A NEEDS ANALYSIS OF FINANCIAL LITERACY FOR TRADE AND INDUSTRY ADVISOR STAFF AT THE DEPARTMENT OF TRADE AND INDUSTRY IN THE NORTH- WEST PROVINCE

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DECLARATION

I declare that the mini-dissertation is my own work, which I submit in partial fulfilment of the requirements for the degree Master of Business Administration (MBA) at the North-West University, Mafikeng Campus. It has not been previously submitted by me for a degree at this university or any other university.

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ABSTRACT

The purpose of the study was to conduct an analysis of financial literacy at the Department of Trade and Industry, as well as to determine the level of financial literacy and the financial behaviour among the Trade and Industry employees.

A significant amount of research has been conducted that focuses on financial literacy at high schools and colleges. Researchers were more concerned with an educational basis and less attention was given to financial literacy in the workplace. An extensive literature review and knowledge search was done with the view of understanding the theoretical concepts of financial literacy and the effects of financial literacy in the workplace. In addition various financial methods were discussed, and managerial guidelines were developed to highlight the research findings.

The study used a quantitative research methodology, with the emphasis on a quantitative research methodology to draw conclusions. A sample of 100 was drawn from a population of 150. A questionnaire was personally administered and distributed to three divisions within the DTI.

Key words: financial literacy, financial behaviour, personal financial management, financial education, staff

Contents

CHAPTER 1 INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Introduction

Financial literacy has been prioritised by the Organisation for Economic Co-operation and Development (OECD), the Department for Internal Development (DFID), the World Bank and the Consultative Group to assist the Poorest (CGAP), to reduce financial illiteracy, improve savings for countries, and utilise money in a responsible way. The OECD has conducted surveys of financial literacy in twelve countries and the results common to all the surveys are the low level of financial understanding among consumers. Australia was found to be the lowest in terms of the level of financial literacy and education.

Claxton (2008:16) defined financial literacy as the ability to understand the implications of key financial decisions and to manage money through budgeting, saving, investing, and protecting assets.

Financial literacy is knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life (OECD/PISA, 2012:13).

The researcher acknowledges a similar topic with a different focus that was previously done, namely Financial literacy: an interface between financial information and decision makers in organisations. The objective of this article is to investigate how individual decision makers in organisations perceive the financial literacy construct, as well as how it is perceived by the various economic sectors and decision-making levels. The research problem focuses specifically on the complexity of the financial literacy construct with regard to its role in organisations (Gouws & Shuttleworth, 2009: 141,144).

1.2 Background of the study

The primary goal of any employee financial literacy is to provide the necessary advice and supporting services to assist employees in accomplishing savings and investment objectives. In an article published in the Citizen newspaper (2011: July 14), the former South African Minister of Finance, Minister Pravin Gordhan, speaking at the launch of savings month mentioned that "South Africa should learn some lessons on saving from countries like China, and Russia. South Africa gross savings rate of 52% and Russia 22%, Brazil in 2010 was 17%, India 30.7% in 2007-2008"

In recent years developed and emerging countries and economies have become increasingly concerned about the level of financial literacy of their citizens. Concern was also heightened by the financial crisis, with the recognition that lack of financial literacy was one of the factors contributing to ill-informed financial decisions and that these decisions could, in turn, have tremendous negative spill-over (OECD/INFE: 2009).

Many employers now pay careful attention to a growing number of personal factors about workers that affect job productivity, such as substance abuse counselling, flexi-time, child-care facilities and wellness programmes (Garman, 1997:1). Financial education will improve the lives of employees in respect of acquiring knowledge on financial markets, personal financial planning, and employees learn to be savers rather than spenders. Employees are aware that death, disability, and dread diseases can occur at any time without warning. Studies found that a large number of South Africans do not consider financial planning as a priority. Individuals do not save, invest and plan for their retirement. Personal financial planning is critical for the well-being of individuals and will lead to financial independence.

According to Swart (2010:5), personal financial planning involves the determination of immediate, short-, medium- and long-term goals by means of a personal financial planning process based on one's own identified lifestyle, phases of the lifecycle, risks and needs in all the various personal financial planning areas in order to be able to retire with financial independence.

The study will focus on the need analysis of financial literacy for the Trade and Industry Advisor (TIA) staff at the Department of Trade and Industry. The target group are level 8 position in the DTI establishment.

1.3 Statement of the problem

A significant amount of research has been conducted that focuses on financial literacy at high schools and colleges and less emphasis has been placed on financial literacy in the workplace. The research will attempt to focus on the need analysis of financial literacy in the workplace at the DTI. A survey conducted in the Sunday Times (2011, June 19) has found that over 100 000 government employees in just four of the nine provinces and 18 of the 34 national departments had more than R45 million docked from their salaries in garnishee orders.

South Africa is faced with challenges of consumers who do not plan for the future. Consumers probably do not plan because of the lack of financial literacy. Swart (2010, 6) describes personal financial planning in terms of a money skills wheel. The money skills wheel consists of six areas: basic planning, budgeting, debt/financing, retirement, investments, and starting a new business. Little is done by employers to educate their employees on the importance of financial literacy. Statistics prove that government employees are highly indebted, surviving from hand to mouth, and disposable income remains insufficient to meet their daily demands. Employees are being garnished for outstanding debts and the money is paid by Finance departments to the credit providers.

Workplace financial education could help employees to better manage their personal finances and improve their financial well-being. A significant number of employers are currently providing financial education programmes to help employees manage their retirement plan (Employee Benefits Research Institute, 2004).

Low levels of financial literacy impact negatively on the organisation. Employees with inadequate knowledge of finance are likely to make poor financial decisions on products offered by financial institutions. The effect of poor decision making results into lower productivity, drug abuse, suicide, high absenteeism at work, low levels of concentration, displeasing interpersonal skills, alcoholism and depression.

The purpose of this research is to do a need analysis for financial literacy at the Department of Trade and Industry, as well as to determine the level of financial literacy and the financial behaviour among the Trade and Industry Advisor staff. The Trade and Industry Advisor post is mostly the entry level of graduates employed at the DTI. The employees on level 8 are often targeted by financial institutions as they gain entry to employment. Financial institutions offer credit cards, personal loans, revolving loans, temporary short-term loans and overdraft facilities to new employees. Little is done to ensure that new employees understand the financial risk involved in the financial loan packages offered by financial institutions. During the induction programme offered by the government, less emphasis is placed on the subject of financial literacy. The need analysis of the cause and effect of financial literacy should drive the organisation to act on the findings.

1.4 Research Objectives

Cooper and Schindler (2003:146) define research design as the plan and structure of an investigation so conceived as to obtain answers to research questions.

The study seeks to explore and determine the need analysis for financial literacy for a group of employees at level 8 employed by the DTI.

The objective of this research questions the need to determine the following:

- the financial literacy level
- financial behaviour
- Need analysis for financial literacy

This will be achieved by first doing a literature review and then using the questionnaire method. Proposals for an effective development of the financial literacy training depend on the end results. The questionnaires will be circulated to the trade and industry advisor staff from the three divisions within the DTI, namely Industry Development Incentive Administration (IDIAD), Trade and Investment South Africa (TISA) and Group Systems and Support Services (GSSSD).

The researcher aims to distribute 150 questionnaires and anticipating receiving at least 100 complete questionnaires. Sampling randomly focuses on the three divisions within the DTI. Distribution of the questionnaire will be in the three divisions of the DTI, targeting trade and industry advisor staff in level 8 posts. The questionnaires will be collected daily for a period of seven days. Follow-up will be done depending on whether a sufficient number of responses were received in order to do statistical analysis.

Participants will be made aware of the aims and objectives of the research. The information supplied will be treated with utmost confidentiality and anonymity. The participants have a right to withdraw from the survey if they so wish. Completed questionnaires will be collected personally. The participants will be informed of the collection dates. The research will take into consideration the demographics of the DTI society.

1.5 Significance of the study

The study will contribute towards empowering employees of the DTI with knowledge in respect of financial literacy and if possible change the financial attitude and financial behaviour of individuals. The study will also focus on promoting skills development amongst employees. Depending on the outcome of the feedback received from questionnaires, this study will assist the management to offer training relevant to employees. Organisations, such as the Organisation for Economic Co-Operation and Development (OECD) and Personal Finance Employee Education (PFEE) Outreach Project play a significant role in promoting financial literacy in the United States and other European countries. Section 29(1) of the Constitution stipulates that everyone has the right:

(a) to a basic education, including adult basic education; and

(b) further education, which the state, through reasonable measures must make progressively available and accessible.

Little has been done in South Africa to emphasize the importance of financial literacy. There are four broad motivations for employers to offer personal finance employee education:

(a) productivity losses,

(b) genuine negative costs to employers,

(c) poor participation of employees in employer-provided pension plans, and

(d) threats of class action lawsuits from employees and former employees. Further, the cost when employers do nothing is high (Garman, 1997:1).

1.6 Scope of the study

The focus of the study is on determining need analysis of financial literacy for the Trade and Industry Advisor in the Department of Trade and Industry. The study targeted employees in level 8 posts from the Department of Trade and Industry's Trade and Industry Advisor (TIA).

1.7 Definition of concepts

1.7.1 Need : According to the Oxford Dictionary (2012), the word 'need' in modern English, there are two quite distinct uses for the verb. In the first place is used a normal verb meaning require second, it is the one of a small class of verb called modals which cannot stand alone without another verb and do not take normal verb endings or normal negative construction.

1.7.2 Literacy : Literacy is not merely a cognitive skill of reading, writing and arithmetic, it also helps in the acquisition of learning and life skills that, when strengthened by usage and application throughout people's lives, leads to forms of individual, community and societal development that are sustainable (UNESCO, 2009).

1.7.3 Financial Literacy : Financial literacy is knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life (PISA, 2012:13).

1.7.4 Advisor Staff: : The Trade and Industry Advisor (TIA) staff are the staff in level 8 posts in the Department of Trade and Industry.

1.7.5	Department of Trade and Industry:	The Department of Trade and Industry (DTI) is one of the national Government departments. The organisation has six divisions and agencies. The core themes of the DTI are industrial development, trade, export and investment, broadening participation, regulation and administration and co-ordination. The DTI Agencies are clustered into three categories: Specialist Services Agencies, Regulatory Agencies and Finance and Small Business Development Agencies.

1.8 Plan of the study

According to Mouton and Marais (1992:176) this resembles a research plan in which the researcher indicates what he/she plans to do and how he/she plans to go about doing it.

The first chapter of the research paper provides an overview of the problem, the nature of the problem and the research objectives of the research, followed by a summary. The chapter will lead the research to conduct a literature review with the aim of addressing the research objectives.

The second chapter will consist of a literature review, which seeks to determine the understanding of financial literacy, the financial behaviour of individuals, the need for financial literacy, different models of financial literacy will be articulated, followed by socio-economic impact of financial literacy. The chapter will be summarised. Chapter three provides an overview of the research methodology. Based on the literature review, data will be collected and processed. The research strategy will be formulated. Data will be collected in the form of a questionnaire. Questionnaires will be hand-delivered and sent by electronic mail. Once the data is collected, analysis will follow, using tables and graphs.

Chapter four contains data generated and analysed and a discussion of the findings. The data will be analysed in five categories: the biographical information, understanding of financial literacy, determining financial behaviour, need analysis of financial literacy and closed questions.

In Chapter five the findings are summarised in terms of the research objectives and conclusions are drawn based on the research objectives. Recommendations and limitations are highlighted.

1.9 Summary

The research proposal shows the path along which the research is going to unfold. The literature in the literature review has been assessed and analyses done. A research methodology was designed.

The researcher will collect and analyse the data and progress with the data to get findings and implement the proposed campaign for financial education. Ethical considerations will be observed by the researcher. Brynard and Hanekom (1997:4) state that a researcher should at all times and under all circumstances report the truth, and should never present the truth in a biased manner. This concludes this chapter and leads to chapter 2 in which the literature will be reviewed.

CHAPTER 2: LITERATURE REVIEW AND THEORETICAL FOUNDATION

2.1 Introduction

The aim of this chapter is to review the literature regarding the theoretical concepts of financial literacy. Financial literacy has become increasingly important in both developed and developing countries. International organisations have come together to educate the world about financial literacy. The Organisation for Economic Co-operation and Development (OECD), the Department for Internal Development (DFID) and the World Bank have joined forces with the aim of providing financial education. These international organizations realize a need to educate people in financial literacy, to promote healthy financial lifestyles, to encourage savings for countries and to reduce the financial burdens of the consumers.

Financial literacy plays a significant role in changing the financial status of people to healthy levels. Financial education empowers individuals to do personal financial planning that will promote savings, reduce and/or discourage debts and with money management skills, individuals learn to differentiate between a need and a want and make informed decisions.

The Department of Trade and Industry (the DTI) has six (6) divisions and its Agencies. One of the divisions, the Industrial Development Incentive Administration (IDIAD) administers incentive programmes. Incentive programmes offer financial assistance to manufacturers of products or services prioritised by the DTI. The incentive programmes involve money, money that should be budgeted and accounted for in terms of the Public Finance Management Act (PFMA). Handling taxpayers' money without the knowledge and understanding of finances is a huge risk for the Department. Financial education should commence with the Trade and Industry Advisor (TIA) staff at the DTI. The PFMA requires officials who handle public funds to be responsible and accountable. In an attempt to achieve the objective of the PFMA, the Trade and Industry Advisor staff (TIA) at the Department of Trade and Industry (DTI) should be financially literate to overcome the challenges of making informed decisions regarding their financial matters. Statistics prove that government staff are over-indebted, surviving from hand to mouth, and have insufficient disposable income to meet the day-to-day and monthly obligations.

Various researchers have undertaken studies on financial literacy focusing on colleges and high schools. Limited research has been done that focuses on financial literacy in the workplace, hence the research on analysis of the need for a financial literacy programme for the Trade and Industry Advisor staff at the Department of Trade and Industry. The TIA staff are the entry-level graduates entering the labour market at the DTI.

2.2 Studies focused on financial literacy

The Jump$Start Coalition Survey first began measuring financial literacy in 1997. Financial literacy was literally unknown at that time. The first survey was done amongst 1 509 high school seniors from 63 high schools, followed by college students. The Jump$Start survey was designed and administered by Lewis Mandell. Mandell (1997) reports an average correct score of 57% in the areas of income, money management, savings and retirement, and spending. His conclusion is that students are leaving schools without the ability to make critical decisions affecting their lives.

Researchers have found financial literacy to be a challenge to our society. A survey has been conducted amongst high school children, in colleges and universities and it has been found that many participants lack financial education. It is envisaged that high school students consistently find that they are not receiving a good education in personal financial matters.

