Financial Empowerment in India: Leveraging Financial Literacy and Inclusion

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To foster sustainable and inclusive economic growth, integrating women into India's financial mainstream is essential for enhancing their monetary empowerment. This study examines the impact of financial literacy (FL) on women's financial empowerment (EM), considering financial self-efficacy (FSE) and financial decision-making (FDM) as serial mediators. Using a quantitative cross-sectional design, data from 239 Indian IT professionals were analyzed via PLS-SEM. Findings reveal a significant direct effect of FL on EM, with partial mediation through FSE and FDM. The study emphasizes equipping women with financial skills and decision-making confidence to promote empowerment and inclusive economic advancement.

Keywords: Financial Empowerment; Financial Literacy; Financial Self-Efficacy; Financial Decision Making; Women Employees

1. Introduction

Women's economic empowerment is widely recognized as essential for India's growth and social equity. Labor force metrics published by government of India highlights that in recent years, a surge in women's labor-force participation has been notices where the rate has nearly doubled in 2017–24 (from 23% to 42%) (*Press Release:Press Information Bureau*, 2024) with women entering a variety of formal sectors – notably IT – in unprecedented numbers. Over 20 lakh women, i.e., about 36% of the entire workforce is employed by the Indian IT sector alone. As a result of this, women's financial independence generates a "ripple effect" that benefits families and communities leading to the empowerment of the society as a whole.

Financial empowerment means having the knowledge, resources, and confidence to manage personal finances and make strategic decisions. In development practice, scholars note that financial inclusion alone is not enough – women must also control their finances and use them confidently. Globally, women lag men in financial decision-making: for instance, fewer than one-in-four women worldwide participate in long-term household planning. These gender gaps often reflect lower financial knowledge and confidence among women. To build the financial acumen, financial literacy emerges as a key enabler. Financially literate women tend to take more active roles in budgeting, saving, investing, and planning. Empirical studies confirm that higher FL correlates with greater economic empowerment. Studies of (Haque & Zulfiqar, 2016; Johnson et al., 2016) have established that women with stronger FL and a positive financial attitude experienced higher economic empowerment. Likewise, better financial literacy has been linked to higher self-efficacy in money management and ultimately improved well-being. However, in Indian scenario, low financial literacy and autonomy remains a key challenge even among educated women. Recent surveys found that many working Indian women have only "little to no" financial knowledge, and a large proportion do not make financial decisions independently. Around 59% of working Indian women defer all financial planning to others revealing a disconnect between employment gains and actual control over financial decision-making. This gap underscores the need to move beyond mere income generation and focus on equipping women with the knowledge, confidence, and decision-making capabilities that transform financial literacy into genuine empowerment.

Further, to transit the effects of financial literacy to financial empowerment of the working women, it is impertinent that a woman should have a robust confidence in her ability to manage money and achieve financial goals, i.e., Financial self-efficacy (FSE). (Hassani et al., 2025) defines FSE as a person's belief in their capacity to make sound financial decisions. Women with higher FL tend to feel more competent managing their budgets and investments, which in turn may empower them to influence household finances. Indeed, it was found that FL increases women's FSE, which then leads to more proactive financial behaviors. Another related mechanism is financial decision-making (FDM) itself – the extent to which a woman actually participates in financial choices (savings, investment, expenditure) within the family. Research shows that low FL often correlates with reduced participation: many women worldwide leave decisions to spouses partly due to lesser financial knowledge. Thus, a plausible pathway is that FL boosts FSE, which then encourages women to engage more in FDM, thereby yielding greater empowerment (e.g., via higher savings, investments, or other economic gains).

Despite this logic, the FL–empowerment link among India's working women has seen limited investigation – especially with attention to these mediating processes. Most prior studies on financial literacy and women's empowerment have focused on broad populations or developing-country contexts, rather than on India's formal-sector professionals. In particular, there is little empirical work on women in India's IT industry examining how literacy affects financial empowerment. Similarly, although the roles of FSE and FDM have been studied separately, no existing study has tested them jointly as serial mediators in the FL–empowerment relationship. This study therefore addresses a novel combination of factors by focusing on women IT professionals and explicitly modeling financial self-efficacy and financial decision-making as sequential mediators linking financial literacy to empowerment.

