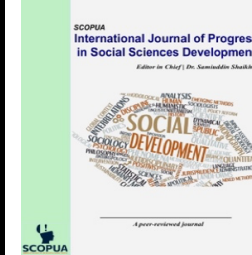


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Investigating the Impact of Financial Stress on Employees' Mental Wellbeing and Workplace Productivity

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ABSTRACT

Financial strain is a common worry for working adults, with rising inflation, rising living costs, and lack of wage increases driving this concern, but the personal and work impacts of financial strain are not well understood from the workers' point of view. The current research examined the ways in which employees are financially stressed, the impact of financial stress on mental health and working productivity, and the coping mechanisms employees use. Thematic analysis was used to analyse the data, following the reflexive approach of Braun and Clarke (2006). Themes that emerged were the emotional burden of financial stress, spillover into work performance, strained relationships at home and at work, survival mode coping, and seeking organizational understanding. The results were analysed using the Transactional Model of Stress and Coping and Conservation of Resources theory and indicated that financial stress creates a downward spiral of resources lost, impacting both wellbeing and performance. The study suggests that a workplace concern should be made aware of by organizations, and structured financial and psychological support should be given to the employees who are facing financial stress.

Keywords: Financial stress; Mental wellbeing; Workplace productivity; Coping strategies; Employee wellbeing

1. Introduction

1.1 Background of the Study

The world economy has been deeply shaken in recent years by high inflation, rising prices, and stagnant wage growth (Saha & Minz, 2025). These macroeconomic changes have gradually reduced the purchasing power of wage-earners and put many households under severe pressure. Results from Europe suggest that macroeconomic shifts are tightly linked to rising financial difficulties of households, especially for those in the lower- and middle-income groups (O'Donoghue et al., 2025). This situation has been exacerbated by the increasing costs of housing, with a larger portion of household income now going towards rent and mortgage payments, leaving less money available for savings and unforeseen costs (Salah, 2025). As a result, financial pressure has become a universal and enduring issue among working adults in developed and developing countries alike.

1.2 Problem Statement

Financial stress has become part of the workplace, rather than just the private sphere of household budgeting. Stress due to inflation has become pervasive among working-age adults and is influenced by a variety of factors, including income, employment status, and family responsibilities (Mitra et al., 2024). Furthermore, stress due to inflation has been shown to be a significant predictor of anxiety and depression symptoms, underscoring its potential impact on mental health (Pathak et al., 2024). If the psychological load is transferred to the workplace, an employee's ability to focus, make good decisions, and be productive may be affected. Mental health-related predictors have been found to be significant factors associated with presenteeism and absenteeism, which are associated with significant productivity loss for organizations. Likewise, chronic stress has been associated with burnout, absenteeism, and loss of workforce (Nechita et al., 2025). However, financial problems may continue to be a secret and shameful burden in the workplace, with no discussion of the issue being voiced by employees and no systematic plan being put in place by the employer.



1.3 Research Gap

While there is a growing body of literature on the links between financial stress, mental health, and work outcomes, many of these studies are large-scale quantitative surveys of prevalence and statistical associations (Mitra et al., 2024; Pathak et al., 2024). These are useful but do not provide much information about the personal nature of financial stress, the role of financial stress in the emotional life and work behaviour of employees, and how they try to manage financial stress on a day-to-day basis. In addition, past research has largely been conducted in a Western context, with less research conducted in developing-economy contexts where social safety nets are less robust and where inflationary pressures are often more intense (Tabassum et al., 2025). Therefore, there is an obvious need for qualitative research that captures employees' own narration, meaning, and coping strategies.

1.4 Research Objectives and Questions

This study seeks to examine the life experiences of financial stress and the impact on employees' mental health and job performance. In particular, it aims to respond to the following research questions:

1. How do employees experience financial stress in their personal and professional lives?
2. How does financial stress affect employees' mental wellbeing?
3. How does financial stress shape employees' workplace productivity and engagement?
4. What coping strategies do employees adopt, and what forms of organizational support do they value?

1.5 Significance of the Study

This research is based on a personal narrative approach to financial stress and provides a detailed and experience-based perspective on financial stress, which complements the quantitative evidence. The results will help human resource managers and organizational leaders in creating interventions to support employee wellbeing, including financial wellness programs, flexible compensation plans, and mental health services, while maintaining productivity. The study can also contribute to the policy debate on wage protection and worker welfare in inflationary economies (Antoniades, 2025) at the policy level.

