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## FINANCE | RESEARCH ARTICLE

## The Impact of Financial Technology on Employee Well-Being in PDAM Jepara: Mediating Roles of Financial Literacy and Lifestyle

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**Abstract:** This research aims to analyze the influence of Financial Technology (FinTech) on Employee Well-Being, both directly and through the mediation of Financial Literacy and Lifestyle, within the context of PDAM Jepara, Indonesia. Using a purposive selection approach, 120 respondents were selected from the population of PDAM Jepara workers to participate in this research. The data was analyzed using Structural Equation Modeling (SEM) with the Smart-PLS version 4.0 tool through outer model testing, inner model testing, mediation testing, and hypothesis testing. The validity test results indicate that the instrument is valid, as evidenced by the loading factor and average variance extracted (AVE) values exceeding 0.7. Additionally, the reliability test results confirm the instrument's reliability with composite reliability and Cronbach's alpha values above 0.7. The research findings demonstrate that Financial Technology positively and significantly affects Employee Well-Being. At the same time, Financial Literacy does not directly influence Employee Well-Being in a significant manner. Moreover, Lifestyle is a significant mediating variable in the relationship between Financial Technology and Employee Well-Being, with a significant positive effect. The findings provide actionable insights for PDAM Jepara management to prioritize FinTech adoption and lifestyle education over financial literacy programs to enhance team members' well-being.

**Keywords:** Financial Technology, Well-Being, Financial Literacy, Lifestyle, Structural Equation Modeling (SEM), PDAM Jepara, Mediation.

**JEL Classification Code:** G53, I31, D14, O33, C38, M54.

### 1. INTRODUCTION

Financial well-being refers to the ability to meet current financial obligations, feel secure about the future, and make choices that enable the enjoyment of life. Financial literacy is the knowledge and skills to make informed financial decisions, and it has a critical role in this context. Team member well-being is important in supporting organizational success, especially in the public service sector, such as Regional Drinking Water Companies (PDAM). Team member well-being includes physical, emotional, and financial dimensions, where financial well-being significantly influences productivity, loyalty, and quality of life. Employees with good financial well-being can meet daily needs, plan for the future, and face economic pressures better (Brüggen et al., 2017). In the context of PDAM Jepara, economic challenges such as the high cost of living and limited access to modern financial services are the main concerns in improving well-being.



According to the study, the ability to make better financial decisions is directly linked to higher levels of financial literacy. Financially literate people are better able to use digital financial services and are less likely to become victims of fraud (Mir & Bushra, 2024). In addition, controlled saving and spending behavior, mediated by financial literacy, is a significant factor in financial well-being (Rahayu et al., 2023). The adoption of financial technology (FinTech) also makes financial management more manageable, providing greater accessibility to efficient financial planning (Anugraini et al., 2023; Jhonson, 2023; Tutut Rindiar Gandi & Aula Ahmad Hafidh Saiful Fikri, 2024). However, lifestyle is a mediating factor determining financial technology's effectiveness in improving financial well-being. A planned lifestyle supports healthy financial behavior, while a consumptive lifestyle can be an obstacle (Dare et al., 2023).

Despite the growing adoption of FinTech, its interaction with employee well-being in resource-constrained settings remains underexplored. Most research on financial literacy, financial technology, and financial well-being focuses on the global context or specific groups, such as students and households, without highlighting employee dynamics in the Indonesian public sector (Fadiyah & Widodo, 2024; Sharma et al., 2024). In addition, although FinTech can increase access to financial services, excessive dependence without adequate financial literacy can reduce individual financial well-being (Zhang & Fan, 2024). Previous studies predominantly focused on global contexts or specific groups like students (Tutut Rindiar Gandi & Aula Ahmad Hafidh Saiful Fikri, 2024), neglecting public-sector employees in Indonesia. This study addresses this gap by investigating PDAM Jepara employees, where economic pressures and limited access to FinTech are prevalent.

