, the findings demonstrated that financial happiness has a direct impact on job performance. Officials with sound financial literacy are better able to manage personal debts and finances, leading to improved well-being and enhanced work performance and satisfaction. This highlights the connection between financial happiness and the ability to perform job duties effectively.

Overall, this research suggests that financial literacy training and development should be provided to state officials, particularly in the three southern border provinces, to enhance financial happiness and improve work efficiency. Such initiatives would ultimately contribute to the long-term improvement of the quality of life for state officials and the effectiveness of public sector organizations.

7. INSTITUTIONAL REVIEW BOARD STATEMENT

Authors further declared that the study complied with ethical guidelines set forth by the Institutional Review Board of the human research ethics committee of Nakhon Ratchasima College (NMCEC-0016/2566), Thailand.

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