2. Literature Review

2.1 Conceptualizing Financial Stress

In a review of 20 years of research, Rosso et al. (2024) define financial stress as a feeling of worry, tension, and uncertainty about one's finances when they think they don't have enough money to pay for their current and future needs. Financial stress is not simply a reflection of an objective income level, but rather how people perceive and think about their financial situation, and Zhang and Chatterjee (2023) demonstrate that it is one of the most important components of financial wellbeing. Prakash et al. (2022) also find that there are demographic differences in financial wellbeing, and that age, gender, income, and education influence the way people feel and act in response to financial pressures. Sunkara et al. (2024) reported that financial security is a significant factor in the lives of information technology employees, with regard to their quality of life, and that financial issues are not limited to the family unit but extend to their lives. Combined, these studies suggest that financial stress is more psychologically than economically based and is related to individual perceptions rather than income alone.

2.2 Financial Stress and Mental Wellbeing

De Miquel et al. (2022) concluded that job and income loss during the COVID-19 pandemic was associated with poorer mental health, and that perceived financial stress was the mediator of this relationship. This finding suggests that it is the worry associated with financial loss, rather than the loss itself, that most directly harms psychological health. Xia et al. (2025) also demonstrate that family financial stress adversely affects the mental health of employees, and that there is a spillover mechanism that transfers family financial stress to the workplace. In a systematic review, or et al. (2023) found that parental work and economic stress during the pandemic extended to family life, negatively impacting child wellbeing and the risk of child maltreatment, highlighting the negative impacts of financial stress on family life beyond the individual employee. This evidence is expanded to physical health by Zhao et al. (2026), who found that acute stress at the workplace, caused by a market shock, is linked to negative changes in cardiometabolic biomarkers among workers. Together, this literature indicates that financial stress is linked to anxiety, emotional exhaustion, and physiological strain, and that the impacts often extend beyond the workplace.

2.3 Financial Stress and Workplace Productivity

Bashir et al. (2024) found that employee financial wellbeing has a positive effect on productivity, while their moderated mediation analysis indicates that financially secure employees can focus their energy and attention on work tasks. In the accounting field, Mammadov and Bhandari (2023) demonstrate that workers under financial stress are linked to financial reporting failures, suggesting that individual financial stress can negatively affect the quality of work and reporting. In a multimodal machine learning study, Awada et al. (2024) identified that subjective stress perceptions are strongly associated with job productivity and employee mood, further highlighting the significance of subjective stress perceptions in the workplace. Üngüren et al. (2024) report that job stress is closely related to burnout and intention to leave the job, and that



financial dependency moderates these relationships, such that employees who are financially dependent may feel trapped in stressful jobs. Sobaih et al. (2023) identified that the combination of financial compensation and role stress influence job satisfaction among tourism employees, and that there is a strong relationship between financial compensation and job satisfaction. The consistent links between financial stress and absenteeism, presenteeism, diminished engagement, and turnover suggest that managers should have a reason to be concerned about their employees' financial stress. The studies indicate that financial stress is a silent killer of organizational performance.

2.4 Coping Strategies for Financial Stress

Sun et al. (2023) describe the different coping mechanisms people can use when facing stress, such as social media, and how the effectiveness of coping relies on the appraisal and management of the stressor. When practical solutions were limited, middle-class families who were struggling to keep up with the rising cost of living in Malaysia were found to use emotion-focused coping (e.g., acceptance, positive reframing, and emotional regulation) to a high degree (Kasim et al., 2025). In the Pakistani context, the researchers Ahmad and Jafree (2023) found that gender identity was a factor in the adoption of religious and spiritual coping, preventive coping, and emotion-focused coping during COVID-19, highlighting the importance of the role of faith and culture in coping with adversity. Financial literacy is also identified as a protective resource by Zhang and Chatterjee (2023), who found that financial knowledge is associated with reduced financial stress and enhanced wellbeing. This literature indicates that problem-focused coping, emotion-focused coping, religious coping, and social coping are employed by employees, but most of this research is quantitative and lacks a personal perspective on the employees' selection and experience of these coping strategies.