This research offers novelty by including financial literacy as a moderating factor to clarify how FinTech can contribute to financial well-being by improving individual digital skills (Fadiyah & Widodo, 2024). Additionally, this research highlights the role of FinTech in business sustainability and long-term financial well-being in the public sector (Sharma et al., 2024). The findings of this study add to existing knowledge about financial well-being while helping PDAM management to develop data-based strategies for improving long-term employee well-being.

## 2. LITERATURE REVIEW

### 2.1 *Financial Technology*

Financial technology (fintech) has revolutionized how individuals, organizations, and society manage finances by providing accessibility, efficiency, and convenience in various aspects such as payments, savings, and investments. FinTech has a significant positive impact on financial behavior, as expressed by Humaidi et al. (2020), where this technology allows users to manage their finances more effectively. However, its success is highly dependent on the user's financial literacy. In the context of consumer preferences, Aripin et al. (2024) explain that FinTech provides efficiency and convenience in financial transactions, which impacts purchasing decisions and payments based on digital services. However, as stated by Lestono et al. (2023), although FinTech encourages good financial management, especially among teenagers, its convenience also risks triggering consumer behavior if it is not accompanied by sufficient financial literacy. During the COVID-19 pandemic, (Galih Wisnu Pratama et al., 2023) highlighted that FinTech helped the millennial generation improve their financial behavior adaptively to economic changes, while (Hudaya, 2024) found that easy access to FinTech services encouraged cash management, saving, and timely payments among students. In a business context, Gunawan et al. (2023) noted that FinTech contributes significantly to the performance of MSMEs, although financial inclusion is still needed to expand its impact. In addition, in Sharia banking, Eny Latifah (2024) shows that FinTech's application increases service efficiency and ensures its conformity with Sharia principles such as avoiding usury, gharar, and may.

### 2.2 *Lifestyle*

Lifestyle reflects an individual's consumption patterns, preferences, and priorities, which can influence their financial behavior. Lifestyle is formed through social and environmental interactions, which can influence a person's needs and behavior, including financial decision-making. For example, someone not initially wasteful can become consumptive after interacting with individuals with a



wasteful lifestyle (Arnesya et al., 2024). In the digitalization era, the lifestyle of the current millennial generation is greatly influenced by technological developments that make various activities more manageable. However, digitalization also brings challenges, such as consumer culture, so financial literacy is important to help the millennial generation avoid the negative impacts of an uncontrolled lifestyle (Galih Wisnu Pratama et al., 2023). According to Kamil et al. (2024), a person's lifestyle reflects their spending habits, which are often driven by the desire to improve their social status. Here, social and cultural variables influence a person's financial management style and lifestyle. A healthy and wise lifestyle encourages better money management, avoids consumer behavior, and helps a person make responsible financial decisions (History et al., 2025). Studies by Yuniawati et al. (2024) show that a person's financial behavior is influenced positively and significantly by a planned lifestyle, where individuals who can manage their finances based on a priority scale tend to have better financial stability.

### 2.3 Financial Literacy

Financial literacy means having the knowledge and skills necessary to manage your finances well, including how to budget, save, invest, and reduce risk. Managing one's own and other people's finances wisely is an important component of financial literacy, which also includes knowledge, desire, and self-confidence to put this information into practice (Farida et al., 2021). Research by Zaniyani et al. (2022) emphasizes that financial literacy reflects awareness and the ability to manage money wisely, including understanding personal financial management, investments, and other financial decisions. Sabri et al. (2024) emphasize that financial literacy enables a person to make wise choices about how to use their money, and (Gunawan et al., 2023) define financial literacy as the ability to understand and use various financial instruments in everyday life both professionally and personally. General knowledge, savings, insurance, and investment are the four foundations of financial literacy that are important for managing your finances (Kamil et al., 2024). In a global context, (Panos and Wilson, 2020) show that financial literacy contributes significantly to financial well-being, helping individuals face unexpected financial shocks while encouraging wiser decision-making. Improving people's ability to manage their finances is the primary goal of financial education programs in local communities.