Therefore, this study focuses on the following research questions (RQs): ***RQ1***. Does FL have an important bearing in attaining financial empowerment of working women in Indian IT? ***RQ2***. Does FSE and FDM sequentially mediates the association of FL-EM relationship in the context of Indian working women?

With this short overview and clarification of the study's aim, the following sections of the paper are structured as follows. Section 2 examines the existing research on the constructs of study model. Section 3 discusses the data and techniques used in the study. Section 4 presents the findings' results and analyses. Finally, Section 5 provides the study's discussions, conclusions and limitations of the study.

2. Theoretical Framework & Hypothesis Development

Theoretical background

The formulation of hypotheses and propositions in this study is grounded in Empowerment Theory (Perkins & Zimmerman, 1995), which elucidates the role of ***financial literacy (FL)*** in inculcating ***financial empowerment (EM)***, while recognising the mediating influences of ***financial self-efficacy (FSE)*** and ***financial decision-making (FDM)***. Originating in the late 1980s (Perkins & Zimmerman, 1995; Zimmerman, 2000) and building on earlier conceptualisations of empowerment (Rappapon, 1984), this theory offers a robust framework for understanding how individuals gain control over their lives and enhance their quality of life. Empowerment Theory posits that by mobilising skills, resources, and knowledge, individuals can make informed choices, achieve desired outcomes, and strengthen their agency (Cloutier et al., 2006; Sylaja, 2015). Central to the theory are the constructs of self-efficacy, autonomy, and agency, alongside the transformation of power dynamics that enable marginalised or disadvantaged individuals to overcome behavioural and psychological constraints, thereby facilitating sound decision-making.

In this context, financial literacy emerges as a critical capability: equipping women with the requisite skills and knowledge to comprehend, analyse, and manage financial matters not only instils confidence in their financial judgment but also shapes their decision-making behaviour. This interplay between knowledge, confidence, and decision quality serves as a pathway to improved financial outcomes and, ultimately, enhanced financial empowerment.

Financial Literacy and Financial Empowerment

Financial literacy—the comprehension of financial knowledge and how it is applied (Lusardi & Mitchell, 2011)—is a primary driver of the financial empowerment of women workers. The Empowerment Theory of (Perkins & Zimmerman, 1995) had proposed that skill acquisition and resource access increase agency and decision-making. Therefore, economically empowered women minimize dependence and enhance bargaining power while minimizing vulnerability (Ali et al., 2021) among other numerous individuals who are able to build confidence effectively to utilize knowledge around finance (Lusardi & Mitchell, 2014; Stajkovic & Luthans, 1998). Empirical studies have indicated that financially literate women save more resources by investing in risk management (Farrell et al., 2016; Henager & Cude, 2016). This is translated into informed decision-making within the workplace in terms of having control over resources and resilience capacity against financial shocks (Dew & Xiao, 2011). Knowledge gained from the Indian IT sector proves that financial literacy has a direct and indirect effect on empowerment through the mediation of financial self-efficacy and decision-making ability (R. Kumar et al., 2023). Hence, financial literacy does not only inculcate knowledge but also instill confidence and decision-making competence which is a sustainable pathway for women to get to financial autonomy and security in the long run. The hypothesis thus can be framed as:

H1. Financial literacy has a positive significant impact on women's financial empowerment

Mediating Role of Financial Self-Efficacy and Financial Decision Making

Financial self-efficacy (FSE)—the belief in one's ability to manage financial tasks effectively—serves as a critical link between financial literacy (FL) and financial empowerment (EM) (Bandura, 1982; Lusardi & Mitchell, 2014; Mitra et al., 2025). While FL equips individuals with the necessary knowledge, empowerment requires the confidence to apply that knowledge in real-life contexts (Zimmerman, 2000). Women with higher FSE are more likely to engage in proactive financial behaviours such as budgeting, investing, and debt management, thereby increasing their autonomy over financial resources and decision-making (Ali et al., 2021; Farrell et al., 2016).