The researchers Volpe, Chen and Pavlicko (1998:90, 92) conducted a survey on personal financial literacy, the relationship between literacy and the students' characteristics, and the impact of literacy on students' opinions and decisions. The overall mean percentage of the correct scores is 52.87%, indicating in a survey involving 924 college students from thirteen colleges that on average the participants answered only about half of the survey questions correctly. The findings suggested that college students' knowledge on personal finance is inadequate.

A survey was conducted amongst college students

- to determine the knowledge of personal investment;
- to determine in what areas investment illiteracy is most evident among college students; and
- to determine the relationship between illiteracy, gender, academic discipline and experience.

Danes and Hira (1987) surveyed 323 college students on their knowledge of debt management (credit cards and personal loans), insurance, money management, financial management, and record keeping. They concluded that college students are not literate in personal finance. The survey reported that consumers believe that financial information is difficult to find and understand (OECD, 2005: 98).

2.3 Defining Financial Literacy

The Oxford Dictionary (2012) defines financial as means connected with money and finance, and literacy means read and write. According to Brown, Saunders, Beresford (2006:181) literacy is a metaphor that involves the ability to read and comprehend financial information, whether presented as text or pictures, in other words, the ability to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. Brown, *et al.* (2006:181) attest that reading and writing are skills necessary for the attainment of literacy. To be literate is not only to be able to read and write but also to understand that which has been read or written.

Financial literacy is the ability to understand the implications of key financial decisions and to manage money through budgeting, saving, investing and protecting assets (Claxton, 2008:16). Hogarth (2002:15) describes financial literacy in behavioural terms stating that financially literate individuals are: knowledgeable, educated and informed on the issues of managing money and assets, understand the basic concepts underlying the management of money and assets and use that knowledge and understanding to plan and implement their financial decisions.

The American Institute of Certified Public Accountants (AICPA) defines financial literacy as the ability to effectively evaluate and manage one's finances in order to make prudent decisions toward reaching life goals and achieve financial well-being (AICPA, 2008:5).

The Organisation for Economic Cooperation and Development (OECD, 2005: 26) defines financial literacy as the process by which financial consumers/investors improve their understanding of financial products and concepts, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, make informed choices, know where to go for help, and take other effective actions to improve their financial well-being.

The financial literacy phenomenon involves the haphazard use of the term financial literacy; secondly, it relates to the perception that financial literacy involves two separate systems, namely the information system and the human behaviour system, which means that it is not regarded as a single encompassing process. Financial literacy can be regarded as the interface facilitating a high degree of understanding between the financial information system and the human behaviour system (Gouws & Shuttleworth, 2009:144,147). The financial literacy definitions have similarities and authors are in agreement that the definition of financial literacy includes interpreting financial information, money management and the ability to read and write and the importance of consumers being aware of the financial risk. The researcher will do a need analysis of financial literacy amongst the DTI staff at a TIA level and propose a development intervention that a financial literacy programme be designed should a need arise on the main findings.

2.4 Lack of Financial Literacy

If consumers are not aware they need information, they will not seek it out. Policymakers therefore need to think about the best ways to reach these consumers and convince them that they need financial education (OECD, 2005:45). The survey conducted by OECD indicated that many consumers have little knowledge about common financial products and lack information on such basic financial issues as the relationship between risk and return.

An individual who lacks financial literacy will not be in a position to make informed decisions, such as opening a bank cheque account. The information below clearly indicates that a financial literate individual will be able to make an informed decision and choose to open a gold cheque account at a bank with competitive rates.

Bank	Type of Account	Annual Fees
Standard Bank	Gold Cheque	R 95.00
ABSA	Gold Cheque	R98.00
Nedbank	Gold Cheque	R 99.00
FNB	Gold Cheque	R49.00

Table 1

Source: Own Research

Lack of financial literacy poses a risk to the organisation and to individuals. Risk management involves financial planning for a crisis or problem through the use of insurance: health insurance for sickness, home and automobile insurance for accidents or replacement, and life insurance for death (Claxton, 2008:18)

If one does not plan for the future, risk will not be manageable. Hopkin (2010:13) states that risk may have positive or negative outcomes or may simply result in uncertainty. The importance of risk management should not be seen as relating only to organisations; risk also affects individuals. . Financial literacy prepares consumers for the future. A financially literate consumer thinks ahead and plans for the future. Financial literacy is relevant for the poor and the rich.

Getting rich is common sense requiring only simply maths. According to Trump and Kiyosaki (2011:76) mentioned that because millions of people lack financial resources they expect the government to solve their financial problems or to take care of them. The staff should realise a need for financial literacy to maintain a healthy financial status, financial independence and economic freedom.

2.5 Need for Financial Literacy

The need for financial literacy has become significant with the deregulation of financial markets and the easier access to credit as financial institutions compete strongly with each other for a market share, the rapid growth in development and marketing of financial products, and the Government's encouragement for people to take more responsibility for their retirement incomes (Marcolin & Abraham, 2006:2).

The OECD, the U.K Department for International Development (DFID), and the World Bank Group introduced the topic of financial literacy and discussed its relevance for developing countries. These organisations are promoting financial literacy in developing and emerging markets because of the positive direct impact this can have on access to finance and savings, which in turn supports livelihoods, economic growth, sound financial systems and poverty reduction (Miller, Godfrey & Levesque and Stark, 2009:3).

The primary goal of any employee education programme is to provide the necessary advice and supporting services to assist employees in accomplishing savings and investment objectives.
According to the Finance Minister, Pravin Gordhan, speaking at the launch of savings month 2011, mentioned that "South Africa should learn some lessons on saving from countries, such as China, India and Russia. South Africa's gross savings rate equated to 16% of GDP in 2009, compared to China's 52%, India's 37% and Russia 22% in the same year, South Africans do not see the need or the importance of saving". Living with credit has become a norm to many individuals.

According to the SA Reserve Bank Quarterly Bulletin (March 2012), South Africa's gross saving as a percentage of gross domestic product increased marginally from 15.6% in the third quarter of 2011 to 16.3% in the fourth quarter. The country's annual saving ratio declined marginally from 16.6 % in 2010 to 16.4% in 2011, despite the increase in gross saving.

In his State of the Nation Address (2012), the President of South Africa states the intention to encourage voluntary savings, and that consideration is being given to the introduction of tax-exempt short- and medium-term savings products. The proposal is that individuals should be permitted to save up to R30 000 a year, with a lifetime limit of R500 000 in registered savings or investment products that would be free of tax on interest, dividends or capital gains.

TIA staff should be taught to be savers and be discouraged from unnecessary spending. Due to a lack of financial education and awareness, employees are not looking to the future to improve their financial independence. Trump and Kiyosaki (2011:51) attest to the fact that money does not make you rich. Knowledge makes you rich and knowledge is derived from a process. Fees for many products in the financial sector remain too high. High costs in savings products undermine the national objective of getting people to save more. The financial industry must take more urgent steps to reduce costs and introduce more appropriate and transparent saving and investment products, including annuities.

Many consumers in the country and internationally are in debt and survive on the money that belongs to the financial institutions. Financial institutions have been lending money recklessly to consumers and failed to conduct affordability tests before lending. Kayosaki (2011:108) states that there is good debt and bad debt. The purpose of getting financially smart is to know when to use debt and when not to.

The world economy was shattered by the so-called subprime credit crisis in the US that came about in September-October 2008. It led to the failure of several banks in the US and other countries, and a serious credit shortage ensued. Economic confidence disappeared, durable consumer expenditure and residential (and other) investment dropped (Fourie & Burger, 2010:128). Financial literacy is important to individuals and the organisation in order to make informed decisions. Individuals should be encouraged to save and move away from creating unnecessary debt, such as that by means of credit cards, personal loans, temporary short-term revolving loans and overdrafts.

In order to promote the effective management of revenue, expenditure, assets and liabilities, public officials should possess particular skills and competencies. These require new training priorities in an increasingly commercialised training environment (Fourie, 2002:124).

Financial literacy should actually start at home. Children should be taught at an early stage to identify their need and want and be able to separate the two. Parents have an important role to play in ensuring financial literacy is learnt at an early stage. Children should learn budgeting skills and savings at an early stage. Recent studies about the financial knowledge of teens indicate that they are transitioning into the adult financial world ill prepared to function efficiently. The knowledge will be transferred from one generation to the next generation. Children will learn at an early age to understand the value of money and the importance of financial planning. Failure to manage money matters results in household conflicts, unfulfilled dreams, divorces among couples and an unhappy life.

2.6 Personal Financial Management

Personal financial management is an important concept that affects everyone Swart (2010:4) mentions that knowledge of personal financial management enables each individual and household to make better and more informed decisions.

According to Vahidov (2010:79), personal financial management involves a number of important tasks, such as planning and budgeting, cash flow control, investment, taxation and insurance.

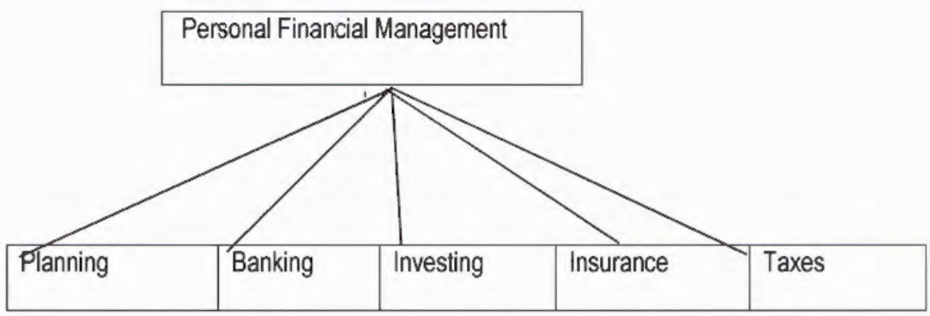

Table 2

Source: Vahidov, R. (2010:79)

Realising the importance of personal investment, more people are seeking help from financial planners. Many companies have started offering investment education to employees (Volpe, Chen and Pavlicko, 1996:86). Consumers are reluctant to invest and Trump & Kiyosaki (2011: 131, 136) suggest there are three reasons why most people think investing is risky, namely:

- they have very little financial education;

- they invest in investments where they have no control – investments, such as savings, stocks, bonds and mutual funds; and

- they take investment advice from salespeople, who also have no control over the investment.

2.6.1 Personal Financial Planning

According to Swart (2010:5), personal financial planning involves the determination of immediate, short-, medium- and long-term goals by means of a personal financial planning process based on one's own identified lifestyle, phase(s) of the life cycle, risks and needs in all the various personal financial planning areas in order to be able to retire with financial independence.

The importance of personal investment decisions cannot be overemphasised because they have a direct impact on people's quality of life (Volpe, *et al.* 1996:96). Personal financial planning includes investment planning, career planning, estate planning, retirement planning, income tax planning, healthcare planning, business planning, protection planning, family planning and credit planning.

If a consumer buys a property, financial literacy comes into play. The consumer needs to have the knowledge of the interest rates offered by the lenders, estate agency fees, valuation costs, transfer duty, transportation costs, conveyancers' fees and other expenses related to the buying of the house.

Hopkin (2010:242) states that there is a relationship between personal risk appetite and lifestyle decisions. Individuals will need to take lifestyle decisions based on risk appetite, risk exposure and risk capacity. Today's society is faced with many dread diseases; some of these diseases come untimely without any proper financial planning.

Financial planning has its own limitations depending on the status of the individual. The planning depends on classes for the family and society in general.

Some consumers ignore financial planning because of the following factors:

- lack of financial education;

- high unemployment;
- no comparative advantage in interest rates;
- high costs of doing business with the banks;
- not taught in school; and
- high standard living after high school education.

Raijas (2011:3) states that personal financial management starts with personal financial planning. Personal planning is about managing household affairs. Managing the household involves planning. Managing involves planning, organizing, leading, and controlling. The rational view of money management is that it is a process including planning, information search, decision making, implementation, and control.

Knowledge of money matters is a prerequisite for efficient personal financial management and planning. Planning involves short-term, medium- and long-term planning. Short-term planning is the ability to have disposable income to meet one's day-to-day needs. Medium-term planning allows an individual to plan for buying a car, house, and for children's education. Long-term planning is having financial independence: for a properly planned future. Long-term planning is aimed at saving in pension funds, retirement annuity funds, and investments.

Personal planning is defined as the organisation of an individual's financial and personal data for the purpose of developing a strategic plan to constructively manage income, assets and liabilities. Personal financial planning is about planning your life, your finances and taking responsibility and being accountable. Money management within families is a demanding task where sound knowledge and various skills are needed. In practice, money management is influenced by various factors, such as socio-economic status, marital status and the family's phase of life (Raijas, 2011:2).

Swart (2002:5) describes the six parts of the wheel, which focus on six areas that include the following:

- Basic planning
- Budgeting
- Debt/Financing
- Retirement
- Investments
- Start a new business

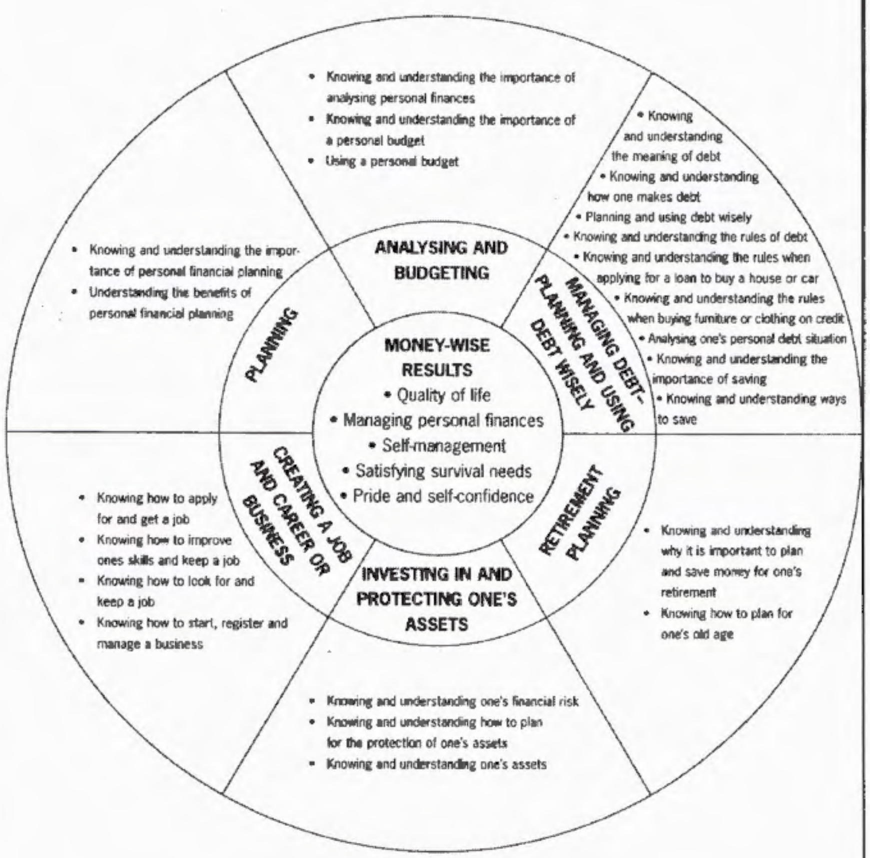

DIAGRAM 1.3: Money skills wheel
(Source: Swart & Coetzee 2000:52)

Table: 3

Source: Swart & Coetzee (2000:52)

The on-going global financial crisis has led to a considerable economic slowdown in most

countries within the Euro zone (with the exception of its most recent member, Slovakia) and in addition to the United States of America (USA), Japan and the United Kingdom (UK), all the countries across the globe add to contracting domestic output in several advanced economies. (Mittra, 1990:5)

2.6.2 Personal Financial Performance

Managing personal finances is the ability of managing an individual's net worth. Similarly in the company the management should have the knowledge of managing the net worth of the company. Nowadays financial management responsibilities are widely diffused and are no longer the exclusive interest of the chief financial officer (CFO). This demands a high degree of financial literacy from managers throughout the organization (Beauchamp & Hicks, 2005:16). Personal financial literacy has become significant globally even though in South Africa not much has been done to promote the concept. Research findings conducted by Shuttleworth & Gouws (2009:163) indicate that an overwhelming percentage of the respondents perceive financial literacy as an important step on the road to sustainability and that it would be to the overall benefit of an organisation if decision makers at all levels were financially literate.