### 2.4 Well-Being

Employee well-being includes interrelated physical, emotional, and financial dimensions. In the context of financial well-being, (Riitsalu et al., 2024) define it as a feeling of satisfaction with personal financial conditions, which includes the ability to meet basic needs, enjoy the desired lifestyle, and prepare for future needs. Financial well-being also involves managing income effectively to balance spending, savings, and investments, creating a sense of financial security. (Rahman et al., 2021) Additionally, financial well-being is strongly influenced by positive financial behavior, good financial literacy, and the ability to deal with financial stress, especially for low-income households who often face budget pressure. Factors influencing financial well-being can be grouped into socio-economic factors, personality, decision-making context, and financial skills and knowledge (Monika et al., 2024). According to Singh et al. (2024), the role of financial technology (FinTech) is to support financial prosperity through the development of financial tools that are safe, transparent, and easy to use. Policies that support FinTech adoption can help increase financial literacy while improving individual financial behavior. In addition, Zaniyani et al. (2022) underline the importance of financial therapy in managing emotions that influence financial decision-making so that it can improve individual financial literacy and mental accounting.

### 2.5 The Influence of Financial Technology on Well-Being

Financial technology (financial technology or FinTech) offers convenience and accessibility in financial management, which can increase efficiency and reduce financial stress. (Bai, 2023) explains that developing digital tools, mobile applications, and online platforms can provide financial education, facilitate mental planning, and encourage self-control, contributing to individual financial



well-being. Additionally, technology enables educational interventions tailored to specific needs, increasing educational participation and supporting more engaging teaching and learning approaches. (Adolph, 2016) suggests that technology-based interventions can be expected to produce positive educational outcomes regarding knowledge, skills, and behavior, which then contribute to financial well-being.

Along with rapid advances in financial technology, opportunities to improve financial well-being are increasingly opening up. Although financial literacy and financial behavior have been shown to influence financial well-being, not all studies show consistent impacts across different populations and economies (Shankar et al., 2022). In addition, recent research also highlights the importance of the influence of financial behavior in the relationship between financial literacy, financial socialization, self-control, and financial technology on financial well-being (Sabri et al., 2024).

## 2.6 *The Influence of Financial Technology on Lifestyle*

The use of FinTech not only influences the efficiency of financial management but also influences individual consumption patterns. Wijaya & Florid (2024) Stated that a hedonic lifestyle moderated by financial technology positively influenced investment preferences, with an increase of 11.6%. This shows that financial technology can increase individuals' tendency to choose long-term investments despite the urge for instant gratification. In addition, Alfira & Hudaya's (2024) research results show that students' cash management, savings, and timely payment behavior are positively and significantly influenced by financial literacy, financial technology, and hedonic lifestyle. Furthermore, Lestono et al. (2023) highlighted that the consumptive lifestyle often occurring among teenagers in Bandung can be overcome by increasing financial literacy, focusing on investment and insurance. This leads to better financial management in the future. Along with fintech development, this technology significantly correlates with better financial behavior, especially among students (Arinta et al., 2024). (Tasi'ah et al., 2024) also revealed that the interaction between financial literacy, lifestyle, and use of technology can influence consumer behavior, either exacerbating or dampening this tendency.

## 2.7 *The Influence of Financial Technology on Financial Literacy*

Financial literacy is understanding and applying financial principles in everyday life, including lifestyle management and financial decision-making. Lusardi (2019) states that understanding finance has become very important amidst the rapid development of financial technology (fintech), influencing how people make payments, investments, and financial planning decisions. Research by (Panos and Wilson, 2020) confirms that skilled financial advisors can improve their clients' financial literacy, especially in terms of advanced financial literacy. This suggests that support from financial technology and independent advisors plays an important role in improving individuals' financial understanding, ultimately influencing their financial decisions. (Gunawan et al., 2023) It was further found that financial technology and literacy significantly increased MSMEs' efficiency, leading to greater financial inclusion due to widespread use. Research by Humaidi et al. (2020) also shows that financial literacy and financial technology positively impact financial management behavior, indicating that financial technology substantially affects people's financial management practices. (Farida et al., 2021) added that higher use of financial technology is associated with increased financial satisfaction, reflecting better financial literacy levels. Geby Citra Ananda et al. (2023) also show that applying financial literacy and financial technology can improve financial performance at the village level, although there are challenges in its implementation.