2.5 The Role of Organizational Support

According to Malkowska et al. (2022), employee financial wellness programs are a newly developing part of incentive systems, and their analysis of the energy sector companies in Poland reveals the increasing but uneven implementation of such programs. In Southeast Asia, having access to employee assistance programs was shown to be linked to higher employee well-being, which indicates that structured organizational support can help mitigate the impact of stress (Abdul Aziz and Ong, 2025). The study by Chen et al. (2024) shows that social support and psychological capital can lower levels of job burnout and turnover intention among primary medical staff, underscoring the benefits of supportive work environments. Despite this, Rosso et al. (2024) point out that the organizational response to financial stress is still limited and fragmented, and many employees do not feel comfortable talking about financial stressors at work. This disconnects between what is available and what the employees are willing to access needs to be explored in greater depth in a qualitative sense.

2.6 Theoretical Framework

This study is based on two theoretical frameworks that complement each other. Sun et al. (2023) use the Transactional Model of Stress and Coping (Lazarus & Folkman, 1984), which posits that stress occurs when a person appraises a situation as threatening and their resources as inadequate, and then chooses coping responses. This model can be helpful to understand the meaning that employees attach to financial problems and the coping methods they use. Conservation of Resources (COR) theory was described by Hollebeek et al. (2023) as a theory that states people attempt to acquire, maintain, and defend resources that they value and that stress arises when resources are threatened or lost. According to the COR theory, Chen et al. (2024) explain how the exhaustion of personal and social resources is associated with burnout and withdrawal intentions. In this study, financial resources are considered primary resources that could lead to a downward spiral of emotional exhaustion, loss of concentration, and loss of productivity if threatened. These frameworks help to explain the experience of financial stress, its impact on wellbeing and work, and how employees try to manage that stress.

3. Methodology

3.1 Research Philosophy and Design

This study was based on the interpretivist research philosophy, which assumes that reality is socially constructed and that the meaning that individuals give to their experiences is the best way of understanding reality (Creswell & Poth, 2018). An exploratory qualitative design was chosen as it was the most appropriate design for the study, as it would be used to gain insight into the personal experiences of financial stress and how it affects the mental wellbeing and work behaviour of employees. Qualitative methods are especially well suited to understanding the depth, complexity, and context of lived experiences that are best expressed in words and cannot be accurately measured numerically, as suggested by Braun and Clarke (2006). The study adopted in-depth interviews and reflexive thematic analysis to gain a rich, participant-centred understanding of the phenomenon.

3.2 Study Setting and Participants

The study was carried out in the twin cities of Islamabad and Rawalpindi in Pakistan, an urban area where employees in the public and private sectors have been affected by the continuing rise in inflation and living costs in recent years. Purposive and snowball sampling were used to identify participants who had personal experiences of financial stress. Purposive sampling is used to choose information-rich cases that are most relevant to the research questions, as Patton (2015) points out.



The participants included those aged 22 years or older who indicated that they had experienced financial problems in the past year and who had been fully employed for 12 months or more. Part-time workers, probationers and business owners were not included. Participants were recruited in five sectors to reflect a variety of experiences: banking, education, healthcare, telecommunications and information technology, and manufacturing. There were 18 employees in the study. The demographic features of the participants are given in Table 1.

Table 1: *Demographic Profile of Participants (N = 18)*

Characteristic	Category	Frequency
Gender	Male	10
	Female	8
Age	25 to 34 years	8
	35 to 44 years	7
	45 years and above	3
Marital status	Married	12
	Single	6
Sector	Banking	4
	Education	4
	Telecommunications and IT	4
	Healthcare	3
	Manufacturing	3
Work experience	1 to 5 years	6
	6 to 10 years	7
	More than 10 years	5
Monthly household dependents	1 to 3	7
	4 or more	11

3.3 Data Collection

The data were obtained by conducting semi-structured interviews from March to May 2026. The research questions and reviewed literature were used to create an interview guide, which included five areas: sources and nature of financial stress, emotional and psychological impacts of financial stress, impacts on work performance and relationships, coping strategies used, and perceptions of organizational support. The guide has been pilot-tested with two employees not part of the sample, and some minor wording changes have been made to make it clearer.