Trump & Kiyosaki (2011: 133) mention that entrepreneurs and real-estate investors have six controls, namely income, expense, asset, liability, management and insurance. The authors further mentioned that when they speak about financial education, they are speaking about the education that gives you the knowledge about how to control these six factors.

In an effort to increase the participation of consumers in saving plans, the National Treasury has introduced and markets the RSA Retail Bonds. The RSA Retail Bonds are a way of encouraging South African citizens to save. A minimum of R 1 000 is required to open the RSA Retail Bond account. The RSA Retail Bonds are available at Pick n Pay, Boxer, Score supermarkets, the Post Office and online.

2.7 Social Economic Impact of Financial Literacy

According to Kayosaki (2011: 66), proper financial education and preparation can increase an individual's financial IQ in order to ride the rough waters to become richer rather than poorer. The awareness on financial literacy will lead individuals to become entrepreneurs and contribute to the economy.

Support for the development of informal and formal businesses can lead to higher profits, and employment levels, which, in turn, can contribute to a bottom-up transition out of poverty for entrepreneurs and workers (Sievers & Van den Berg, 2007:1341).

For success, linkages must provide benefits to the three key actors involved, namely enterprises, business development services providers and micro-finance institutions.

The researcher reviewed the changing trends among practitioners and donors regarding support to micro small enterprise (MSE). The review suggests that there has been a movement from poorly designed linkages to a credit-only approach and then, more recently to an effort to design linkages that are better structured and more sustainable.

The researcher identified two types of linkage: voluntary and compulsory linkages. Choice allows services to respond to the heterogeneity of enterprise needs. This was evidenced in Ghana where the researcher found that there are weak institutional linkages between the government and non-government agencies concerned with skills development and employment start-up does not function coherently. This lead to training taking place in the absence of essential support services, such as savings, credit and insurance services, extension services, post training support, and social protection.

The acquired financial knowledge will broaden the minds of individuals to set up own companies. This was evidenced in Ghana where formal sector employment was continuing to fall, and the great majority of all school leavers, up to 90%, are obliged to enter the informal, micro-enterprise economy in both urban and rural areas. The issue of what happens next to these school graduates is crucial (Palmer, 2007:398).

2.8 Limitations of Training Programme

2.8.1 Training programme

The DTI offers training to the staff. The training is organised and co-ordinated by the Human Resource Learning Centre unit. The training is mostly offered in-house and sometimes outside. The external service provider facilitates the training of various courses. The Learning Centre issues an annual calendar of the training programmes. The members of staff indicate their training needs every financial year in the work-plan agreements.

Normally the training programmes are one size fits all; they do not address the needs of individuals. Limited training is offered in financial management courses.

At present government spending on training activities for officials does not meet the real needs, which exist, and there is very little if any co-ordination of training efforts (Fourie, 2002:128).

Programme design and development is a process carried out almost entirely by trainers and the needs of the clients are often ignored. Training programmes are developed by training providers to fit their capacity and are not addressing the real needs identified in the survey (Fourie, 2002:136).

The Learning centre has never conducted a need analysis to determine courses that are preferred by employees for developmental growth. A call for new proposals to be included in the annual calendar of courses is never done. A staff member identifies a course that is not offered in the annual training calendar and negotiates with the Leaming Centre for consideration.

In order to promote the effective management of revenue, expenditure, assets and liabilities public officials should possess particular skills and competencies. These require new training priorities in an increasingly commercialised training environment. Training providers often develop training programmes according to their own capacity and do not necessarily address the real training needs (Fourie, 2002:124).

Methods that can be used in the implementation of the financial literacy training programme are:

- On-line support – intranet, internet
- One-to-one advice

- Employee induction
- Team-building sessions
- Seminars
- Websites
- Multimedia
- Training workshops offered by the organisation

2.8.2 Effects of workplace financial education

The Constitution of the Republic of South Africa, Section 29(1) states that everyone has the right to a basic education, including adult basic education, and to further education, which the state, through reasonable measures, must make progressively available and accessible.

The Performance Financial Management Act (PFMA) regulates financial management in the National and Provincial governments to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively, to provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith (PFMA).

Influence of financial management, education and training on personal money matters

Increase in personal prosperity

↑

Efficient use of personal financial resources

↑

Successful personal financial managers

↑

Personal financial management education and training

According to Maxwell (2007: 267), as you work to build your organisation, remember that

- Personnel determine the potential of the organisation
- Relationships determine the morale of the organisation
- Structure determines the size the organisation
- Vision determines the direction of the organisation

2.8.3 Financial Training Models

Dirks, Kingston & Haggith (1995:91) developed a knowledge-based system (KBS) for Personal Planning. The KBS was developed for private investors. The KBS model is a four-layer model of expertise, which divides problem solving into four layers, namely

- Domain layer
- Inference layer
- Task layer
- Strategy layer

Traditionally individuals used a trial-and-error method to do personal financial planning. The financial plan begins with financial goals, the status of finances, and budgeting. The trial-and-error method was continuously adjusted until the desired result was achieved. Limitations of the KBS for personal financial planning are that it can be only used by a trained sales consultant, personal financial planner and very consultants.

The researchers ChiangLin and Lin (2008:374) designed the fuzzy goal programming model for financial planning. The fuzzy goal programming for financial planning considers the incomes from salary and the expenses for living, purchasing a house, and raising children. The researcher considered four objectives: the level of living expenses, the time to buy a house, the value of the house, and the pension available at retirement. The researcher finds the traditional method tiring and the mathematical programming to be the only way of solving the financial planning problem. A model for this problem must be designed before a mathematical programming method can be used to solve the problem.

Robert Kiyosaki, the co-author of "Why we want you to be rich" is an example of an individual who took the initiative to educate himself on finance. The author taught himself the financial language outside the university. He has spent two of the most important resources to acquire the knowledge: time and money. He has done the following to keep himself knowledgeable about financial literacy:

- attended seminars;
- listened to many tapes and CDs;
- read business books;
- had mentors and advisors; and
- made practice what he has learned.

2.9 Summary

The literature review was conducted focusing on the studies of financial literacy, the need for financial literacy, lack of financial literacy, financial planning was discussed and its importance. There are some similarities in the definition of financial literacy. The next chapter will focus on the research methodology that will address the research design and collection of data, sampling and analysing the data.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

In the previous chapter the literature review was conducted focusing on financial literacy in the workplace. This section describes the research methodology and research design used to determine a need analysis of financial literacy at the Department of Trade and Industry for the Trade and Industry Advisor staff. The following aspects are dealt with: research design, method of data collection, sampling, data analysis, ethical consideration and summary.

3.2 Research design

Cooper and Schindler (2003:146) define research design as the plan and structure of investigation so conceived as to obtain answers to research questions. They further explain that the plan is the overall scheme or programme of the research, which includes the outline of what the researcher will do, from writing the hypothesis and the operational implications to the final analysis of data. In developing a research design, a series of decisions, along with four dimensions must be made (Terblanche & Durrheim, 1999:33)

- The purpose of the research
- The theoretical paradigm informing the research
- The context or situation within which research is carried out
- The research techniques employed to collect and analyse data.

Neuman (2000) and Bless and Higson-Smith (1995:156) distinguished between quantitative and qualitative research design. Bless and HIgson-Smith (1995:156) define qualitative research as a method conducted by using a range of methods, which uses qualifying words and descriptions to record and investigate aspects of social reality. Quantitative research design includes experiments, surveys and content analysis.

The research design selected for this purpose is the quantitative research method, where a questionnaire was distributed in the form of a survey.

3.3 Population and Sampling

3.3.1 Population

Temane (2009:22) describes population as a complete set of observations, people, and objects. Malhotra (2004:315) describes a target population as the collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made. Selection of the population was done at the Department of Trade and Industry. The population consists of 150 participants on the entry level of the Trade and Industry Advisor (TIA). Three divisions were selected, namely the Group Systems and Support Services Division (GSSSD), Trade and Investment (TISA), and the Industrial Development Incentive Administration (IDAD). The selected participants are working in business units of finance and financial incentive programmes.

3.3.2 Sampling and sample size

Coldwell & Herbst (2004:22) define sampling as the act, process or technique of selecting a representative part of a population for the purpose of determining parameters or characteristics of the whole population. They further argue that there are five main reasons for sampling, instead doing a census:

- Economy
- Timelines
- The large size of many populations
- The inaccessibility of a particular population
- Accuracy or precision

Sampling is described as a portion of the element in a population. Sampling methods are classified as either probability or non-probability. Probability methods include random sampling, where members are selected from the population in some non-random manner. These include convenience sampling, judgment sampling, quota sampling, and snowball sampling (Temane, 2009:23). The sampling method used for this purpose is non-probability sampling.

The researcher used non-probability sampling where simple random sampling was used to select participants from the list of all staff. A sample of 100 participants was selected from a population of 150. Furthermore, sampling enables the investigator to aptly supervise the elements under study. It also ensures that the investigator is able to process information faster than can be possible with the population (Cooper 2005:206).

3.3.4 Sample size

According Malhotra (2004:318), sample size refers to a complex exercise to determine a sample size and involves several qualitative and quantitative considerations.

De Vos, Strydom, Fouché and Delport (2002:199) state the following with regard to sample sizes:

- that the larger the population, the smaller the percentage of that population the sample needs to be;

- a larger sample enables researchers to make more representative and more accurate predictions than from smaller samples, although this is costly; and
- by increasing the sample, smaller and smaller effects will be found to be statistically significant.

3.4 Data Collection

Data is an important part of any research in that it does not only give the description of how data will be collected, but also constitutes the basic information from which conclusions will be drawn (Monette, 2000:11). According to Temane (2009:38), data collection methods include a variety of techniques: sampling, secondary data, observation, interviews and questionnaires. Qualitative data collection is dependent on the personal involvement of the researcher and qualitative researchers tend to select a few participants who can best shed light on the phenomenon under investigation (Leedy and Ormrod, 2005). Data collection methods are those specific procedures utilized by the researcher to obtain information about the topic at hand from the subset in choosing the appropriate data collection methods. It is imperative that the researcher consults the research problem to determine the appropriate instruments and protocols for data collection (Cooper and Schindler 2003).

3.4.1 Primary data

Primary data are data collected with a specific purpose in mind. Such data are usually gathered by the researcher via surveys conducted face-to-face, by telephone, or through the mail, experiments carried out in the laboratory or in a natural setting, or observation methods (using mechanical devices or humans to record observed behaviour). Secondary data are data, which have not been gathered expressly for the immediate study at hand but for some other purpose. Such data, however , might be of relevance/use for a particular research project (Diamantopoulos & Schegelmilch, 2000:4) offen used in research projects that also use primary data collection methods, and it includes written documents, such as notices, correspondences, minutes of meetings, reports of shareholders, diaries, transcript of speeches, administrative and public records (Saunders, Lewis and Thornhill: 2003: 190).

3.4.2 Questionnaires

A written request was prepared by the researcher addressed to the Director-General of the Department of Trade and Industry seeking permission to conduct the study. Permission was granted by the Accounting Officer of the Department.

Questionnaires were distributed personally and by e-mail to the staff of the Department of Trade and Industry for completion. Research shows that when a researcher distributes the questionnaires, picks them up or does both, the completion and response rate is higher than when left to respondents to mail them back (Babbie and Mouton, 2001:25 3).

A questionnaire is a set of questions on a form, which is completed by respondents in respect of a research project (DeVos 2000:152). Because each person or respondent is asked to respond to the same set of questions, it provides an efficient way of collecting responses from a large sample prior to quantitative analysis. The questionnaire used the five-point Lickert scale to accommodate participants. The Lickert scale is easy to complete and easy to understand in order to ensure that the questionnaire can be used for descriptive and exploratory research. According to Saunders, *et al.* (2003:281), the design of the questionnaire normally affects the response rate and the reliability and validity of the data collected. Therefore response rate, validity and reliability can be maximized by

- careful design of individual questions,
- clear layout of the questionnaire form,
- lucid explanation of the purpose of the questionnaire,
- pilot testing, and
- carefully planned and executed administration.

In ensuring validity and reliability of primary data collected in the form of a questionnaire, the researcher took into account the above-listed principles for ensuring validity and reliability.

The questionnaire is divided into five (5) parts, namely

Part 1: Information on how to complete the questionnaire

Part 2: Six questions related to personal particulars

Part 3: Nine questions relating to the understanding of financial literacy

Part 4: Three questions relating to the involvement of management in financial literacy

Part 5: Four questions were asked to determine the level of knowledge regarding the organisation's financial matters.

When the above questions have been addressed, the following type of questions could, according to Bennett (1997:42), be used in a questionnaire:

- open-ended questions, which require the respondents to provide their own personnel opinions and answers to the questions;
- multiple-choice questions, which require the respondent to choose an answer or alternative answer from a list provided within the questionnaire;
- dichotomous questions, which are the opposite of multiple-choice questions and which allow the respondent only one or two responses, such as "Yes" or "No";
- a standard five-point Lickert Scale, which is used in most questions, in order to ensure consistency and which is also easy to complete by the relevant respondent; and
- a nominal scale, which is used for questions relating to demographics that can be completed by the respondent by means of multiple-choice format.