## 2.8 *The Influence of Lifestyle on Well-Being*

Lifestyle is important in an individual's financial well-being and money management. Research shows that interventions applied to high-risk groups can improve their financial well-being, primarily when implemented over time and in various relevant settings (Clark et al., 2012). This is especially important given the rising healthcare costs associated with an aging population and increasing challenges in financial management. Additionally, an anti-consumption lifestyle, which focuses on wisely managing resources and avoiding excessive consumption, has been shown to have a negative

relationship with financial well-being. Although a frugal lifestyle can influence financial behavior positively, it does not always result in better financial well-being without healthy financial behavior as a mediator (Budiyanto et al., 2024). Therefore, a lifestyle that prioritizes wiser financial management by paying attention to planned consumption, and proper investment management can increase long-term financial stability.

The importance of effective financial management as part of financial well-being is also emphasized in research showing that good financial behavior, such as disciplined debt management and savings, can improve overall financial well-being. Conversely, bad financial habits, such as uncontrolled spending and accumulated debt, can harm financial well-being (Brüggen et al., 2017). In addition, a wiser lifestyle in financial management is positively correlated with increased financial literacy, financial stability, and independence (Zemtsov & Osipova, 2016). Therefore, astute financial management and a lifestyle prioritizing savings and investment can contribute significantly to long-term financial well-being, especially amidst increasingly complex economic challenges.

### 2.9 The Influence of Financial Literacy on Well-Being

The influence of financial literacy on individual financial well-being is increasingly evident in various recent studies, which show a significant relationship between financial literacy and financial well-being. Research by Mir & Bushra (2024) reveals that financial literacy has a positive relationship with financial well-being, which can be explained by increasing financial knowledge and the ability to protect oneself from digital fraud. These findings show that individuals' ability to protect themselves from digital risks is important in supporting their financial well-being. On the other hand, research by Rahayu et al. (2023) also highlights that financial literacy influences financial behavior, which significantly affects financial well-being, especially for women in Indonesia. Increased financial literacy, especially in managing savings and expenses, contributes directly to better financial well-being. Furthermore, research by Respati et al. (2023) proves that knowing how to manage money influences students' actions, which influences their financial security. When students are financially literate, they tend to be more frugal with their expenses and have a more positive outlook on their financial situation. Additionally, it is shown that financial self-confidence influences financial behavior and financial well-being. This suggests that those with higher levels of financial self-confidence often have better financial well-being. Research by Johnson (2023) confirms that the better a person's financial literacy, the higher their level of financial well-being. Individuals can improve their financial management and quality of life by increasing their financial literacy, which directly influences financial well-being more directly than other factors such as savings or spending. Based on the entire development of the hypothesis of the relationship between variables, the following hypothesis was found:

H1: Financial technology has a positive and significant effect on well-being.

H2: Financial technology has a positive and significant effect on lifestyle.

H3: Financial Technology has a positive and significant effect on financial literacy.

H4: Lifestyle has a positive and significant effect on well-being.

H5: Financial literacy has a positive and significant effect on well-being.

## 3. RESEARCH METHOD AND MATERIALS

The data in this research were analyzed quantitatively using the PLS-SEM technique. PLS-SEM was chosen for its suitability for predictive research and handling complex models with undersized samples (Hair et al., 2022). Questionnaires that measure predetermined variables are sent to collect data and describe research results quantitatively based on the numerical data collected. This method is rooted in positivism, which supports using standardized instruments to test hypotheses on specific populations or samples.