Interviews were held in person at the site and location selected by the interview participant, in a comfortable and private setting, such as a quiet café or home. The four interviews were done online via video call at the request of the participants. The interviews were conducted for 40 to 65 minutes each. Interviews were conducted in Urdu or English as per the preference of participants and were audio-recorded with their consent. Interviews were transcribed and translated into English, and a sample of the translations was compared with the original recordings by a bilingual researcher to ensure the accuracy of the meaning.

3.4 Data Saturation

Data saturation was achieved, and recruitment was continued. Guest et al. (2006) reported that the majority of themes identified in interview-based research can be identified in the first 12 interviews. There were no new codes that appeared after the fifteenth interview, and three more interviews were conducted to ensure that saturation had occurred.

3.5 Data Analysis

Reflexive thematic analysis, described by Braun and Clarke (2006, 2021), was used to analyse the data. The first phase involved getting to know the data through repeated readings of the transcripts and making initial impressions. During the second phase, some initial codes were systematically developed for the entire data set. In the third phase, codes related to each other were clustered into candidate themes. These themes were then compared to the coded extracts and the entire data to ensure coherence and distinctiveness in phase four. Themes were identified, developed, and given names in the fifth phase. The final report was created in the sixth phase, which combined analytic interpretation with illustrative participant quotations. NVivo 14 software was used to organize and manage the coding process.

3.6 Trustworthiness

The rigour of the study was achieved by application of the criteria suggested by Lincoln and Guba (1985). Member checking was used to enhance the credibility of the findings, and summaries of interpretations were presented to six participants, who confirmed that the findings were accurate. Thick descriptions of the setting and the participants were used to support transferability. The audit trail of analytic decisions confirmed dependability, and reflexive journaling (which involved



documenting the researchers' assumptions and reflections during the analysis) strengthened confirmability. Four transcripts were independently coded by two researchers, who discussed differences until consensus was reached.

3.7 Ethical Considerations

All data were collected with ethical approval from the institutional research ethics committee. An information sheet describing the purpose of the study was given to all participants, and informed consent was requested in writing prior to each interview. All participants were assured of confidentiality and anonymity, and pseudonyms (P1 to P18) were used throughout the transcripts and reports. They were told that they could refuse to answer any questions and could leave the study at any time without any consequences. Due to the sensitive nature of financial issues, interviews were conducted with care, and those who appeared distressed were given the opportunity to pause and were provided with information on counselling services available.

4. Results

The results of reflexive thematic analysis of the interviews with 18 employees are presented in this section. Five main themes and 15 subthemes emerged from the analysis, which captured the experiences of financial stress, the impact of financial stress on mental health and work, and strategies for coping with financial stress. Themes, subthemes, and codes are summarized in Table 2, and the thematic map in Figure 1 illustrates the relation of the themes to the central experience of financial stress. Quotes from participants are identified (P1 through P18).

Table 2: Themes, Subthemes, and Codes

Theme	Subtheme	Codes
1. Emotional Weight of Financial Strain	Persistent worry and anxiety	Constant thinking about bills; fear of month end; racing thoughts
	Sleep disturbance and fatigue	Waking at night; tiredness at work; exhaustion
	Shame, secrecy, and self-blame	Hiding debts; feeling like a failure; embarrassment
2. Spillover into Work Performance	Loss of concentration and errors	Distraction; checking phone for payments; careless mistakes
	Presenteeism	Present but mentally absent; slow task completion
	Reduced motivation and engagement	Doing the minimum; loss of interest; low initiative
3. Strained Relationships at Home and Work	Family conflict	Arguments over spending; children's fees; guilt
	Withdrawal from colleagues	Avoiding lunches and gatherings; isolation
	Irritability	Short temper; impatience with clients and coworkers
4. Coping in Survival Mode	Budgeting and cutting expenses	Skipping purchases; delaying treatment; cheaper schooling
	Side jobs and extra work	Tutoring; freelancing; ride-hailing in evenings
	Borrowing and committees	Loans from relatives; committee (ROSCA) schemes
	Religious coping and social support	Prayer; patience (sabr); talking to spouse or friends
5. Seeking Organizational Understanding	Silence due to stigma	Fear of judgement; not telling supervisors
	Desired organizational supports	Salary advances; counselling; flexible hours; fair increments

Note. ROSCA = rotating savings and credit association, locally known as a committee.