Cooper and Schindler (2006:253) provide a comparison of communication approaches. The advantages and disadvantages of self-administered surveys, telephone surveys and surveys through personal interviews are comprehensively dealt with. The advantages of interviews as outlined by Healey and Rawlinson (1994) are flexibility and consistency between research question(s) and objectives. Using this as a basis it was decided to use the self-administered questionnaire. Observation of company documents was also used in the process. The target group to whom the questionnaire was distributed consisted of staff at entry level of the advisory division at the Department of Trade and Industry.

3.4.2.1 Advantages of a questionnaire

Using a questionnaire has been found to have several advantages (Bailey, 1994:148):

- considerable saving of money,
- time saving,
- the questionnaire may be completed at the respondent's convenience,
- greater assurance of anonymity,
- standardised wording,
- no interviewer bias, and
- secure information.

3.4.2.2 Disadvantages of a questionnaire

Although this method of data collection seems to be cheaper and more convenient, it has its disadvantages, which according to Bailey (Ibid) are as follows:

- low response rate,
- many questions may remain unanswered,
- no control over date of response, and
- lack of flexibility.

3.4.3 Construction of a questionnaire

According to Babbie and Mouton (2001:250), there is always a possibility of error in the construction of a questionnaire, irrespective of how careful the researcher would have been, in constructing it. Marshall and Rossman (1995), in De Vos (2005:345), observe that all research must respond to canons that stand as criteria against which the trustworthiness of the project can be evaluated. The canon in this study is the questions used in the questionnaire and the participants' responses to them.

3.4.4 Pre-testing

Before the questionnaire was sent out, it was pre-tested, using Master's students at the DTI, and fellow MBA students. The purpose of pre-testing was to ensure that the questionnaire addressed the problem, and was able to collect the required data. Bailey (1994:152) highlights the following as the purpose of pre-testing;

- that the vocabulary and instructions are simple and clear,
- none of the words are ambiguous,
- none of the statements are inappropriate, and
- the attention of the respondents is aimed at the duration of the procedure.

As a result of pre-testing, the researcher was able to detect issues, which were irrelevant in the questionnaire, and was able to amend the questionnaire, thus ensuring that it was relevant and able to gather the required information.

3.5 Reliability, Validity and Trustworthiness

3.5.1 Reliability

According to Lunenburg and Irby (2007:181), reliability is the degree to which an instrument consistently measures whatever it is measuring. There are five different types of reliability, each of which deals with a different kind of instrument consistency:

- Test-retest
- Equivalent-forms reliability
- Internal consistency reliability
- Alpha reliability
- Split-half reliability
- Interrater reliability

The reliability of a measurement procedure is the consistency of the measurement. This means that the same variable measurement procedure was identical measurement. It refers to measuring instruments and the ability to yield consistent numerical results. Each time it is applied, it does not fluctuate unless there are variations in the variable being measured. Gravelter and Forzano (2003:91), in De Vos (2005:163), suggest the following procedure to increase reliability measures:

- Clearly conceptualize all constraints;
- Increase the level of measurement;
- Use multiple indicators of a variable; and
- Use pre-tests, pilot studies and replications.

In this study, the researcher used more questions in a questionnaire to measure each aspect of a variable. Reliability is concerned with what is being measured and how well it is being measured. The more reliable the questions and observation the more consistent and dependable are the results.

3.5.2 Validity

Malhotra (2004:264) defines the validity of a scale as the extent to which differences in observed scale scores reflect time differences among objects on the characteristics being measured, rather than systematic or random error.

Diamantopoulus and Schlegelmilch (2000:34) mentioned various forms of validity:

- Content validity is the extent to which a measure appears to measure the characteristics it is supposed to measure.
- Criterion validity is the extent to which a measure can be used to predict an individual's score on some other characteristic.
- Construct validity is the extent to which a measure behaves in a theoretically sound manner.

The researcher structured the questionnaire in such a way that it measures the attribute under consideration and also relevant measurement of those attributes.

3.6 Analysis of data

Data was firstly captured on SPSS v9 on a personal computer. The extracted data was transferred and analysed by using the SPSS v18 statistical analysis programme that was available at the North-West University, Mafikeng

Campus. Data was analysed by using descriptive and inferential statistical methods. Findings were presented in graphs and tables. Before analysing data, one has to make sure of the measurement level of the data that were collected. There are many variables, which denote categories, while other variables give measurements or counts. Therefore variables were divided into two broad classes; qualitative data and quantitative data.

According to Denzin and Lincoln (2001:393), the analysis and interpretation of written material offer distinctive challenges, which enable the qualitative researcher to collect data, which would have not become available otherwise.

3.6.1 Quantitative data analysis

According to Cooper and Schindler (2003:87), data analysis is a process of reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques in order to derive functions and also to explore relationship among variables. This necessitates revision in data collection procedures and strategies. Data collection and analysis go hand in hand in order to build a content interpretation of data. Marshall and Rossman (1999:147-149), in De Vos (1995:335), contend that the researcher is guided by initial concepts and after developing understanding, shifts or modifies them as he/she collects and analyses the data. Data collection and analysis are intertwined in qualitative research; as the researcher is busy collecting data, s/he is also analysing the data. Integration of the steps in qualitative data analysis is referred to by Creswell (1998), Marshall and Rossman (1999), in De Vos (2005:334). The steps in qualitative data analysis include

- planning for recording of data;
- data collection and preliminary analysis;
- managing or organising the data;
- generating categories, themes and patterns;
- coding the data;
- testing the emergent understanding;
- searching for an alternative explanation; and
- representing and visualising.

The researcher used content analysis to analyse secondary data. Content analysis was chosen as the best-suited method to analyse secondary data. Babbie and Mouton (1995:306) defines content analysis as the process whereby researchers examine a class of artefacts, typically written documents. Goldenberg (1992:245) indicates that content analysis includes the study of private journals, letters, diaries, textbooks or articles, school, industry, hospital or government records, legislation, billboards and cartoons, television and radio shows, advertisements and records. In this study, articles, textbooks, government reports and documents and corporate reports were studied.

The study adopted a qualitative method and content analysis, focusing on the categorisation and structuring of the content of the body of the text in order to identify factors posing as challenges and constraints to the transfer of learning.

3.6.1.1 Strengths and weaknesses of content analysis

Goldberg (1992:246) indicated the following as weaknesses and strengths of content analysis:

Weaknesses

- Items are selectively deposited or retained and the retained data can therefore not be seen as a representative sample of the original data. This makes the generalisation of results to a population difficult.

Strengths

- It is unobtrusive and non-reactive. It has definitive advantages in ensuring low levels of distortion pertaining to internal validify.
- It is an economical or low-cost method.
- It is a method capable of measuring, describing and analysing temporal change. It can be historical, longitudinal or change over time.

3.6.2 Quantitative data analysis

Quantitative data analysis in a professional research method that can be conducted manually or by means of computer program called SPSS. The researcher utilised frequency distribution tables, graphs and charts to analyse data. The researcher analysed, made inferences and drew conclusions about these relations.

3.7 Ethical consideration

Collecting data from people raises ethical concerns. These include avoiding harm to the respondents by having due regard to their privacy and by respecting them as individuals with rights to give or with-hold information. In order to ensure that the respondents are protected, the researcher kept data collected confidential. The research did not require the respondents to fill in their personal details, such as names, surnames, date of birth or ID numbers when answering the questionnaire.

The researcher also censored the questionnaire to ensure that the language used was appropriate, not offensive to any respondents' cultural, religious or traditional belief systems and was at the level where all respondents were able to comprehend.

3.8 Summary

This chapter presented an overview of the research methodology that was employed in the study. In the next chapter, the results of the study are presented and discussed.

CHAPTER 4: RESEARCH FINDINGS AND DATA ANALYSIS

4.1 Introduction

In the previous chapter, the research methodology was proposed and the research questionnaire was structured. Research questions were crafted to assist the researcher with the testing and further understanding of the problem.

This chapter discusses the research findings and provides analysis and interpretation of data. In the survey, certain specific questions were asked and the analysis was done based on the application of Pearson correlation coefficient and value. The Pearson correlation coefficient indicates the relationships and their statistically significance of the listed variables in relation to each other. The p-value provides more information on how far down in the significant region the results lie (Diamantopoulos & Schlegelmilch, 2004). In order to detect variances between variables to test the hypothesis, the ANOVA technique was applied.

The layout of this chapter begins with the rate of return of the questionnaires at 4.2 then 4.3 is the discussion and analysis of variables. Section 4.4 refers to the results of the investigation then 4.5 is the measure of associations and 4.6 deals with the correlation co-efficient analysis for coefficients greater than or equal to 0.8 in the negative and in the positive, while 4.7 is the summary of the chapter.

4.2 Response Rate

One hundred (100) questionnaires were distributed, the researcher had a response rate of 90 signalling a forbearing response rate. The response rate from this study made it meaningful to the variable used. Responses given were very useful to the study to be able to make meaningful conclusion in chapter five. The following statistical sample will show that the sample met the strict rules and it was randomly selected. It is also acknowledged that, should somebody else want to use the results, they first test the results in their organisation so that it can be used to confirm the results.

4.3 Demographics

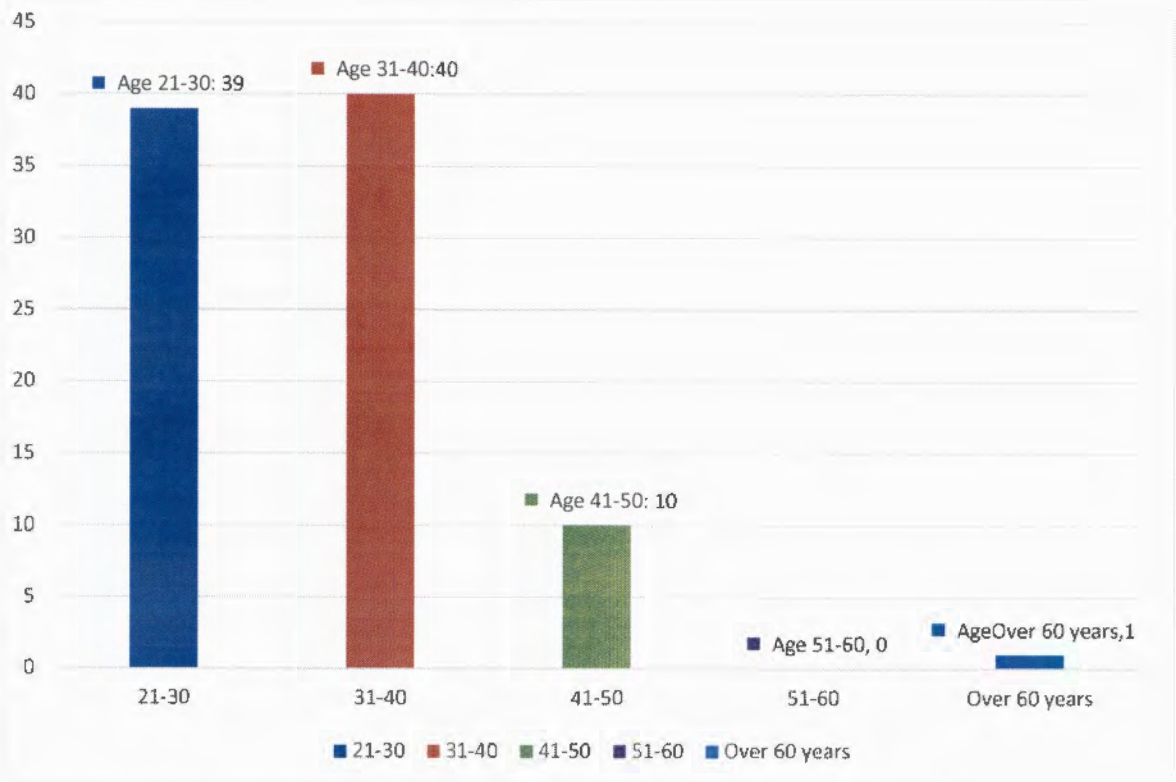

Figure 4.1: Age of Respondents

From 90 respondents, 39 respondents were aged 21 to 30 years; 40 were aged between 31 and 40 years; 10 were aged between 41 and 50 years and one respondent aged above 60 years old. People that responded mostly were those between 31 and 40 years old. It is important that this group responded, as they are the ones to inform older and younger employees about integration into the organisation.

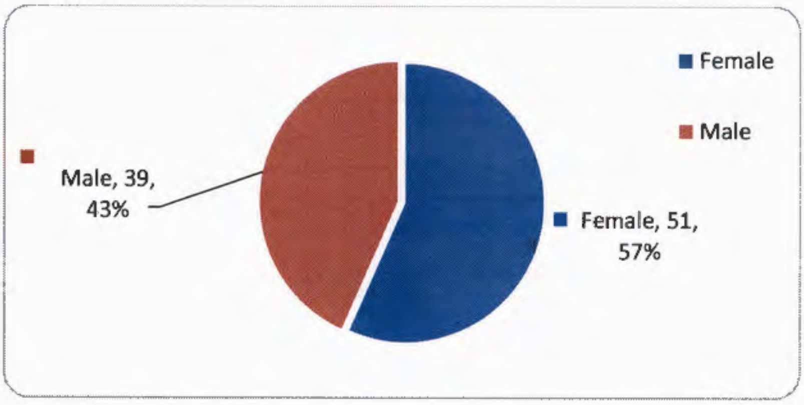

Figure 4.2: Gender of Respondents

Ninety (90) respondents completed and returned the questionnaires. Of these 51 were female and 39 male employees. It is evident from the figures above that the difference between male and female is not huge. Furthermore the sex distribution of respondents in the sample studied may be seen to represent the sexual distribution. It is also evident that both male and female employees are equally represented in the study. McGrath and Akoojee (2007) argue that the burden of unemployment falls mainly on the African population because most jobs that exist for them are casual, low-wage and are without benefits.

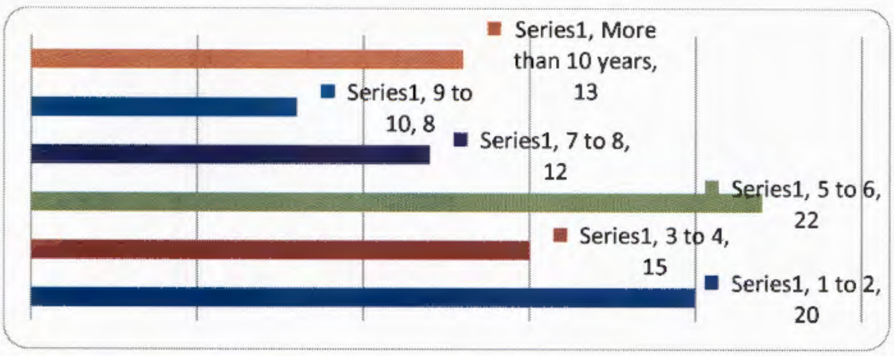

Figure 4.3: How long have you been working presently?