Primary and secondary data sources were used in this research. A carefully constructed questionnaire to measure key characteristics was used to collect primary data from PDAM Jepara Regency personnel. Secondary data was obtained from internal reports from PDAM Jepara Regency, including information regarding the number of employees, organizational structure, and employee

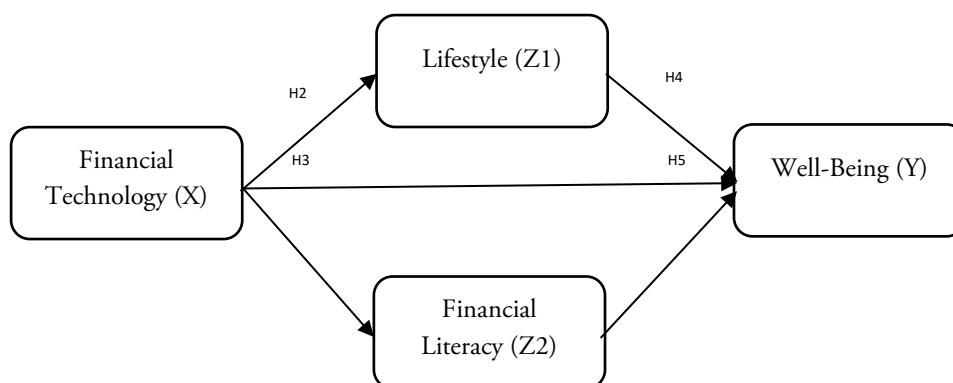


education levels. Primary data collection aims to obtain more accurate and relevant information about the aspects studied.

The population of this research is employees of PDAM Jepara Regency, with a sample size of 120 employees who have worked for at least 1 year. "The sampling technique used is Non-Probability Sampling using a Purposive Sampling strategy. This approach selects samples based on certain criteria relevant to the research objectives." Research variables were used to inform data collection procedures involving administering questionnaires. The goal is to collect reliable and representative information about the problem under study. The following are the indicators that will be used in this research:

**Table 1. Measurement of Variables**

Construct	Item		
Financial Technology	X1.1	I believe that digital financial applications help me manage my finances better.	(Ningtyas & Siskawati, 2022)
	X1.2	I feel that digital financial applications are easy to use and not complicated.	
	X1.3	I find digital financial applications trustworthy, easy, and comfortable to use.	
	X1.4	I feel supported by the people closest to me when using financial technology.	
	X1.5	I am confident I can use digital financial applications to improve my financial condition.	
Well-Being	Y1.1	I feel satisfied with my current financial condition.	(Respati et al., 2023)
	Y1.2	I try to manage my finances well.	
	Y1.3	I sometimes worry about my finances in the future.	
	Y1.4	I try to set aside money every month.	(Dare et al., 2023)
	Y1.5	My finances affect my life, but I try to control them.	
Lifestyle	Z1.1	I actively seek information and engage in finance-related activities, such as reading economic news or following financial tips on social media.	(Kusnandar et al., 2022)
	Z1.2	I am interested in personal finance topics, such as investing, debt management, or future financial planning.	
	Z1.3	I am optimistic and confident in managing my finances.	
	Z1.4	I trust and am comfortable using electronic payment tools.	(Foster et al., 2022)
	Z1.5	I believe electronic money makes my transactions more straightforward and more efficient.	
Financial Literacy	Z2.1	I understand the value of money and the priorities of my life's needs.	(Kusnandar et al., 2022)
	Z2.2	I am skilled at budgeting, saving, and managing money.	
	Z2.3	I know how to use digital financial services.	(Ningtyas & Siskawati, 2022)
	Z2.4	I have used digital financial services.	
	Z2.5	I know various digital financial services and their benefits.	



**Figure 1. Conceptual Framework**

## 4. RESULTS AND DISCUSSION

### 4.1. Demographic Profile of Respondents

**Table 2. Respondent Demographic Distribution**

Demographics	Category	Frequency	Percentage
Gender	Male	68	56.7%
	Female	52	43.3%
Age	20-30 years	45	37.5%
	31-40 years	60	50.0%
	>40 years	15	12.5%

Source: Primary data from PDAM Jepara

### 4.2. Measurement Model (Outer Model)

This research has two measurement models, namely the "Validity Test and Reliability Test." The purpose of this test is to find out how well the indicator represents the idea being measured. The test is considered adequate if the external load is more than 0.7 and the AVE value is equal to or greater than 0.5.