Figure 1: Thematic Map of Employees' Experiences of Financial Stress

4.1 Theme 1: The Emotional Weight of Financial Strain

18 of the 20 participants reported that financial stress was a significant emotional burden that they felt all day. Constant concern was the most frequent experience, with many participants describing a constant mental accounting of costs that they were unable to turn off.

"From the day my salary comes, I start counting how many days it will last. By the twentieth of the month, my mind is only on how to manage the rest." (P4, female, education)

Over half of the participants reported sleep disturbance, which included being unable to sleep at night due to worrying about rent, school fees, and utility bills. Some participants also reported shame and self-blame, believing that the financial problems were their own fault. This shamefulness caused many to keep their secret from people.

"I am the eldest son and everyone expects me to handle everything. When I cannot, I feel I have failed them. I do not tell anyone, not even my close friends." (P11, male, banking)

4.2 Theme 2: Spillover into Work Performance

Sixteen people indicated that financial stress had a direct impact on their work. Loss of concentration was the most commonly reported effect, with participants describing how financial issues distracted them from their thinking during tasks, and how they made unnecessary errors.

"I was preparing a report and made a mistake in the figures. My manager asked what happened. The truth was that I was thinking about the electricity bill the whole morning." (P2, male, banking)

Participants reported a type of presenteeism, being physically present at work but not mentally. Others said they were less motivated, since they did not make enough money to support their basic needs, making it hard to feel committed to their organization.

"I come to the office every day, but honestly half of me is not here. I do what is required, nothing extra. Why should I, when the salary does not even cover the month?" (P14, male, telecommunications)

4.3 Theme 3: Strained Relationships at Home and Work

13 participants reported negative impacts of financial stress on relationships. One of the most frequent areas of disagreement at home was on the subject of spending, children's education, and extended family support. In the workplace, participants reported avoiding colleagues, not being able to afford shared lunches and social events, and being irritable with coworkers and clients.

"My colleagues go out for lunch on Fridays. I make excuses every week. Slowly I stopped feeling part of the team." (P7, female, healthcare)

"Sometimes I shout at my children for small things. Later I realize the anger is not at them. It is the pressure of money." (P16, male, manufacturing)

4.4 Theme 4: Coping in Survival Mode

All participants reported strategies that they employed to manage their financial situation. Most of these strategies were directed towards short-term survival and not towards long-term financial security. Table 3 shows the coping strategies and the percentage of participants who reported using each strategy.

Table 3: Coping Strategies Reported by Participants (N = 18)



Coping type	Strategy	n	%
Problem-focused	Strict budgeting and cutting expenses	17	94.4
Problem-focused	Side jobs, freelancing, or overtime	9	50.0
Problem-focused	Borrowing from relatives or friends	11	61.1
Problem-focused	Committee (ROSCA) savings schemes	8	44.4
Emotion-focused	Religious coping (prayer, patience, trust in God)	15	83.3
Emotion-focused	Seeking emotional support from family or friends	10	55.6
Avoidance	Avoiding thinking about finances or delaying bills	6	33.3
Avoidance	Postponing medical treatment	5	27.8

Note. Participants could report more than one strategy; therefore, percentages do not total 100.

Budgeting and cost reduction were almost universal, but a few participants reported that cost cuts would sometimes lead to the loss of essentials such as health care. Additional work had been taken on by 9 participants, reducing their rest and impacting their energy at their main job.

"After office, I teach tuition from six to nine. It helps with money, but I have no energy left, and next morning I am tired at work." (P9, female, education)

Religious coping proved to be a strong source of emotional resilience. 15 participants reported that prayer and patience helped them to accept the situation, which is beyond their control.

"When nothing works, I pray. It gives me peace that Allah will make a way. Without that, I think I would break." (P12, female, healthcare)

4.5 Theme 5: Seeking Organizational Understanding

15 people indicated that they wanted more information and assistance from their employer. But most had never talked about their financial problems with their employer, worrying that they would be seen as less desirable or be less likely to be promoted.

"If I tell my manager I am in debt, he will think I am not responsible. It can affect my evaluation. So I stay quiet." (P5, male, telecommunications)

Participants identified concrete types of support that would be beneficial, such as salary advances, fair annual salary increases based on inflation, confidential counseling, and flexible working schedules. These preferences are shown in Table 4.