Closely related to FSE is financial decision-making (FDM), which reflects the capacity to evaluate alternatives, assess risks, and choose strategies aligned with personal and professional goals (R. Kumar et al., 2023). Financial literacy enhances this capability by enabling individuals to interpret complex information and weigh costs against benefits(Kai-Ineman & Tversky, 1979; Lusardi & Mitchell, 2011). Effective decision-making not only improves financial outcomes but also fosters independence, reduces susceptibility to mismanagement, and reinforces the empowerment process (Dew & Xiao, 2011; Henager & Cude, 2016).

These two mediators are interlinked in a sequential pathway—FL → FSE → FDM → EM—thereby illustrating how knowledge can be transformed into empowerment. Financial literacy builds confidence (FSE), which in turn strengthens decision-making competence (FDM), enabling women to make informed, goal-aligned choices that secure greater control, resilience, and long-term financial security (Dew & Xiao, 2011; Farrell et al., 2016). Higher self-efficacy motivates women to actively engage with financial choices, while improved decision-making competence ensures that these choices are well-informed and aligned with personal and professional goals (Dew & Xiao, 2011). This cascading effect ultimately strengthens financial autonomy, resilience, and security, demonstrating that knowledge alone is not sufficient; it must be reinforced by confidence and translated into strategic financial behaviour to produce lasting empowerment (Bandura, 1986; Perkins & Zimmerman, 1995). Empirical research supports this sequential model, highlighting its relevance in workplace and policy contexts where phased capacity-building programs can yield sustained empowerment outcomes for women employees (Bandura, 1982; Perkins & Zimmerman, 1995).

Based on the above propositions, the following hypotheses can be formulated as:

H2: Financial Self-efficacy mediates the relationship between FL and EM.

H3: Financial Decision-making mediates the relationship between FL and EM.

H4: Financial Self-efficacy and Financial Decision-making sequentially mediates the relationship between Financial Literacy and Financial Empowerment.

Hypothesised Model

The research model illustrated in Figure 1 is based on concepts established in the existing literature. The hypotheses, labeled H1 to H4, are represented in the model, highlighting both the direct and indirect effects of the exogenous variable – FL – on the endogenous variable – EM – with FSE & FDM serving as serial mediating variables.

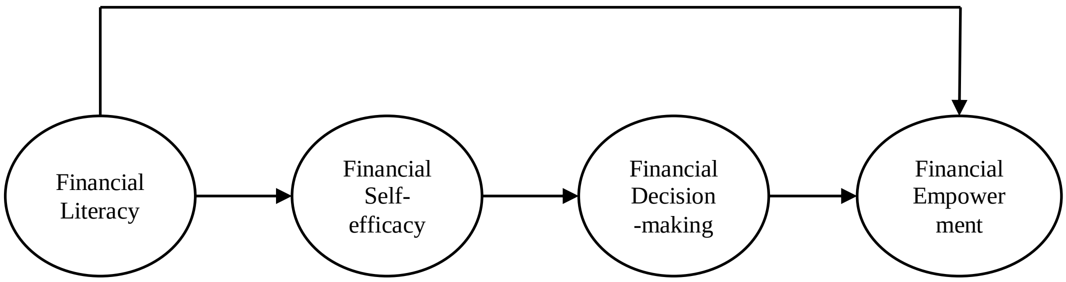

Figure 1 *Theoretical Framework (Authors' Own Composition)*

3. Methods

3.1 Research Design

The present study has adopted a quantitative, cross-sectional research design to empirically investigate the impact of **Financial Literacy (FL)** on **Financial Empowerment (EM)** among women employees in the Indian IT sector, with **Financial Self-Efficacy (FSE)** and **Financial Decision-Making (FDM)** as serial mediators. A structured, self-administered questionnaire was used as the primary data collection instrument. This design was chosen due to its suitability for examining hypothesised causal relationships between latent constructs and for enabling statistical generalisation within the study population (Creswell & Creswell, 2017).