#### a) Convergent Validity

**Table 3. Uji Convergent Validity**

Variable	Indicator	Outer Loadings	AVE	Result
Financial Technology (X1)	FT.1	0.863	0.863	VALID
	FT.2	0.911		
	FT.3	0.915		
	FT.4	0.809		
	FT.5	0.819		
Lifestyle (Z1)	LS.1	0.841	0.804	VALID
	LS.2	0.791		
	LS.3	0.728		
	LS.4	0.855		
	LS.5	0.808		
Financial Literacy (Z2)	FL.1	0.831	0.787	VALID
	FL.2	0.737		
	FL.3	0.783		
	FL.4	0.763		
	FL.5	0.823		
Well-Being (Y1)	WB.1	0.888	0.806	VALID
	WB.2	0.749		
	WB.3	0.745		
	WB.4	0.889		
	WB.5	0.760		

Source: Data output processed from SmartPLS version 4.0

All variables are considered valid according to the findings of the Convergent Validity Test because all Outer Loading values exceed 0.7 and AVE values exceed 0.5.

#### b) Reliability Test

Reliable metrics include Cronchbach's Alpha and Composite Reliability, which range from 0 to 1. Dependability tests are considered reliable if the results exceed 0.7.

**Table 4. Composite Reliability and Cronbach's Alpha values**

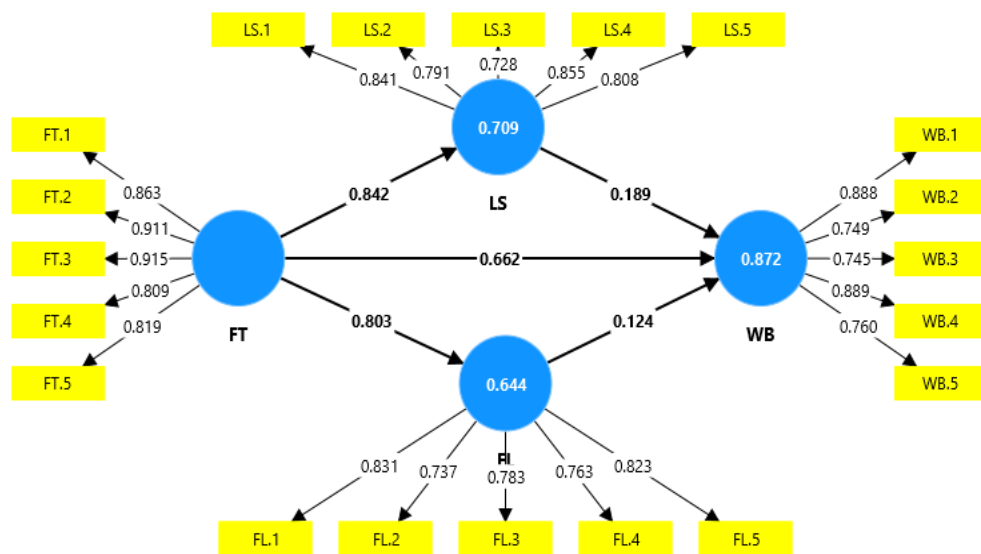
Variables	Composite Reliability	Cronbach Alpha	Result
Financial Literacy	0.3852	0.847	Reliable
Financial Technology	0.919	0.915	
Lifestyle	0.866	0.864	
Well-being	0.891	0.867	

Source: Data output processed from SmartPLS version 4.0

The Reliability Test results show that all variable indicators are very reliable, with a value of more than 0.7.

**4.3. Inner Model (Structural Model)**

One way to look at deep models is by looking at them as structural models often used to estimate the causal interactions of hidden variables with unmeasured variables.



**Figure 2. Model Structural**

**4.4. R-Square**

R-Square is a statistical test that shows the independent variable's influence on the dependent variable. The level of influence is considered high if the R-Square reaches 0.67, moderate if it reaches 0.33, and weak if it reaches 0.19.