Table 4: Organizational Supports Desired by Participants (N = 18)

Desired support	n	Sectors most frequently reporting
Inflation-linked salary increments	14	Education, manufacturing, healthcare
Interest-free salary advances or loans	12	Banking, manufacturing, education
Confidential counselling or employee assistance programs	8	Healthcare, telecommunications
Flexible working hours or remote work	7	Telecommunications, banking
Financial literacy and planning workshops	6	Banking, telecommunications
Supportive and non-judgemental supervisors	10	All sectors

Note. Participants could identify more than one support.

The percentages in the figure 2 summarise the prevalence of each of the major themes in the sample. All participants reported emotional burden and survival coping, which meant that financial stress was a universal psychological experience and an ongoing practical challenge.



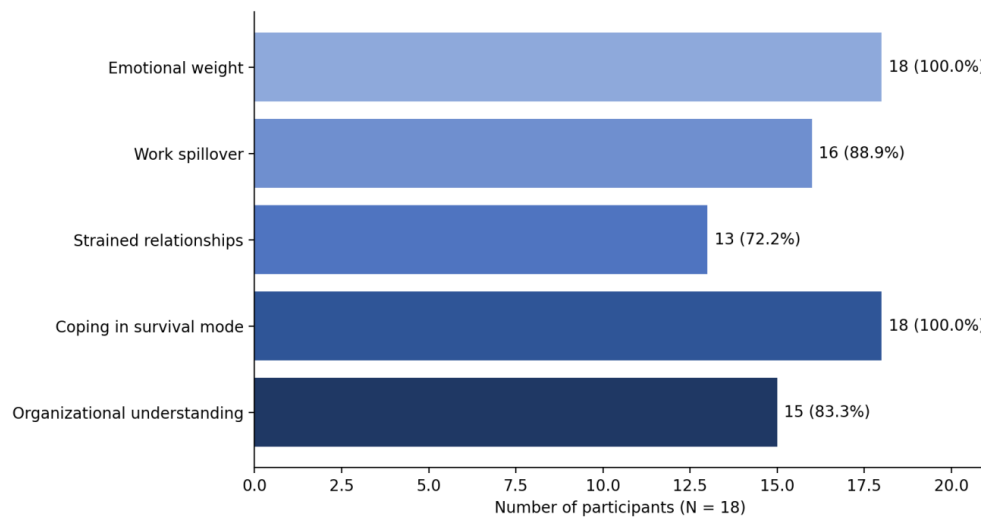


Figure 2: Prevalence of Main Themes across Participants

Overall, the results indicated that financial stress had a cascading effect, starting with emotional stress, followed by decreased work productivity and relationship problems, and then by coping strategies that were often difficult and temporary. Employees' silence, coupled with their explicit requests for assistance, highlights a significant disconnect between employees' needs and current organizational practices.

5. Discussion

This study examined the real-life experiences of financial stress and the impact that financial stress had on employees' mental health and productivity at work. The results indicate that financial stress was not a single issue but a sequence of related issues, ranging from emotional stress to problems with work performance and relationships, and to coping strategies that were often exhausting and short-term. The results are discussed below in the light of the research questions, previous studies, and the theoretical framework.

5.1 Financial Stress and Mental Wellbeing

The first theme was financial stress as a constant emotional burden on employees, which manifested as constant worry, sleep disturbance, and a sense of shame. This result is in line with Pathak et al. (2024), who found that stress caused by inflation was significantly related to anxiety and depression symptoms among working-age adults. Similarly, De Miquel et al. (2022) reported that the impact of financial stress on mental health was not only due to income loss but also to the perception of financial stress among employees. In this current study, some of the respondents were not in dire need of poverty, but they reported high levels of worry about their monthly payments.

This is consistent with the findings of Zhang and Chatterjee (2023), who suggest that financial stress is not only a function of objective financial factors, but also a function of subjective assessment. The experience of shame and secrecy is an important dimension not seen in quantitative research. The participants, especially men who perceived themselves as the breadwinners, felt their financial problems were their own fault. In Pakistan, which is a family-oriented and collectivist society, financial stress can be worsened by cultural norms related to family responsibilities.

5.2 Financial Stress and Workplace Productivity

The second theme showed that financial stress had a negative impact on work, manifested as loss of concentration, mistakes, presenteeism, and loss of motivation. The results are consistent with those of Bashir et al. (2024), which revealed that positive financial well-being of employees has a positive impact on productivity, and with those of Mammadov and Bhandari (2023), which indicated that employee financial pressure is correlated with financial reporting outcomes. Participants reported presenteeism, which is defined as being physically present but mentally absent, which is why this aligns with Nesbitt (2022), who found that mental health-related factors were important predictors of productivity loss.