The study focuses on women working professionals in the IT sectors of Bhubaneswar and Kolkata, as these cities represent emerging and established technology hubs in eastern India, characterised by rapid growth in knowledge-based industries and increasing female workforce participation (NASSCOM, 2022). Bhubaneswar, often referred to as the "IT Education Hub of Eastern India," has attracted significant investment in IT parks and knowledge clusters, creating employment opportunities for women in professional and managerial roles (*Odisha Fast Emerging as a Technology Resource Hub of India: CM Patnaik | Business Standard News*, 2022). Kolkata, as a metropolitan centre, hosts a mature IT ecosystem with a substantial presence of both multinational corporations and domestic IT firms, offering a diverse mix of employment profiles for women (Digital Scholar, 2023).

The IT sector, with its relatively higher educational entry requirements and formal employment structures, is often perceived as offering greater gender inclusivity compared to traditional industries (Dutta Gupta et al., 2015; Jha et al., 2024a). However, studies have shown that even in such sectors, women's representation in decision-making roles and their financial autonomy remain constrained (Alok et al., 2021; Nandy & Biswas, 2024). Selecting these two cities allows for capturing perspectives from both a fast-growing tier-2 IT hub (Bhubaneswar) and a long-established metropolitan IT centre (Kolkata), providing a comparative yet contextually relevant understanding of how financial literacy translates into empowerment in varying organisational and socio-cultural environments.

To ensure a systematic and structured approach to collecting primary data in the absence of a defined sampling frame, snowball sampling was adopted (Goodman, 2016). This non-probability method is particularly suited for studies where the population is large, dispersed, and lacks precise enumeration (Neuman, 2014). The choice of snowball sampling was strategically aligned with the study's focus on working women in the Indian IT sector—a specialised group spread across diverse organisations and hierarchical levels. Accessing this population through traditional probability sampling would require formal employee databases, which are often unavailable due to confidentiality and data protection policies.

In India, the IT sector employs approximately 5.43 million professionals, making it both vast and heterogeneous (Bhatia & Singh, 2023; Rahayu et al., 2022). Given these constraints, snowball sampling provided an efficient means of reaching qualified respondents through trust-based referrals, particularly important when addressing sensitive topics such as personal financial matters. This approach mitigated apprehension by leveraging existing social and professional networks, thereby improving participation rates. The process began with convenience sampling wherein initial respondents were identified through the researchers' personal and professional contacts. These participants were then asked to recommend colleagues and acquaintances meeting the inclusion criteria, creating a chain-referral process that continued until the desired sample size was approached. In total, 320 potential participants were identified. Before participation, all respondents were briefed on the study's objectives, assured of confidentiality and anonymity, and informed that participation was voluntary. Adequate time was provided to complete the questionnaire.

A structured, self-administered questionnaire was distributed, with follow-up reminders via email and personal calls over a three-month period. The data collection phase spanned approximately three and a half months, yielding 250 completed questionnaires. After screening for incomplete or irrelevant responses, 239 valid datasets were retained for analysis. To ensure the adequacy of our sample size, we used G-power, a power analysis program used in social and behavioural research for statistical tests (Erdfelder et al., 1996; Faul et al., 2007). The minimum sample size for this study was determined based on an effect size (f2) of 0.1, a type-I error probability (α) of 0.05, and a desired statistical power of 0.95. This calculation resulted in a required sample size of 119 for the model. Therefore, the sample size of our study is considered to be adequate.

3.2 Survey Instruments

Measures of Endogenous Variable

To conceptualise the theoretical constructs considered in the current study, prior literature has been thoroughly reviewed. The endogenous construct '***Financial empowerment***' (EM) was measured by adapting the 6-item scale from the prior works of (Ali et al., 2021; Postmus et al., 2013).