**Table 5. R-Square**

Variable	R-square	R-square adjusted
Financial Literacy	0.644	0.641
Lifestyle	0.709	0.706
Well-Being	0.872	0.868

Source: Data output processed from SmartPLS version 4.0

It can be concluded from the data above that the R-square for Well-Being has a temporary value of 0.872 R-square Adjusted 0.868. This indicates that around 87% of the variation in Repurchase Intention is influenced by Financial Technology, Financial Literacy, and Lifestyle, and the remaining 13% is influenced by other variables that are not in this research.

**4.5. Mediation Test**

There are three categories in the context of mediation. If the mediating variable is negative but the relationship between the independent and dependent variables is positive, we say nonmediation;



if the converse is accurate, we say complete mediation exists; and finally, if none of these conditions hold, we say there is no partial. There is partial mediation if the mediating variable is positive and the independent and dependent variables are positive. If the P-value is less than 0.05, the bootstrapping approach with SmartPLS 4.0 has a positive impact; if it is more significant than 0.05, it means the bootstrapping method has a negative impact.

**Table 6. Path Coefficient**

Variable	Original Sample	Sample Mean	Standard Deviation	T-Statistics	P-Value
Financial Literacy → Wellbeing	0.124	0.128	0.080	1.541	0.123
Financial Technology → Financial Literacy	0.803	0.803	0.043	18.591	0.000
Financial Technology → Lifestyle	0.842	0.843	0.037	22.599	0.000
Financial Technology → Wellbeing	0.662	0.667	0.080	8.253	0.000
Lifestyle → Wellbeing	0.189	0.179	0.089	2.122	0.034

Source: Data output processed from SmartPLS version 4.0

Based on Table 6 regarding the mediation effect:

- 1) Financial Technology → Lifestyle → Financial Well-being has a coefficient value of 0.159 with a p-value of 0.036. This shows that lifestyle significantly mediates the relationship between financial technology and well-being.
- 2) Financial Technology → Financial Literacy → Financial Well-Being has a coefficient of 0.103 with a p-value of 0.137, indicating that financial literacy does not significantly mediate the relationship between financial technology and financial well-being.

According to these findings, lifestyle is the primary mediator between financial technology and financial well-being, while technology has a substantial direct effect. However, as a mediator between financial technology and financial well-being, financial literacy does not show a substantial relationship. Contrary to Zhang & Fan (2024), who found financial literacy as a key mediator, this study highlights lifestyle as the primary mediator, suggesting contextual differences in public-sector employees. This discrepancy may be attributed to variations in financial education programs, workplace environments, and economic conditions that influence employees' financial behavior. Thus, increasing financial well-being through financial technology is more influenced by lifestyle than by financial literacy.

**Table 7. Specific Indirect Effect**

Variable	Original Sample	Sample Mean	Standard Deviation	T-Statistics	P-Value
Financial Technology → Lifestyle → Wellbeing	0.159	0.151	0.076	2.092	0.036
Financial Technology → Financial Literacy → Wellbeing	0.099	0.104	0.067	1.487	0.137

Source: Data output processed from SmartPLS version 4.0

Based on Table 7, the path coefficient results show that Financial Literacy on well-being has a coefficient value of 0.124 with a p-value of 0.123. At the 95% confidence level, there is no significant relationship between financial literacy and financial well-being. A favorable and statistically significant relationship exists between financial technology and financial literacy ( $r=0.803$ ,  $p=0.000$ ). The results show that financial technology has the potential to increase financial literacy significantly. Financial Technology on Lifestyle also shows a positive influence with a coefficient of 0.842 and a p-value of 0.000, which means that adopting financial technology influences the user's lifestyle. Financial Technology on Financial Well-Being has a coefficient of 0.652 with a p-value of 0.000, which shows that using financial technology contributes significantly to financial well-being. Lifestyle on Financial Well-being shows a positive influence with a coefficient of 0.189 and a p-value of 0.034, which means a better lifestyle tends to increase an individual's financial well-being.