Figure 4.3 indicates that most of the respondents have a working history of between 5-6 years (22). There were 20 that worked from 1-2 years. There were15 workers from 3 to 4 years. There were 12 workers from 7 to 8 years. There were 8 workers from 9 to 10 years. There were 13 workers who have worked for more than 10 years. This is a good spread from the study. Figure 4.2 shows that females have been interacting in development to do their activities more frequently than men and thus females are better skilled and present at their workplace. McGrath and Badroodien (2006) argue that there were periodic bouts of employer agitation regarding the need for reforms to skills development in the past 15 years. However, it was the growing interest of the union movement to offer the principal drive to transform the South African skills development system along the lines seen today.

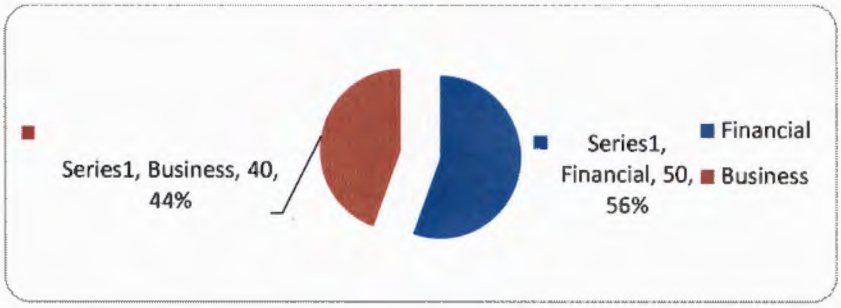

Figure 4.4:

Was your involvement in financial literacy at the Department of Trade and Industry from a financial or business perspective?

Figure 4.4 shows that most respondents were involved in financial literacy at the department of trade and industry from a financial or business perspective. 50 respondents were involved in financial literacy at the department of trade and industry from a financial or business perspective while 40 were involved in financial literacy at the department of trade and industry from a financial or financial perspective. It seems that the respondents who have better developed with a business perspective interact in activities frequently and are more likely to do all their activities in less than several times a week than the rest of the respondents.

4.4 Results of the investigation

The discussion will be in a form of question explanations and graphs. The questions will be explained with the support of Chapter 2. The graphs will be used as illustrations of the data collected. The researcher will then prove negative and positive results of the hypothesis formulated before the study through these results.

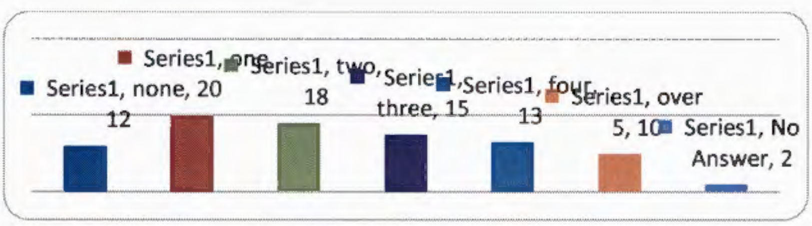

Figure 4.5:

How many financial literacy planning or implementations have you been involved in?

According to the questionnaires, 12 respondents indicated that they have not been involved in any financial literacy or implementations; 20 respondents indicated that they have been involved in one financial literacy or implementations; 18 respondents indicated that they have been involved in two financial literacy or implementations; 15 respondents indicated that they have been involved in three financial literacy or implementations; 13 respondents indicated that they have been involved in four financial literacy or implementations; 18 respondents indicated that they have been involved in more than five (5) financial literacy or implementations and 2 respondents did not want to answer these questions. The findings reveal that employees are expected to use as many tools to aid in their environment to be more flexible, engaging and challenging (Orrill, 2001).

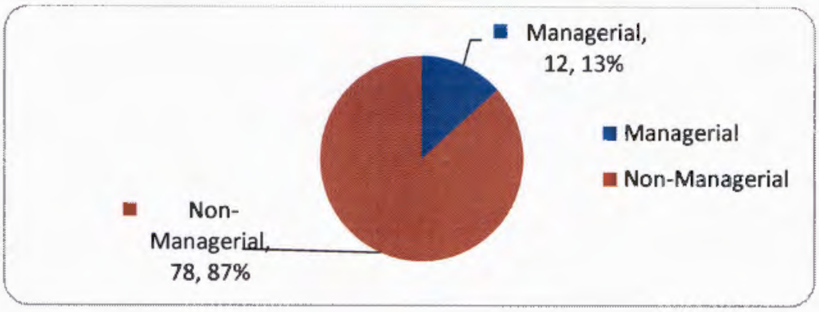

Figure 4.6:

What type of post are you in at work?

Figure 4.6 indicates that most respondents are in non-managerial positions at work (78). There are 12 in a management position. This is not a positive finding. Akoojee (2010) argues that the national response to the recession provided little in terms of the strife for equity. The tripartite agreement between South Africa's government, business and labour reached in February 2009 did not deal meaningfully with this transformational imperative. Thus despite finance emerging from the national skills levy system, the opportunity to induce workplace equity has been missed.

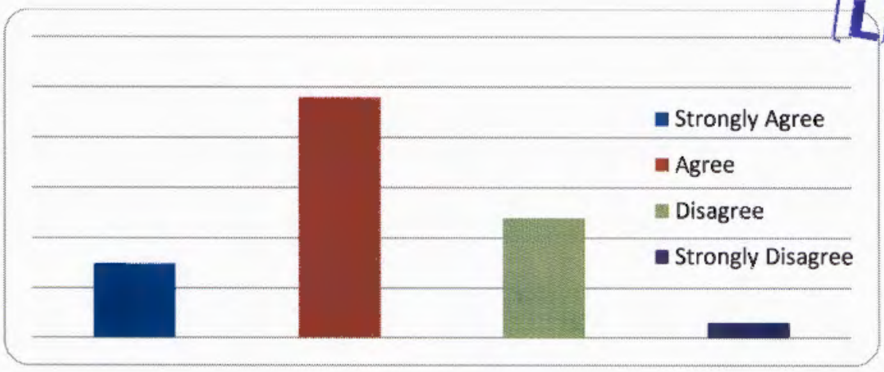

Figure 4.7:

Your financial area of financial literacy was implemented within the timelines originally stipulated?

Figure 4.7 indicates that the majority of respondents (48) had a financial area of financial literacy implemented within the timelines originally stipulated. Fifteen respondents strongly agree that a financial area of financial literacy was implemented within the timelines originally stipulated, twenty four respondents disagreed that the financial area of financial literacy was implemented within the timelines originally stipulated and three respondents strongly disagree that a financial area of financial literacy was implemented within the timelines originally stipulated. Trump and Kiyosaki (2011:51) state that the two most important resources to acquire the knowledge is time and money and has done the following to keep oneself knowledgeable about financial literacy:

- Attended seminars;
- Listened to many tapes and CD;
- Read business books;
- Had mentors and advisors; and
- Made practice what he has learned.

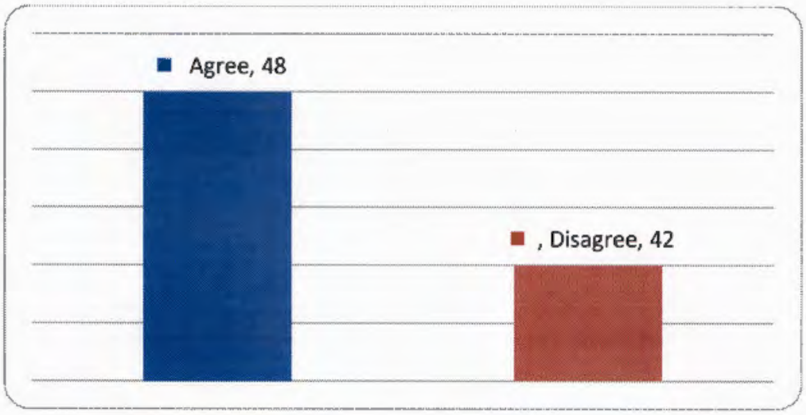

Figure 4.8:

The budget assigned while assuming you understand financial literacy appropriate?

Figure 4.8 indicates that 48 of the respondents' agree that the budget assigned to while understanding financial literacy was appropriate whereas 42 of the respondents' disagree that the budget assigned to while understanding financial literacy was appropriate. Figure 4.2 indicates the reason for the high representation of female employees within the trade and industry development environment. Public sector agencies are also struggling to cope with reduced or inadequate budgets and are continuously looking for ways to extract maximum value from different resources (Schwarz & Hirschheim, 2003:129).

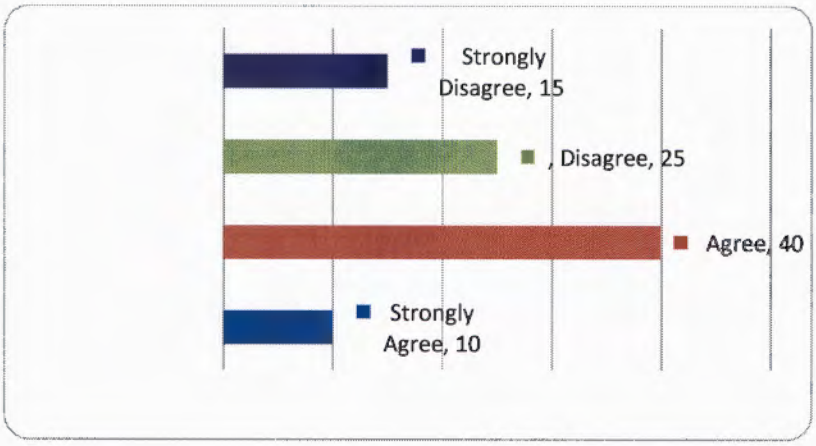

Figure 4.9:

Financial literacy had enough people resources assigned it in your functional area?

Figure 4.9 shows that most of the respondents (40) are somewhat impacted in financial literacy they did have enough people resources assigned to it in their functional area. Some 10 respondents strongly disagree that in financial literacy and they did not have enough people resources assigned to it in their functional area, 25 respondents disagree on financial literacy and they did have enough people resources assigned to it in their functional area and 15 strongly disagree on financial literacy they did not have enough people resources assigned to it in their functional area. There is need to address this problematic matter in the organisation of Trade Industry. This, in fact is a positive finding.

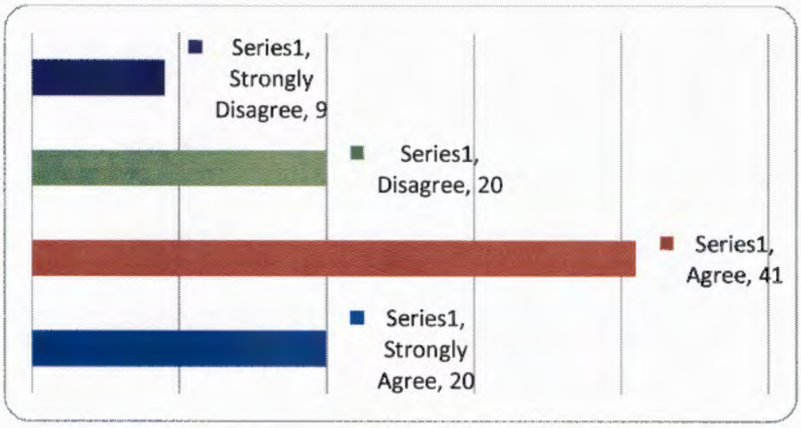

Figure 4.10:

Did your functional area receive sufficient and timeous training for financial literacy?

Figure 4.10 illustrates that most of the respondents (41) agree that their functional area received sufficient and timeous training for financial literacy. Some 20 respondents strongly agree that their functional area received sufficient and timeous training for financial literacy; 20 respondents disagree that their functional area received sufficient and timeous training for financial literacy and nine respondents strongly disagree that their functional area received sufficient and timeous training for financial literacy. The findings indicate that there are obstacles between employees with their training skills, building trust and that as the obstacles become lesser the more they will act on what they believe. Employees are encouraged to build capacity through teamwork and co-operation, and to make management and administration more cost and time effective (Orrill, 2001). An experienced and well trained employee can be defined as a person who can perform difficult tasks while working without help or supervision. The manager's attribute and decisions in all aspects are essential for staff members to function well in their positions.

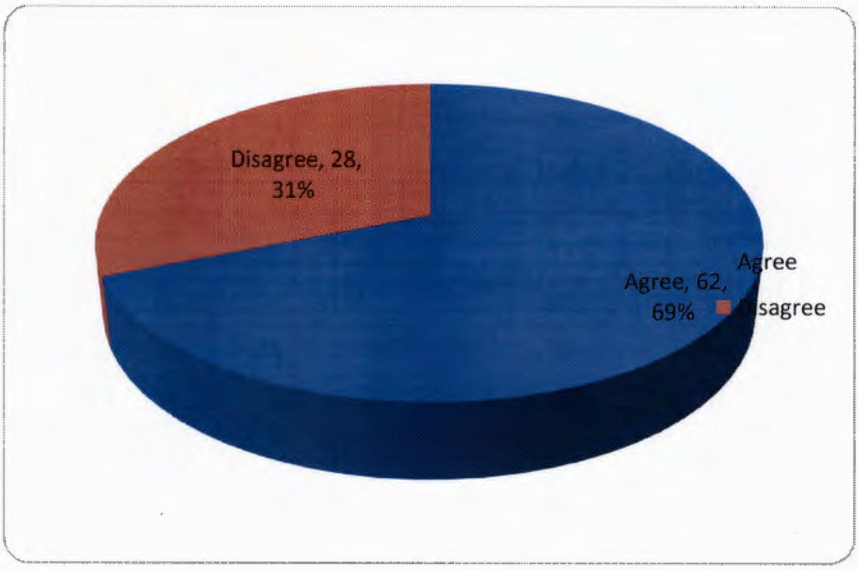

Figure 4.11:

Is there adequate management support and commitment throughout financial literacy?

Figure 4.11 shows that most of the respondents (62) believe that there is adequate management support and commitment throughout financial literacy whereas 28 respondents do not believe that there is adequate management support and commitment throughout financial literacy. This means that the respondents rely and expect leadership qualities from a manager to lead them. The organisation should place importance on the projects at hand and implement a better structure, to be able to relate and communicate better during the implementation of financial literacy.