Measures of Exogenous Variables

For the assessment of the exogenous variables, the items measuring '***Financial Literacy***' (FL) (4-item scale) were adapted from (Larisa et al., 2021; Lusardi & Mitchell, 2011), '***Financial Self-efficacy***' (FSE) (5-item scale) from (Weaver et al., 2009) and '***Financial Decision making***' (FDM) (8-item scale) from (P. Kumar et al., 2023).

All the items of the adapted questionnaire were adjusted slightly to suit the context of the current study after a pilot test was undertaken and then the final data was collected. To evaluate the responses, five-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree" for EM, FL & FSE and seven-point Likert scale ranging from (1) "strongly disagree" to (7) "strongly agree" for FDM was utilised.

Table 1 *Measurement Items*

Construct	Items	References
Financial Literacy (FL) (5-point Likert scale)	4	(Larisa et al., 2021; Lusardi & Mitchell, 2011)
Financial Self-efficacy (FSE) (5-point Likert scale)	5	(Weaver et al., 2009)
Financial Decision Making (FDM) (7-point Likert scale)	6	(P. Kumar et al., 2023)
Financial Empowerment (EM) (5-point Likert scale)	6	(Ali et al., 2021; Postmus et al., 2013)

3.3 Common Method Bias

The present study employed self-reported measures, which can raise concerns regarding common method bias (CMB). To minimise this risk, the survey instrument was carefully designed with clear and unambiguous questions to enhance respondents' comprehension (Podsakoff et al., 2003). Participants were also assured of the confidentiality and anonymity of their responses, thereby encouraging honest and accurate reporting (Chang et al., 2010). Additionally, varying Likert scale formats were employed to further reduce the likelihood of CMB. To statistically assess its presence, Harman's single-factor test was conducted, revealing that the first factor accounted for only 42.711% of the variance—below the recommended 50% threshold—indicating a poor fit for a single-factor solution and suggesting that CMB was not a significant concern (Podsakoff et al., 2012).

4. Data Analysis and Findings

Data was analyzed using SmartPLS4.0 software, and researcher has undergone a two-step process (measurement model in first step and hypothesis testing in second). First, the measurement model has been evaluated to ensure reliability and validity of constructs to be used in structural path model. The model included 21 items, with all the factor loading above the accepted threshold of 0.60. (Dash & Paul, 2021) and hence, no item was removed.

After that the reliability of measures were established using the value of Cronbach alpha and composite reliability. Cronbach's alpha values (0.851 - 0.901) and composite reliability (rho_c) values (0.895 - 0.924) for all construct exceeded accepted thresholds (0.70 and 0.60 respectively) (Hair et al., 2011). Average Variance Extracted (AVE) was evaluated to analyze the validity of the constructs, and AVE values for all constructs (0.586 - 0.691) surpassed the threshold (0.5), confirming construct validity (Hair et al., 2011) (see table I). For discriminant validity, the HTMT ratio approach has been put forward. As stated by (Henseler et al., 2015), the exact value of the HTMT ratio is highly debatable owing to correlation issues, however, the acceptable value should be below 1 (Jha et al., 2024b). The Table 3 shows the values of HTMT ratios of our study fall within the threshold limit.

Table 2 *Reliability Analysis*

	Loading	Alpha	Composite reliability	AVE	VIF
Financial Literacy		**0.851**	**0.900**	**0.691**	
FL1	0.867				2.494
FL2	0.847				2.326
FL3	0.794				1.697
FL4	0.816				1.736
Financial Self-Efficacy		**0.870**	**0.906**	**0.657**	
FSE1	0.806				1.978
FSE2	0.788				1.909
FSE3	0.793				2.063
FSE4	0.835				2.265
FSE5	0.831				2.171
Financial Decision Making		**0.901**	**0.924**	**0.670**	
FDM1	0.792				2.049
FDM2	0.87				2.877
FDM3	0.798				2.12
FDM4	0.8				2.243
FDM5	0.802				2.409
FDM6	0.848				2.449
Financial Empowerment		**0.858**	**0.895**	**0.586**	
EM1	0.81				2.06
EM2	0.735				1.643
EM3	0.816				2.194
EM4	0.763				1.868
EM5	0.719				1.59
EM6	0.746				1.741