Rosso et al. (2024) also found that managers should be worried about the financial stress of their employees, as it has been consistently associated with employee disengagement and lower performance. One of the interesting things that emerged was that some of the people actively lowered their efforts because they felt that their salaries did not compensate them for their efforts or their needs. This suggests that financial stress not only impacts employees' ability to perform, but also their desire to perform, which further undermines the psychological contract between employees and organisations.

5.3 Spillover into Relationships

The third theme says that financial stress had a negative effect on family and work relationships. This aligns with Xia et al. (2025), who found a spillover effect where family financial stress negatively impacts employee mental health in the workplace. Similarly, or et al. (2023) demonstrated that parental work and financial stress could also extend its influence to the family domain and impact children's wellbeing. This study contributes to this evidence by demonstrating that spillover



also occurred socially, namely when participants became distant from their colleagues, or when they declined to engage in social activities they could not afford. Withdrawal can decrease social support during a period when it is most needed.

5.4 Coping Strategies and Organizational Support

The fourth theme demonstrated that participants used a combination of problem-focused, emotion-focused, and avoidance strategies. Budgeting and saving money were almost universally observed, consistent with Mitra et al. (2024), who observed that working-age adults engaged in a variety of practical coping strategies to inflation-related stress. The high level of religious coping is consistent with Ahmad and Jafree (2023), who found that religious and spiritual coping was prevalent in Pakistan during crisis situations. Similarly, Kasim et al. (2025) discovered that when households are experiencing increasing living costs, they resort to emotion-focused coping when there is little room for practical coping. However, some coping strategies seemed to lead to further depletion, such as having more than one job or delaying medical treatment.

The fifth theme highlighted a gap between employees' needs and organizational practice. Participants desired inflation-related increases, salary advances, counselling, and supportive supervisors, but most had not talked about their problems at work due to stigma. This finding aligns with Abdul Aziz and Ong (2025), who associated access to employee assistance programs with improved well-being, and Malkowska et al. (2022), who termed financial wellness programs a useful yet underutilized organizational tool. The results are also congruent with the findings of Tabassum et al. (2025), who highlighted the importance of wage protection measures in protecting workers' living standards during inflation.

5.5 Theoretical Interpretation

The findings may be interpreted in a meaningful way in the context of the Transactional Model of Stress and Coping and Conservation of Resources (COR) theory. The distress experienced by participants was related to their appraisal of their financial situation and their perceived capacity to cope with it, consistent with the transactional perspective outlined by Sun et al. (2023). The chain of effects found in this study can be explained by the COR theory described by Hollebeek et al. (2023). Emotional, physical, and social resources became depleted due to the threat to financial resources, which is seen in anxiety, fatigue, and withdrawal. This resource depletion is associated with burnout and withdrawal intentions, as demonstrated by Chen et al. (2024), and is reflected in the participants' declining motivation. Other coping strategies, including more work, were attempts to maintain financial resources, but at the expense of more energy and time, as described by COR theory as a loss spiral.

6. Conclusion

This study examined the relationship between financial stress, mental wellbeing, and productivity in the workplace, and the ways in which employees try to manage their financial stress. The study employed reflexive thematic analysis of interviews with 18 employees across the five sectors in Islamabad and Rawalpindi, Pakistan, which revealed five interconnected themes. The results indicate that financial stress is not an individual issue, but rather a household issue. Follows employees into the workplace, compromising concentration, promoting presenteeism, lowering employee motivation, and negatively impacting relationships with colleagues. Religious coping and additional work, borrowing, and budgeting were key factors in coping with situations. But many of these were only short-term fixes and sometimes led to more exhaustion.

The stigma of not talking about work-related struggles was also evident, as most participants were not talking about their struggles at work even though they clearly needed help from their employers. The study finds that the financial stress of employees should be seen as a business problem rather than a personal one. Fair and inflation-proof compensation, financial and psychological assistance, and a non-judgmental work environment are likely to protect employee wellbeing and productivity. Therefore, it is not only a good thing to do for employees when they are stressed about money, but also a smart investment in organizational performance.

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