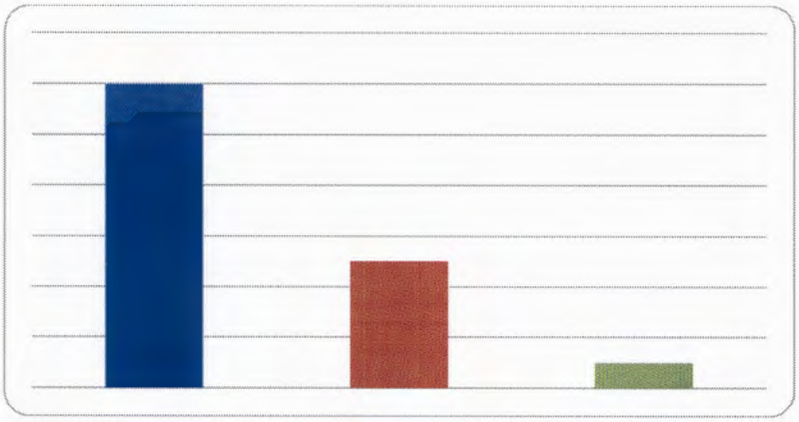

Figure 4.12:

Was satisfactory accountability placed on the financial literacy team for their function in the project?

Figure 4.12 shows that the majority of respondents (60) do agree that satisfactory accountability was placed on the financial literacy team for their function in the project. Twenty five respondents disagree that there was satisfactory accountability placed on the team for their function in the project whereas five strongly disagree that satisfactory accountability was placed on the team for their function in the project. This is a positive result. These require new training priorities in an increasingly commercialised training environment. Training providers often develop training programmes according to their own capacity and do not necessarily address the real training needs (Fourie, 2002:124). Methods that can be used in the implementation of the financial literacy training programme are through the following:

- On-line support – intranet, internet;
- One-on-one advice;
- Employee induction;
- Team building sessions;
- Seminars;
- Websites;
- Multimedia; and
- Training workshops offered by the organisation.

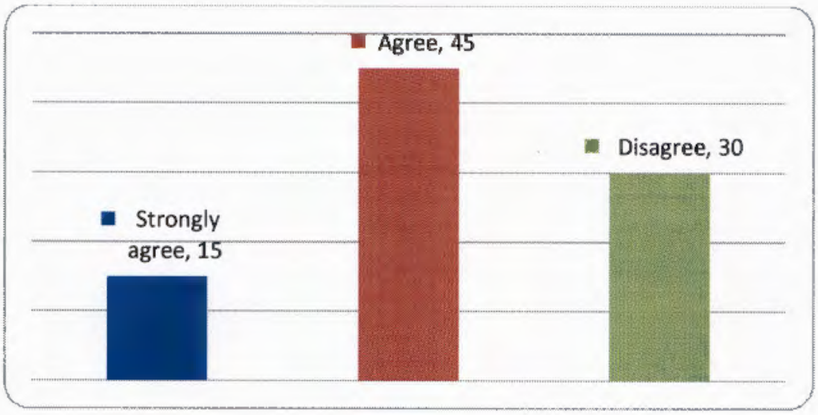

Figure 4.13:

Was satisfactory accountability placed on the business for their function in the project?

Figure 4.13 shows that the majority of respondents (45) do agree that satisfactory accountability was placed on the business for their function in the project. Fifteen respondents strongly agree that there was satisfactory accountability placed on the business for their function in the project whereas 30 respondents disagree that satisfactory accountability was placed on the business for their function in the project. Posthumus and Solms (2004:638) note that information security needs to be addressed as a corporate responsibility which should involve risk management efforts, reporting and accountability on the part of executive leadership and boards of directors.

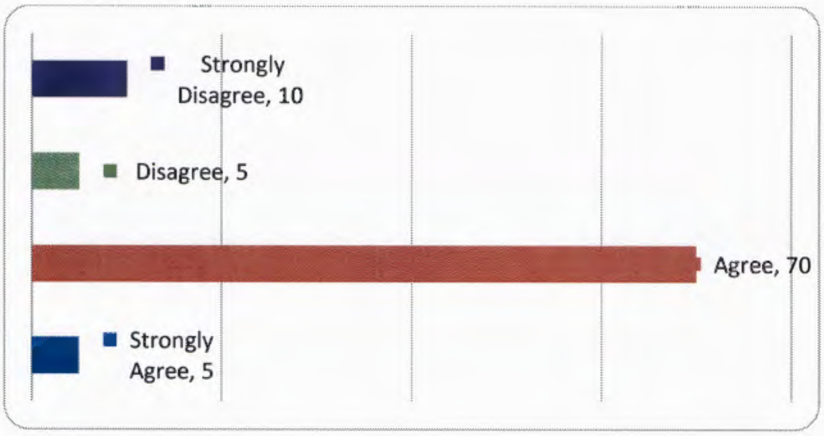

Figure 4.14:

Were project leaders sufficiently monitored to ensure that they were fulfilling their functions?

The above graph indicates that most of the respondents (70) agree that project leaders were sufficiently monitored to ensure that they were fulfilling their functions. Ten respondents strongly disagree that project leaders were sufficiently monitored to ensure that they were fulfilling their functions, five respondents disagree that project leaders were sufficiently monitored to ensure that they were fulfilling their functions and five respondents strongly agree that project leaders were sufficiently monitored to ensure that they were fulfilling their functions. The importance of personal investment decisions cannot be overemphasized because they have a direct impact on people's quality of life (Volpe et al., 1996:96). Personal financial planning includes: investment planning, career planning, estate planning, retirement planning, income tax planning, health care planning, business planning, protection planning, family planning and credit planning.

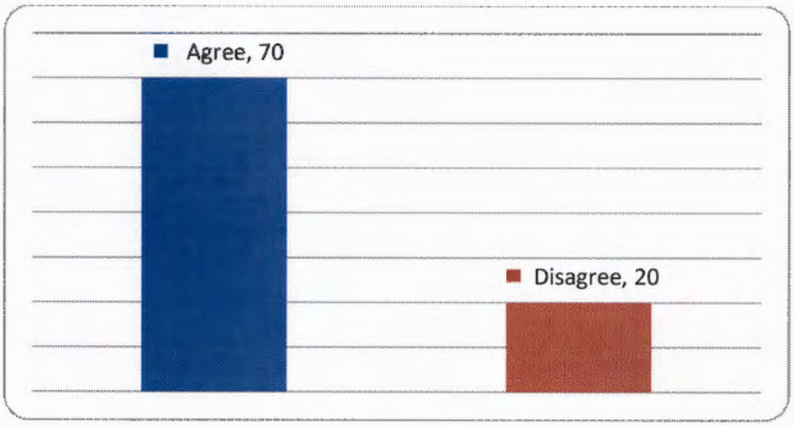

Figure 4.15:

Was an appropriate planning measure implemented for financial literacy?

Figure 4.15 shows that 70 respondents agree that there is an appropriate planning measure was implemented for financial literacy whereas 20 respondents disagree that an appropriate planning measure was not implemented for financial literacy. The Constitution of the Republic of South Africa, (1996) Section 29(1) states that everyone has the right to a basic education, including adult basic education, and to further education, which the state, through reasonable measures, must make progressively available and accessible.

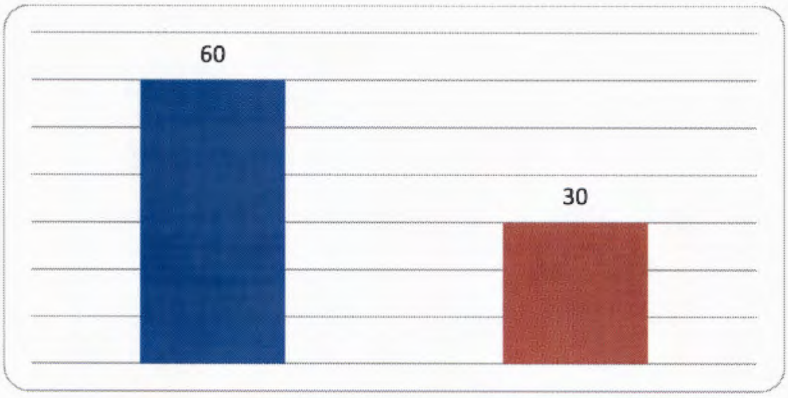

Figure 4.16:

Was sufficient financial literacy was exercised throughout the phases of Department of Trade and Industry?

Figure 4.16 indicates that the majority of respondents agree that there was sufficient financial literacy exercised throughout the phases of Department of Trade and Industry whereas thirty respondents disagree that there was not sufficient financial literacy exercised throughout the phases of Department of Trade and Industry. Employees should be taught to be savers and be discouraged on unnecessary spending. Employees due to lack of financial education and awareness knowledge are not forward looking into the future to improve their financial independence. Trump and Kiyosaki (2011:51) attest to the fact that money does not makes you rich and knowledge makes you rich. And knowledge is derived from a process.

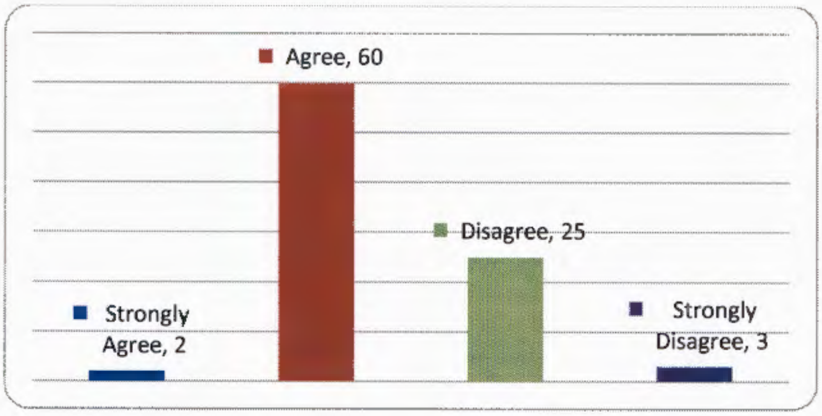

Figure 4.17:

I have participated in financial literacy event?

Figure 4.17 shows that the majority of respondents did participate in a financial literacy event. Two respondents strongly agree that they did participate in a financial literacy event, 60 respondents agree that they did participate in a financial literacy event, 25 respondents disagree that they participated in a financial literacy event and three respondents strongly disagree that they participated in a financial literacy event. Hopkin (2010:242) states that there is a relationship between personal risk appetite and lifestyle decisions. Individuals will need to take lifestyle decisions based on risk appetite, risk exposure and risk capacity. Today's society is faced with many dreaded diseases; some of these diseases come untimely without any proper financial planning.

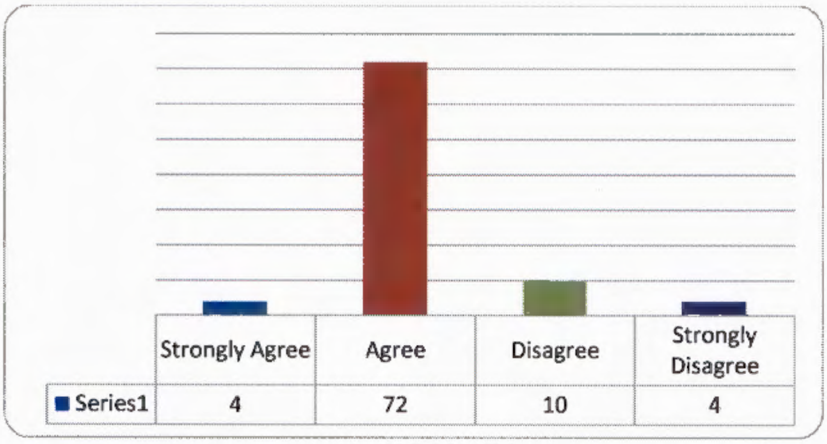

Figure 4.18:

I was part of a financial literacy team

Figure 4.18 indicates that 72 respondents agree that they were part of a financial literacy team, four respondents agree that they were part of a financial literacy team, 10 respondents disagree that they were part of a financial literacy team and four respondents strongly disagree that they were part of a financial literacy team. Personal planning is defined as the organisation of an individual's financial and personal data for the purpose of developing a strategic plan to constructively manage income, assets and liabilities. Personal financial planning is planning your life, your finances and taking responsibility and accountability. Money management within families is a demanding task where various knowledge and skills are needed. In practice, money management is influenced by various factors, like the spouses' socio-economic status, marital status and the family's phase of life (Raijas, 2011:2).

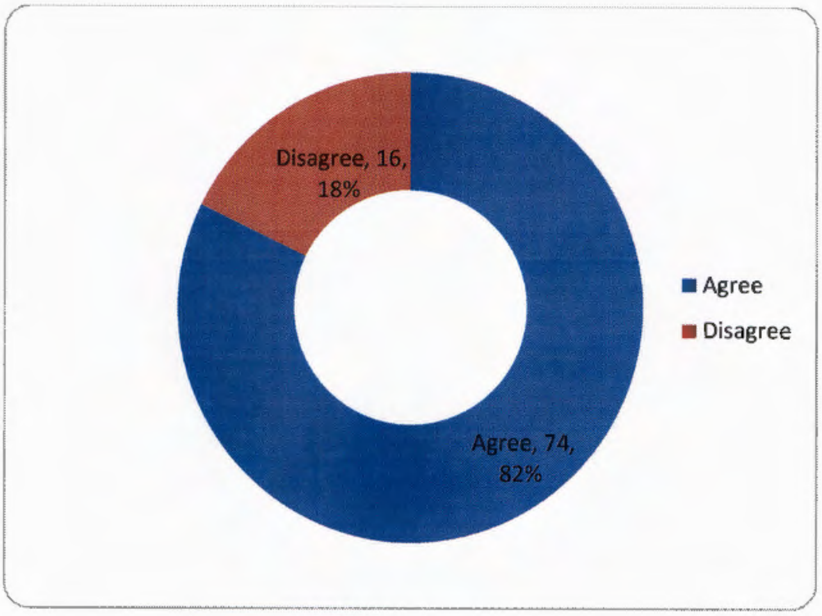

Figure 4.19:

I know the trade and industry business plan and how financial literacy impacts upon it.

Figure 4.19 illustrates that the majority of respondents (74) know the trade and industry business plan and how financial literacy impacts upon it whereas 16 did not know the trade and industry business plan and how financial literacy impacts upon it. According to Maxwell (2007:267) in order to build your organisation these four key areas are important:

- Personnel determine the potential of the organisation;
- Relationships determine the morale of the organisation;
- Structure determines the size the organisation; and
- Vision determines the direction of the organisation.