Table 3 *HTMT Ratio*

Variable	EM	FDM	FL	FSE
EM				
FDM	0.95			
FL	0.922	0.96		
FSE	0.923	0.877	0.86	

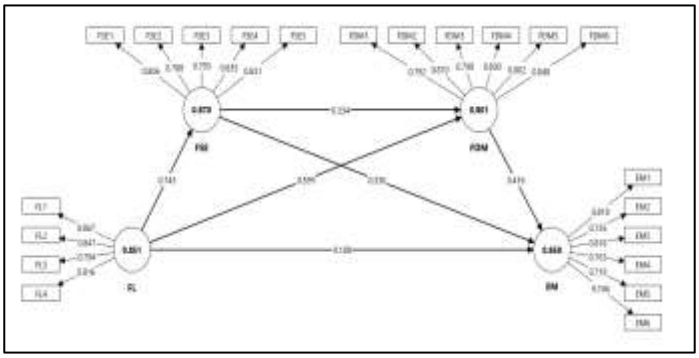

Figure 2 *Measurement Model analysis*

In structural model assessment, initial collinearity test encompassed VIF values to avoid skewing regression outcomes. All VIF values remained below 5, well below the threshold (Hair et al., 2011), indicating no collinearity concerns (Table I). The models' in-sample predictive power i.e., Coefficient of Determination (R^2) values for FSE, FDM and EM are 0.552, 0.767, 0.766 respectively, surpassing the 0.20 threshold (Hair et al., 2011) and have a substantial predictability for FDM and EM as it exceeds the 0.75 benchmark (Hair et al., 2011). An alternate method for evaluating the predictive accuracy of the PLS path model involves the computation of Q^2 (Geisser, 1974). Q^2 above 0, 0.25, and 0.50 signify modest, moderate, and substantial predictive significance, respectively (Hair et al., 2011). In the present study, the calculated Q^2 values is 0.547, 0.764, and 0.762 for FSE, FDM and EM respectively, suggesting a substantial predictive accuracy of the path model.

Subsequently, the structural model's path coefficient was examined to determine the statistical significance of the connections between constructs. Hypotheses were evaluated using bootstrapping with 5000 samples, no sign changes, and 95% bias-corrected confidence intervals. The outcome of the path analysis is presented in Table II and Figure 2.

The path coefficient analysis exhibits that Financial Literacy (FL) has a positive significant impact on Financial empowerment of women employees (EM) (β =0.188, t= 2.977, p=0.001), conforming the hypothesis $\boldsymbol{H_1}$.

$\mathbf{H_2}$ hypothesized that Financial Self-efficacy (FSE) mediates the relationship between FL and EM. To test the mediation of WI, the indirect effect for mediation were tested using multiplication of beta coefficient of independent-mediating and mediating-dependent variables. Results were found significant (β = 0.743 × 0.336 = 0.250, t= 5.045, $p<0.001$, LL = 0.172, UL = 0.334), supporting the hypothesis.

Similarly, $\boldsymbol{H_3}$ posits that Financial Decision Making (FDM) mediates the relationship between FL and EM. This hypothesis was also examined using similar mediation analysis and the result revealed a positive significant mediation of FDM in the FL and EM relationship (β = 0.599 × 0.416 = 0.250, t= 4.153, $p<0.001$, LL = 0.153, UL = 0.348), conforming hypothesis H_3.

Finally, hypothesis $\boldsymbol{H_4}$ posits that FSE and FDM sequentially mediate the relationship between FL and EM. To test the serial mediation of FSE and FDM, a similar methodology was adapted during analysis in SmartPls4.0. Result in this regard were also found statistically significant (β = 0.743 × 0.334 × 0.416 = 0.103, t= 3.609, $p<0.001$, LL = 0.061, UL = 0.155), hence the hypothesis (H_4) is supported (see Table II and Figure 2 for detailed analysis).