Meanwhile, based on Table 7 regarding the mediation effect, Financial Technology → Lifestyle → Well-being has a coefficient value of 0.159 with a p-value of 0.036. This shows that lifestyle significantly mediates the relationship between financial technology and well-being. Financial Technology → Financial Literacy → Financial Well-Being has a coefficient of 0.103 with a p-value of 0.137, which shows that financial literacy does not significantly mediate the relationship between financial technology and financial well-being. According to these findings, lifestyle is the primary mediator between financial technology and financial well-being, while technology has a substantial direct effect. However, as a mediator between financial technology and financial well-being, financial literacy does not show a substantial relationship. Thus, increasing financial well-being through financial technology is more influenced by lifestyle than by financial literacy.

#### 4.6. Hypothesis Testing

T Statistics and P Values are shown in Hypothesis Testing. We can accept the hypothesis as long as the P value is less than 0.05. In SmartPLS 4.0, this information is available in Path Coefficients obtained through Bootstrapping Techniques.

##### 1) Hypothesis 1: Impact of Financial Literacy on Well-Being

From the test results, "the coefficient value is (0.124) with t-statistics (1.541) < t-table (1.666) and p-value (0.123) > 0.05. So, H1 is rejected. This shows that Financial Literacy does not significantly affect Well-Being."

##### 2) Hypothesis 2: Impact of Financial Technology on Financial Literacy

From the test results, "the coefficient value is (-0.803) with t-statistics (-18.597) > t-table (1.666) and p-value (0.000) < 0.05. So, H2 is accepted. This indicates that Financial Technology negatively and significantly affects Financial Literacy."

##### 3) Hypothesis 3: Impact of Financial Technology on Lifestyle

From the test results, "the coefficient value is (-0.842) with t-statistics (-22.599) > t-table (1.666) and p-value (0.000) < 0.05. So, H3 is accepted. This indicates that Financial Technology negatively and significantly affects Lifestyle."

##### 4) Hypothesis 4: Impact of Financial Technology on Well-Being

From the test results, "the coefficient value is (0.662) with t-statistics (5.230) > t-table (1.666) and p-value (0.000) < 0.05. So, H4 is accepted. This indicates that Financial Technology positively and significantly affects Well-Being."

##### 5) Hypothesis 5: Impact of Lifestyle on Well-Being

From the test results, "the coefficient value is (0.893) with t-statistics (3.853) > t-table (1.666) and p-value (0.000) < 0.05. So, H5 is accepted. This indicates that Lifestyle has a positive and significant effect on Well-Being."

Overall, Financial Technology has a positive effect on Well-Being, but the effect is mediated by Lifestyle and Financial Literacy, which function as connecting factors. However, Financial Literacy itself does not have a significant effect on Well-Being directly.

## 5. CONCLUSION

This research demonstrates that the validity and reliability tests for Financial Literacy, Financial Technology, Lifestyle, and Well-Being meet the required criteria, with values above 0.7, confirming their validity and reliability. Additionally, the R-square test, which exceeds 0.67, suggests that this research model effectively explains the relationships among variables. The mediation analysis identifies Lifestyle as a partial mediator in the relationship between Financial Technology and Well-Being, indicating that financial technology enhances financial well-being when accompanied by a well-managed lifestyle. The study also confirms a significant positive relationship between Financial Technology and Well-Being and between Lifestyle and Well-Being. However, financial literacy does not significantly affect well-being, underscoring financial technology and lifestyle as having a more significant influence on employee financial well-being. To optimize these benefits, PDAM Jepara's management should integrate FinTech training with lifestyle workshops, such as budgeting and debt management programs, to enhance employees' financial well-being holistically. Despite its

contributions, this study is limited to PDAM Jepara employees, restricting the generalizability of the findings. Future research should expand the scope by exploring diverse sectors and employing longitudinal designs to capture long-term financial behavior patterns. By addressing these limitations, future studies can provide broader insights into how financial technology and lifestyle choices influence financial well-being across various organizational and cultural settings.

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