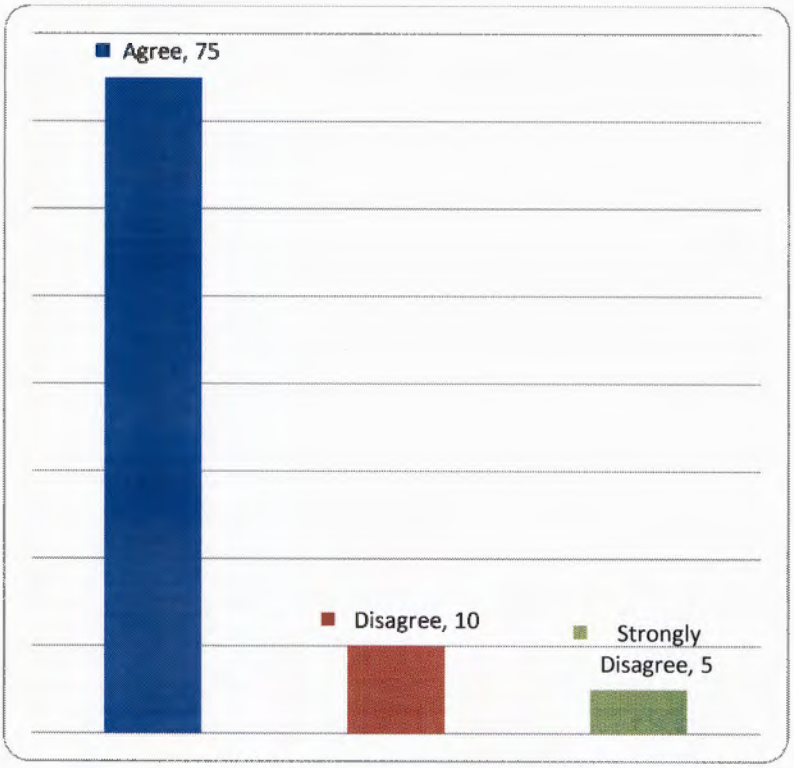

Figure 4.20:

Was the financial strategy aligned to the business strategy for the 2012/2013 financial year?

Figure 4.21 indicates that the majority of respondents believe that the financial strategy was aligned to the business strategy for the 2011/2012 financial year, that is, the implementation was appropriate to the business strategy. Seventy five respondents agree that the financial strategy was aligned to the business strategy for the 2011/2012 financial year, 10 respondents disagree that the financial strategy was aligned to the business strategy for the 2011/2012 financial year and five respondents strongly disagree that the financial strategy was aligned to the business strategy for the 2011/2012 financial year, that is, the implementation was appropriate to the business strategy. This is a positive result. This also shows that most of the respondents believe that the financial strategy was aligned to the business strategy and is needed for further developments in the Trade Industry plan. Antecedents to market orientation can be defined as the organisational factors that enhance or impede the implementation of the business philosophy represented by the marketing concepts. They did not ignore external factors but see their role as being primarily in moderating the relationship market orientation and its outcomes (Qu, Ennew & Sinclair, 2005:940). They furthermore, argued that the choice of an internal perspective is appropriate because managers have more control over internal antecedents compared to external ones.

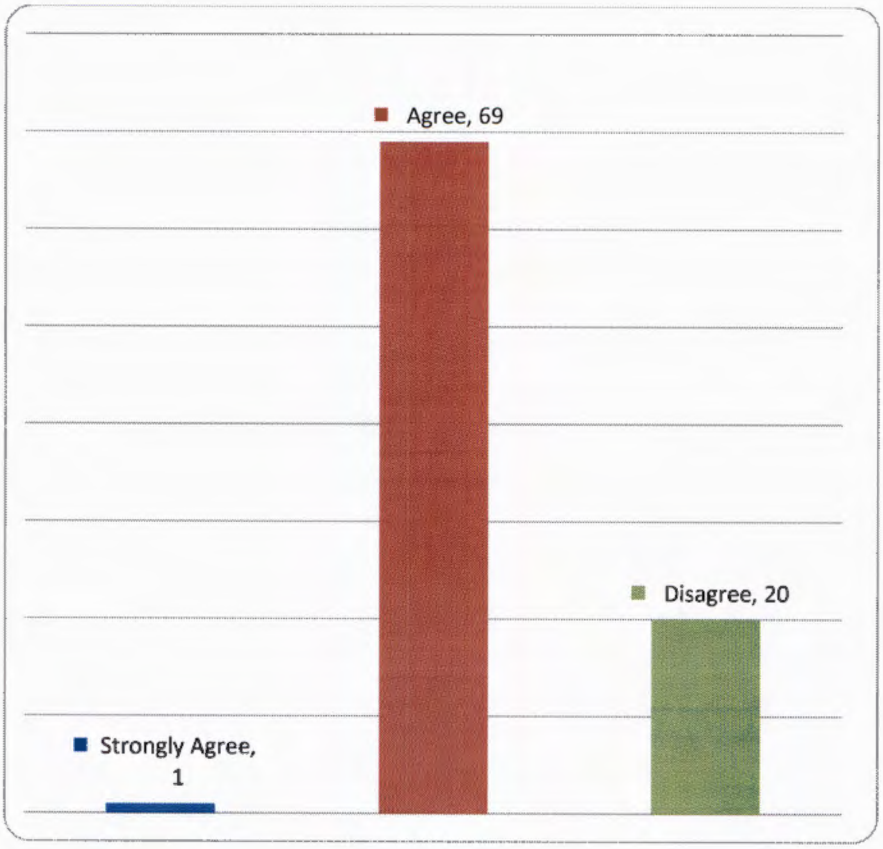

Figure 4.21:

Had the concurrent restructuring and centralisation process at Trade and Industry a negative effect on the financial literacy implementation?

Figure 4.21 indicates that the majority of respondents agree that concurrent restructuring and centralisation processes at Trade and Industry had a negative effect on the financial literacy implementation. One respondent strongly agree concurrent restructuring and centralisation processes at Trade and Industry had a negative effect on the financial literacy implementation, 69 respondents agree that concurrent restructuring and centralisation processes at Trade and Industry had a negative effect on the financial literacy implementation and 20respondents strongly disagree that the concurrent restructuring and centralisation processes at Trade and Industry had a negative effect on the financial literacy implementation. This indicates that most of the respondents believe that financial literacy implementation of restructuring and centralisation processes at Trade and Industry has not motivated them positively in their daily planning. McGrath and Akoojee (2007) argue that functioning as forerunner of an interdisciplinary team involves excellent communication skills, assertiveness and adaptability, as well as knowledge of team functions. Acquiring these skills takes practice and an environment where one can learn from their mistakes without fear of harming their career.

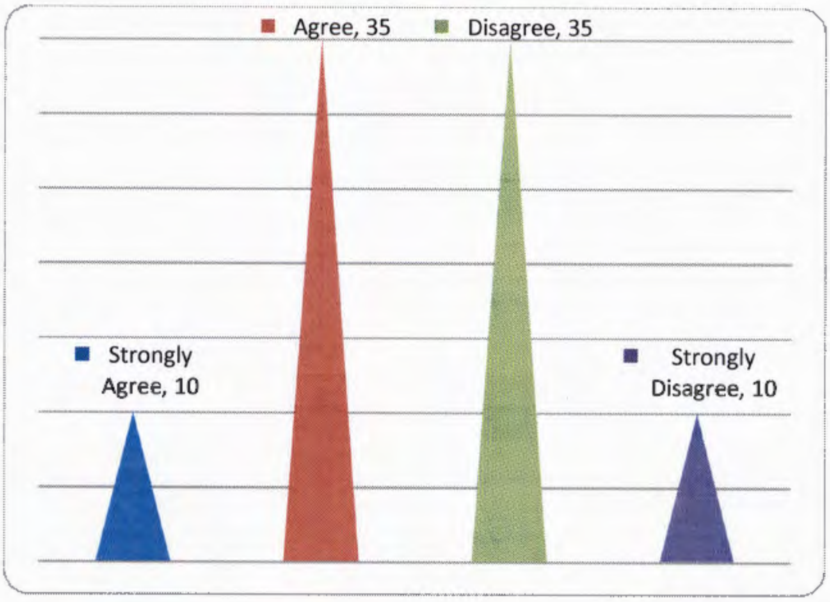

Figure 4.22:

I attend seminars or workshops on financial literacy.

Figure 4.22 indicates that the majority of respondents have attended seminars or workshops on financial literacy. Ten respondents strongly agree that they have attended seminars or workshops on financial literacy, 35 respondents agree that they have attended seminars or workshops on financial literacy, 35 respondents disagree that they have attended seminars or workshops on financial literacy and 10 respondents strongly disagree that they have attended seminars or workshops on financial literacy. This needs to be looked at by the organisation. In order to promote the effective management of revenue, expenditure, assets and liabilities public officials should possess particular skills and competencies. These require new training priorities in an increasingly commercialised training environment. Training providers often develop training programmes according to their own capacity and do not necessarily address the real training needs (Fourie, 2002:124).

4.5 Measures of Association

A measure of the relation between two or more variables defines correlation. The measurement scales used should be at least interval scales but other correlation coefficients are accessible to handle other types of data. The simplest question one could ask about two continuous variables is whether they vary in related ways, is there a correlation between them.

Pearson's Correlation Coefficient will be used for data interpretation. Correlation Coefficients can range from -1.00 to +1.00 representing a perfect negative correlation while a value of +1.00 represents perfect positive. A value of 0.00 represents a lack of correlation.

4.6 Correlation

The correlation between what is your gender and the budget assigned while assuming you understand financial literacy was appropriate shows -0.312. This means that if a person grows older there is a weak chance (correlation) of 0.312 that people will have a higher education.

The correlation between how long have you been working at Department of Trade and Industry and what type of post are you in at work shows +0.285. This means employees are generally happy with the performance on skill development according to this.

The correlation between was your involvement in financial literacy for Trade and Industry advisor staff in the department of trade and industry from a Financial or Business perspective and how many financial literacy planning implementations have you been involved in including this one shows - 0.285- a negative. This means that most of the employees are generally happy with the future business development in financial literacy and have been involved in more than one planning implementation and the organisation's needs to train more employees in the future to keep this up.

The correlation between the budgets assigned while assuming you understand financial literacy and your functional area received sufficient and timeous training for financial literacy shows +0.305- a positive. This means that employees are experienced or able to understand financial literacy and are well trained in budgets assignments.

The correlation between the budgets assigned while assuming you understand financial literacy and were there adequate management support and commitment throughout the financial literacy shows + 0.364 - a positive. Most employees are well trained to understand financial literacy when it comes to budgets with adequate management support.

The correlation between satisfactory accountability was placed on the financial literacy team for their function in the project and budget assigned while assuming you understand financial literacy was appropriate and shows + 0.224 - a positive. Employees are generally happy with the accountability placed on their team to perform well in their projects while understanding financial literacy.

The correlation between satisfactory accountability was placed on the business for their function in the project and there was adequate management support and commitment throughout the financial literacy +0.795 – a high positive. Generally, all the employees are satisfied with management's adequate support in their functions areas while completing projects for the business.

The correlation between your functional area received sufficient and timeous training for financial literacy and an appropriate planning measure was implemented for financial literacy shows +0.594 - a positive. This means that the organisation implemented the appropriate planning measures for the employees to work to their full potential due to timeous training in obtaining further skills development for financial literacy in the functional areas.

The correlation between was there adequate management support and commitment throughout the financial literacy and did you participate in any financial literacy event shows – 0.692 - a high positive association. This means that many employees have the experience, high qualification and management supports the workers' effectiveness in financial literacy events.

The correlation between was there adequate management support and commitment throughout the financial literacy and were you part of a financial literacy team shows +0.621 - a high positive association. Employees that are part of the financial teams receive sufficient support by management to fulfil projects in their areas more effectively.

The correlation between was there adequate management support and commitment throughout the financial literacy and do you know what the Trade and Industry Business Plan and how Financial literacy impacts upon it shows + 0.668 - a high positive association. This shows that employees are aware of what Trade and Industry Business Plan is and how it impacts on financial literacy while given the adequate commitment by management.

The correlations between gender and project team leaders were sufficiently monitored to ensure that they were fulfilling their functions shows +0.266 - a positive association. This means that employees, no matter their gender, were generally happy with the team leaders who were monitoring them to ensure they performed well in their functions.

The correlation between an appropriate planning measures implemented for financial literacy and your functional area received sufficient and timeous training for financial literacy +0.795 - a positive association. This means that employees are generally pleased with the training been provided by the organisation in order for them to be skilled in their functional area with the implemented planning measures.

The correlation between sufficient financial literacy was exercised throughout the phases of trade and industry and the concurrent restructuring and centralisation process at Trade and Industry had a negative effect on the financial literacy implementation shows +0.600 a positive association. This means that the employees believe that concurrent restructuring and centralisation process at Trade and Industry had a negative effect on the trade and Industry phases while there was sufficient literacy.

The correlation between the Financial strategy was aligned to the business strategy for the 2011/2012 financial year, i.e. the financial literacy policy was appropriate to the Trade and industry business strategy and do you know what the Trade and Industry Business Plan and how Financial literacy impacts upon it shows +0.844 a positive association. This means that the employees know what the Trade and Industry Business Plan is and how Financial literacy impacts upon it for the financial strategy policy.

4.7 Summary

Chapter four provided analysis and interpretation of data gathered using a questionnaire as a method of collecting data, a number of statistics techniques were applied to guide the analysis. Correlation was used specifically to establish meaning of the analysis of data collected. In some instances the use of charts and tables were used to assist in the presentation of the analysis. The findings have also established a link between literature that was reviewed in this study with the data which was collected and presented. The study used a quantitative approach to describe and analyse the findings on the

CHAPTER 5: DISCUSSION OF MAIN FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary and overview followed by recommendations and the final conclusion. The previous chapter, Chapter 4 has focused on data collection, analysis and interpretation in relation to the research objectives. Strategic planning is important to ensure that businesses are well positioned and enabled to compete well with those of their male counterparts for long-term survival and sustainability.

The purpose of this research is to determine the extent of alignment of the financial literacy development. This chapter references the literature discussed in Chapter 2 pertaining to the different functional areas prevailing social, political, and economic conditions that the department face include the alignment of financial literacy. These conditions need to be addressed in order to support the conclusions drawn around the research questions.

This chapter comprises a summary of the study, addresses the findings per research question, provides managerial guidelines for opportunities and highlights future research opportunity in this field of study. Conclusion of the study will be drawn and recommendations will also be outlined.

5.2 Summary of the Study

The nature and extent of this alignment is currently unknown. The research was aimed at determining the extent of alignment of the Trade and Industry advisor development with the challenges faced by financial literacy development in the Department of Trade and Industry.

This study analysed the extent of this alignment through the use of research questions in Chapter 4 that focused on the different functional areas of the prevailing social, political, and economic conditions in history and in the present such that black businesswomen are motivated to stay in Trade and Industry.

5.3 Response to the Research Questions

The main findings of this research in relation to each research question will now be discussed. Each question is followed by a discussion of the findings relating to that question.