Table 4 *Path Coefficient Table*

Hypothesis	Relationship	β-value	SD	t-value	p-value	CI		Decision
						Upper	Lower	
H_1	FL → EM	0.188	0.063	2.977	0.024	0.088	0.293	Supported
H_2	FL → FSE → EM	0.250	0.050	5.045	0.000	0.172	0.334	Supported
H_3	FL → FDM → EM	0.250	0.060	4.153	0.000	0.153	0.348	Supported
H_4	FL → FSE → FDM → EM	0.103	0.029	3.609	0.000	0.061	0.155	Supported

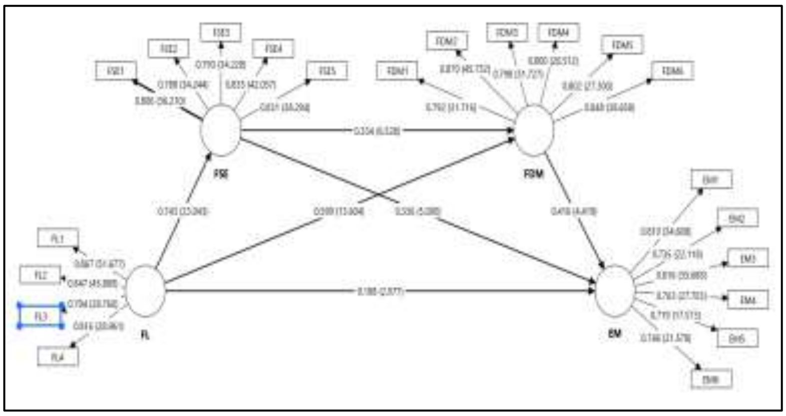

Figure 3 *Bootstrapping (T-Value) for the Model*

5. Discussion and Conclusion

With the growing participation of women in India's formal workforce-specially in the IT sector accompanied with limited financial control, a persistent gap has been noticed in their financial empowerment. While prior research has examined financial literacy and empowerment in isolation, there has been less emphasis on the mechanisms through which knowledge translates into actual control over financial decisions. By integrating Empowerment Theory with constructs of financial self-efficacy and financial decision-making, this study sought to address that gap.

It is for this reason that the current study intends to explore the extent of significant impact that financial literacy would have on the overall financial empowerment of women through the sequential intervention effect of financial self-efficacy and financial decision making based on prior literature of associations of financial literacy (FL), financial self-efficacy (FSE), financial decision making (FDM) and financial empowerment (EM). Drawing the background of the study from the

Empowerment theory (REF), it was hypothesised that FL has significant positive impact on women's EM and FSE & FDM serially mediates the relationship between FL and EM. The findings of the study provided empirical support to all the proposed hypotheses of the model.

5.1 Major Findings

The ***significant positive relationship between financial literacy and women employees' financial empowerment (β = 0.188, t = 2.977, p = 0.001)*** underscores the pivotal role of financial knowledge and skills in enhancing women's agency over their financial lives, supporting ***H1***. This finding aligns with **Empowerment Theory** (Perkins & Zimmerman, 1995), which asserts that access to relevant skills and knowledge enables individuals to make informed choices, control resources, and achieve desired outcomes. In organisational settings, financially literate women can interpret financial information, evaluate alternatives, and navigate complex decisions, fostering confidence in their judgment and autonomy in financial matters. Such capabilities reduce dependency on external guidance, strengthen decision-making, and enhance resilience against financial vulnerabilities, thereby affirming financial literacy as a foundational driver of women's financial empowerment (Cloutier et al., 2006; Sylaja, 2015).

The significant ***mediation effect of financial self-efficacy (β = 0.250, t = 5.045, p < 0.001) (H2)*** suggests that financial literacy enhances women's empowerment partly by bolstering their confidence in managing financial matters. This finding is consistent with **Empowerment Theory** (Perkins & Zimmerman, 1995) which emphasises that knowledge must be accompanied by the belief in one's ability to apply it effectively. Prior studies (Farrell et al., 2016; Lusardi & Mitchell, 2014) similarly highlight that financial self-efficacy enables individuals to transform knowledge into informed action, thereby increasing control over resources and reinforcing financial empowerment. Similarly, ***the mediation effect of financial decision-making (β = 0.250, t = 4.153, p < 0.001) (H3)*** highlights its pivotal role in translating financial literacy into empowerment. Financially literate women are better able to process information, evaluate multiple options, and select strategies that align with their goals—skills that directly enhance their autonomy over financial matters. Resonating with behavioural decision-making research (Kai-Ineman & Tversky, 1979), the study findings emphasise that informed and deliberate choices are critical to achieving favourable outcomes. Empirical studies further support that financial literacy fosters sound decision-making, which in turn enhances control over resources and contributes to long-term financial security (Dew & Xiao, 2011; Henager & Cude, 2016).

The significant serial indirect effect ($\beta = 0.103$, $t = 3.609$, $p < 0.001$) indicates that **financial literacy (FL)** enhances **financial empowerment (EM)** by first strengthening **financial self-efficacy (FSE)**, which then improves **financial decision-making (FDM)**—together translating knowledge into empowered financial action. Prior research supports this cascading relationship—financial literacy builds confidence (Farrell et al., 2016; Lusardi & Mitchell, 2014) which in turn enhances the quality of financial choices (Dew & Xiao, 2011), and sound decision-making strengthens empowerment by increasing control over resources and long-term security (Henager & Cude, 2016). The results demonstrate that financial literacy alone is not the endpoint; rather, its empowerment effect is realised when knowledge translates into confidence and confidence translates into competent financial action. These results substantiate that FL → FSE → FDM → EM is a plausible and impactful pathway for women employees ***(H4)***.

5.2 Implications of the Study

Hypothesis	Key Finding	Managerial Implication	Practical Implication
H1	Financial literacy directly enhances financial empowerment.	Financial literacy programs can be integrated into workplace learning to strengthen autonomy and engagement.	Workplace-based literacy programs need to be institutionalised in policy frameworks.
H2	Financial self-efficacy mediates the FL–EM relationship.	Interventions that build confidence in applying financial skills through mentorship and experiential learning can be designed.	Confidence-building components can be included in national skill development and inclusion policies.
H3	Financial decision-making mediates the FL–EM relationship.	Decision-making skill training, focusing on risk assessment and option evaluation needs to be incorporated.	Accessible, scenario-based financial education for informed, goal-aligned choices can be provided by the regulatory bodies.
H4	FSE and FDM sequentially mediate the FL–EM relationship.	Phased program designs—knowledge first, confidence second, decision-making can be adopted for sustained empowerment.	Sequential capacity-building can be used as a blueprint for comprehensive empowerment interventions.

5.3 Limitations and Future Scope of the Study

This study advances the understanding of how financial literacy, reinforced by self-efficacy and decision-making capabilities, contributes to the financial empowerment of women employees. By validating both direct and mediated pathways, it underscores that empowerment is not merely a function of knowledge acquisition but also of confidence and the ability to make informed financial choices. However, certain limitations have constricted our study, that needs to be acknowledged. The cross-sectional design limits the ability to infer causality, while the reliance on self-reported measures—despite measures to reduce common method bias—may still introduce response bias. The focus on women employees from the Indian IT sector narrows the generalisability of findings to other industries, regions, or socio-economic contexts. Future research could adopt longitudinal or experimental designs to establish causal pathways, incorporate objective or multi-source data for stronger validity, and expand the scope to include diverse sectors, geographic locations, and comparative gender analyses. Further, examining additional mediators or moderators, such as organisational culture, access to financial resources, or socio-cultural norms, alongside cross-cultural investigations, would yield a deeper and more generalisable understanding of how financial literacy translates into empowerment, thereby guiding more targeted and sustainable intervention strategies.

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