5.3.1 To determine the financial literacy level

The Trade and Industry Advisor employees (TIA) at the Department of Trade and Industry (the DTI) should be financial literate to overcome the challenges of being unable to make informed decisions regarding their financial matters. Financial literacy needs discipline to gain financial independence. Statistics proves that government employees are highly indebted surviving on hand to mouth, have insufficient disposable income to meet the day-to-day and monthly obligations. Limited research has been done that focus on financial literacy in the workplace hence the research on analysis of the need for a financial literacy programme for the Trade and Industry Advisor employee at the Department of Trade and Industry (DTI). The TIA employee level is an entry level of the graduates entering the labour market at the DTI.

The financial literacy definitions have similarities and the definition of financial literacy includes, interpreting financial information, money management and the ability to read and write and further researchers eluded the importance of consumers being aware of the financial risk.

South Africans do not see the necessity or the importance of saving and living with credit has become a norm for many individuals. The primary goal of any employee education program is to provide the necessary advice and supporting services to assist employees in accomplishing savings and investment objectives. The Finance Minister Pravin Gordhan spoke at the launch of savings month 2011 mentioning that South Africa should learn some lessons on saving from countries China, India and Russia. South Africa gross savings rate equated to 16% of GDP in 2009. An entrenched savings among S.A would achieve important goals at both an individual level and for the country as a whole.

ChiangLin and Lin (2008:374) discovered the fuzzy goal programming model for financial planning and it considers the incomes from salary and the expenses for living, purchasing a house, and raising children.

The four objectives are to be considered such as:

1. the level of living expenses;
2. the time to buy a house;
3. the value the house; and
4. the pension available at retirement.

The model incorporates Lin's method (Lin, 2004) for fuzzy goal programming, so as to consider objective weights, of the method which is capable of giving more important objectives higher levels of goal achievement than less important. Financial education empowers individuals to do personal financial planning that will promote savings, reduce or and discourage debts and with money management skills. Individuals learn to differentiate between a need and a want and make informed decisions. Financial literacy plays a substantial role in changing the lives of people to dynamic financial status. McGrath and Akoojee (2007) state that the weakness of the relevant SETAs and the ways that the financial and performance management systems of the public sector have undervalued skills issues.

Maxwell (2007:267) argues that as you work to build your organisation remember the following:

- Personnel determine the potential of the organisation;
- Relationships determine the morale of the organisation;
- Structure determines the size of the organisation; and
- Vision determines the direction of the organisation.

Personal financial literacy has become important worldwide even though in South Africa not much has been done to promote the concept. Shuttleworth and Gouws (2009:163) state that an overwhelming percentage of the entities perceive financial literacy as an important step on the road to sustainability and that it would be to the overall benefit of an organisation if decision-makers at all levels were financially literate.

Palmer (2007:398) argues that the attained financial knowledge will broaden the minds of individuals to set up own companies. This was evidenced in Ghana where formal sector employment was continuing to fall, the great majority of all school leavers, up to 90% are obliged to enter the informal , micro enterprise economy, urban and rural. The issue of what happens next to these school graduates is crucial.

5.3.2 To determine the financial behaviour

Hogarth (2002:15) defines financial literacy in behavioural terms stating that financially literate individuals are knowledgeable, educated and informed on the issues of managing money and assets, understands the basic concepts underlying the management of money and assets and use that knowledge and understanding to plan and implement their financial decisions. The American Institute of Certified Public Accountants (AICPA) defines financial literacy as the ability to effectively evaluate and manage one's finances in order to make prudent decisions toward reaching life goals and achieve financial well-being (AICPA, 2008:5).

In order to endorse the effective management of revenue, expenditure, assets and liabilities public officials should possess particular abilities and competencies. These require new training priorities in an increasingly commercialised training environment and training providers often develop training programmes according to their own capacity and do not necessarily address the real training needs. Fourie (2002:124). Methods that can be used in the implementation of the financial literacy training programme are through the following:

- On-line support-intranet, internet;
- One on-one advise;
- Employee induction;
- Team building sessions;
- Seminars;
- Websites;
- Multimedia; and
- Training workshops offered by the organisation.

Brown *et al* (2006:181) note that literacy is the ability to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. Individuals must have the ability to communicate effectively, concisely and correctly in written, spoken and visual forms to a variety of audiences using a wide range of media.

Gouws and Shuttleworth (2009:144,147) argue that financial literacy can be perceived as the interface facilitating a high degree of understanding between the financial information system and the human behaviour system. The financial literacy singularity involves the random use of the term financial literacy, secondly it relates to the perception that financial literacy involves two separate systems the information system and the human behaviour system which means that it is not regarded as a single encompassing process.

5.3.3 Needs analysis for financial literacy

Financial literacy need has become substantial with the deregulation of financial markets and the easier access to credit as financial institutions compete strongly with each other for market share, the rapid growth in development and marketing of financial products and the Government's encouragement for people to take more responsibility for their retirement incomes (Marcolin & Abraham, 2006:2).

Miller *et al* (2009:3) state that the U.K Department for International Development (DFID), the OECD, and the World Bank Group introduced the topic of financial literacy discussing its relevance for developing countries. These organisations are endorsing financial literacy in developing and emerging markets because of the progressive direct impact this can have on access to finance and savings which in turn support, livelihood, economic growth, sound financial systems and poverty reduction.

The President of South Africa (2012) states that consideration is being given to the introduction of tax-exempt short and medium-term savings products and the proposal is that individuals should be permitted to save up to R30 000 a year, with a lifetime limit of R500 000, in registered savings or investment products that would be free of tax on interest, dividends or capital gains. The current tax free interest income thresholds will be reviewed and possibly phased out as part of this reform educated to develop this set of financial statements.

Fees for many products in the financial sector remain too high. High costs in savings products undermine the national objective of getting people to save more. The financial industry must take more urgent steps to reduce costs and introduce more appropriate and transparent saving and investment products, including annuities.

Kayosaki (2011:108) states that there is good debt and bad debt. The purpose of getting financially smart is to know when to use debt and when not to. Many consumers in the country and Abroad are in debts and survive on the money that belongs to the financial institutions. Financial institutions have been lending money recklessly to consumers and ignored to conduct affordability test before lending.

In order to promote the effective management of revenue, expenditure, assets and liabilities, public officials should possess particular skills and competencies. These require new training priorities in an increasingly commercialised training environment (Fourie, 2002:124). Financial literacy should actually start at home. Children should be taught at an early stage to identify their need and want and be able separate the two. Parents have an important role to play in ensuring financial literacy is learnt at an early stage. Children should learn budgeting skills and savings at an early stage. Recent studies about the financial knowledge of teens indicate that they are transitioning into the adult financial world ill prepared to function efficiently. The knowledge will be transferred from one generation to the next generation. Children will learn at an early age to understand the value of money and utilising money. Failure to manage money matters results in divorces among couples, unhappy life and household conflicts.

Future management advisors must be able to work alongside, support, their managerial colleagues; show good inter-personal skills; be creative and holistic in integrating strategic, financial and operating dimensions; communicate effectively in oral arenas; and be proactive.

5.4 Limitations

The study focused only on one group in the department of Trade and Industry, which is general finance. It is important that surveys be conducted in other groups to get a complete picture of challenges in the Trade and Industry advisor staff development. The participants consisted of trade and industry advisor staff level 8.

5.5 Managerial guidelines

From the results of this study the following guidelines are given to the Trade and Industry that have a sustainability solution or are planning to develop and implement sustainability in the future:

- Prevent failure managing money matters which results in divorces among couples, unhappy life and household conflicts.
- Employees should be fully capacitated after undergoing financial literacy development training. They should be given extra duties to perform so that they become experts in their field. If a vacancy for a higher post becomes available, the internal personnel should be given a chance to prove that they can do the job before the job is advertised externally.
- The organisation needs an important standard to determine how to align the different functional financial literacy development areas as mentioned in Chapter 2.
- Opportunities exist in all financial literacy development areas to pursue the full benefits, as described in Chapter 2 by improving alignment through training and delegating.
- Ethics should be considered because acquired skills and delegation by management improves the alignment in the financial literacy development area. The benefits associated with improving this alignment are discussed in Chapter 2.
- Reports must meet the needs of recipients and be easily accessible or they will not be used.
- Well-established processes and documentation enable people to deal with facts rather than emotions when problems occur.
- Process improvement meetings must be well structured and leave the organisation with a prioritised list of solutions.
- Solutions must be communicated back to the organisation following a process improvement meeting to insure everyone is working on the same priorities.
- Retaining strategies should be implemented to guard against employees who successfully attended and completed the beneficial management programmes from leaving the department to other departments or private companies.
- Accepting and recognising the attempts and performance of employees assists in increasing confidence and drives employees to learn and perform better.

5.6 Conclusion

The Trade and Industry Advisor employees (TIA) at the Department of Trade and Industry (the DTI) should be financial literate to overcome the challenges of being unable to make informed decisions regarding their financial matters. Financial literacy needs discipline to gain financial independence. Statistics proves that government employees are highly indebted surviving on hand to mouth, have insufficient disposable income to meet the day-to-day and monthly obligations. The most traditional method is tiring and the mathematical programming is the only way of solving the financial planning problem. A model for this problem must be built before a mathematical programming method can be used to solve the problem. Kiyosaki (2011) notes that an example of an individual who take initiative to educate himself on financial education and has done the following to keep himself knowledgeable about financial literacy:

- Attended seminars;
- Listened to many tapes and CDs;
- Read business books;
- Had mentors and advisors; and
- Made practice what he has learned.

The Trade and Industry department has to continually adapt its strategies and programmes to fit these environmental changes. An assessment of the environment then becomes a continuous process. In order for the department to thrive, it will require competent and experienced financial human resources. The Trade and Industry should therefore invest in fruitful financial literacy development programmes if it plans to win or manage these challenges.

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Appendix 1

FOR OFFICE USE ONLY: Respondent Code: ____________

VOLUNTARY QUESTIONNAIRE FOR RESEARCH PURPOSE

"A need analysis of financial literacy for Trade and Industry Advisor staff at

the Department of

Trade and Industry"

Researcher: Thokozile M Kekana

Supervisor: Prof S Lubbe

Graduate School: NWU

Note to the respondent

- We need your help to understand how staff perceives financial literacy.
- Although we would like you to help us, you do not have to take part in this survey.
- If you do not want to take part, just hand in the blank questionnaire at the end of the survey session.
- What you say in this questionnaire will remain private and confidential. No one will be able to trace your opinions back to you as a person.

The questionnaire has six parts:

Part 1 asks permission to use your responses for academic research.

Part 2 asks general personal particulars like your age, gender and experience.

Part 3 to 5 asks about the knowledge of financial literacy.

How to complete the questionnaire

1. Please answer the questions as truthfully as you can. Also, please be sure to read and follow the instructions for each part. If you do not follow the instructions, it will make it harder for us to do our project.

2. We are only asking you about things that you and your fellow researchers should feel comfortable telling us about. If you do not feel comfortable answering a question, you can indicate that you do not want to answer it. For those questions that you do answer, your responses will be kept confidential.

3. You can mark each response by making a tick or a cross, or encircling each appropriate response with a PEN (not a pencil), or by completing in the required words or numbers.

Thank you very much for filling in this questionnaire.

Part 1: Permission to use my responses for academic research

I hereby give permission that my responses may be used for research purposes provided that my identity is not revealed in the published records of the research.

Initials and surname ____________________________________

Postal address: ______________________________________

____ Postal code: ______

Contact numbers: Home: ____________________Cell: _______________

	PART 2: GENERAL PERSONAL PARTICULARS **Please tell us a little about yourself** Please mark only **ONE** option per question below.	8.	The budget assigned while assuming you understand financial literacy was appropriate. Strongly agree | Agree | Disagree | Strongly disagree
1.	I am within this age group. □21-30 yrs. □31-40 yrs. □41-50 yrs. □51-60yrs □Over 60 yrs.	9.	Financial literacy had enough people resources assigned to it in your functional area. Strongly agree | Agree | Disagree | Strongly disagree
2.	I am a: □ Female □ Male	10.	Your functional area received sufficient and timeous training for financial literacy. Strongly agree | Agree | Disagree | Strongly disagree
3.	How long have you been working presently? □ 1-2 years □ 3-4 years □ 5-6 years □ 7-8 years □ 9-10 years □ More than 10 years	11.	There is adequate management support and commitment throughout the financial literacy. Strongly agree | Agree | Disagree | Strongly disagree
4.	Was your involvement in financial literacy at the Department of Trade and Industry from a Financial or Business perspective? Financial | Business	12.	Satisfactory accountability was placed on the financial literacy team for their function in the project.

			<table><tr><td>Strongly agree</td><td>Agree</td><td>Disagree</td><td>Strongly disagree</td></tr></table>
5.	How many financial literacy planning or implementations have you been involved in? <table><tr><td>0</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5+</td></tr></table>	13.	Satisfactory accountability was placed on the business for their function in the project. <table><tr><td>Strongly agree</td><td>Agree</td><td>Disagree</td><td>Strongly disagree</td></tr></table>
6.	What type of post are you in at work? <table><tr><td>Managerial</td><td>Non-Managerial</td></tr></table>	14.	Project team leaders were sufficiently monitored to ensure that they were fulfilling their functions. <table><tr><td>Strongly agree</td><td>Agree</td><td>Disagree</td><td>Strongly disagree</td></tr></table>
	PART 3: DO YOU UNDERSTAND FINANCIAL LITERACY Please mark only **ONE** option per question below.		
7.	Your functional area of financial literacy was implemented within the timelines originally stipulated. <table><tr><td>Strongly agree</td><td>Agree</td><td>Disagree</td><td>Strongly disagree</td></tr></table>	15.	An appropriate planning measure was implemented for financial literacy. The original business case adhered to for project financial literacy. <table><tr><td>Strongly agree</td><td>Agree</td><td>Disagree</td><td>Strongly disagree</td></tr></table>

PART 4: FINANCIAL LITERACY AND MANAGEMENT QUESTIONS.

Please mark only **ONE** option per question below

16. Sufficient financial literacy was exercised throughout the phases of Department of Trade and Industry.

Strongly agree	Agree	Disagree	Strongly disagree

17. I have participated in financial literacy event.

Strongly agree	Agree	Disagree	Strongly disagree

18. I was part of a financial literacy team.

Strongly agree	Agree	Disagree	Strongly disagree

PART 5: FINANCIAL LITERACY STATEMENTS

Please mark only **ONE** option per question below

19. I know the Trade and Industry business plan and how financial literacy impacts upon it.

Strongly agree	Agree	Disagree	Strongly disagree

20. The financial strategy was aligned to the business strategy for the 2012/2013 financial year.

Strongly agree	Agree	Disagree	Strongly disagree

21. The concurrent restructuring and centralisation process at Trade and Industry had a negative effect on the financial literacy implementation.

Strongly agree	Agree	Disagree	Strongly disagree

22. I attend seminars or workshops on financial literacy.

Strongly agree	Agree	Disagree	Strongly disagree