

**The impact of employee financial problems on workplace productivity in
Statistics South Africa**

by

Student: Nkareng Annah Thogomusi

Student No: 16463080



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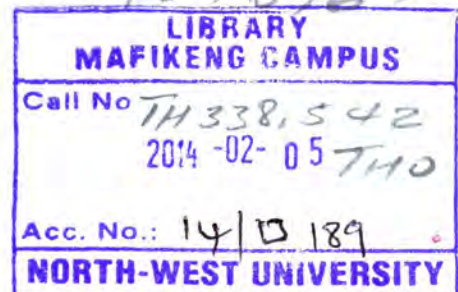
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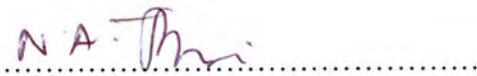
SUPERVISOR: Dr G N Molefe

OCTOBER, 2012



DECLARATION

I, the undersigned hereby declare that the work of this dissertation is my own and that all the sources I have used or cited have been indicated and acknowledged by means of a complete reference.

A handwritten signature in dark ink, appearing to read 'N. A. Thogomusi', is written over a horizontal dotted line.

NKARENG ANNAH THOGOMUSI

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I thank the Almighty God for His mercy, guidance and divine protection in my daily life. With Him I can do all things for He is my strength and made it possible to complete the study.

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ABSTRACT

THE IMPACT OF EMPLOYEE PERSONAL FINANCIAL PROBLEMS ON WORKPLACE PRODUCTIVITY IN STATISTICS SOUTH AFRICA

The purpose of this study was to evaluate the impact of employee financial problems on workplace productivity in Statistics South Africa as a way to assist management of Stats SA in the Northern-Cape Province and financially troubled employees to highlight the need for workplace financial education to better manage personal finances.

A quantitative approach was used to conduct an analysis of the impact of employee financial problems on workplace productivity. The researcher used quantitative approach because she wanted to base the knowledge gained on objective measurement of the real situation, not someone's opinion, beliefs or past experiences.

The study targeted the whole population of 43 permanent employees on salary level 6 to 13. The questionnaire was used as data collection instrument to collect data from employees of Statistics South Africa. The collected data was analysed by using statistical software package in order to draw some findings and conclusions.

The findings of the study reveal that 57.5% of respondents had their salary garnished; only 27.5% of respondents paid their bills regularly while 62.5% of respondents sometimes skipped payment. It is also revealed in the findings that 67.5% of respondents experience stress when having financial problems; 30% stay away from work when experiencing financial problems. The majority of respondents (67.5%) agree that financial problems have negative impact on workplace productivity and also 62.5% of respondents reveal that they do not have easy access to EAP services in the workplace.

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CHAPTER ONE: Overview

1.1. Introduction

Financial problems are not just the problems for the poor and according to McCarthy and Robert (2011) many households in the world experience financial distress due to poor financial decisions. Furthermore, more people continue to make bad financial decisions by incurring more debt than they can afford and consequently left with a poor credit history which, in many cases, makes it very difficult to acquire credit when needed.

American Psychological Association (2008) Stress Survey indicates that financial stress is on the rise and its growing at an alarming rate and it is reported that 25% of working class in America experience personal financial stress. Money problems follow employees to work and the study further reveal that employees usually use up to 27 hours of work per month to do their personal banking, pay debtors, deal with phone calls from creditors and calculate financial obligations in eagerness of day of payment.

Employee financial problems are employee's debt but it has become the employer's problem as well, since the Human Resource Department handle calls from employee's creditors, process salary garnishments and advanced wage payments. The huge budget of the department is affected by these activities and creates unnecessary workload for the HR department.

The study reviewed the existing literature with the following key words: financial stress, work productivity, personal financial and credit management, absenteeism for local and international. Resources like journals, articles, books, government publication releases, reports, Stats SA Statistical release and North-West University Library was used.

1.2. Background of problem statement

According to the City Press (2011:12) companies conduct credit checks on employees before being hired and this exercise clearly shows that the consequences of poor financial behaviour has an impact on career growth and employment rate and opportunities in the country's economy. The article further reveals that when there is likelihood that an individual who is going to be occupying a senior management position will have access to financial information or information regarding the processes and systems hence this potential access is reason enough to conduct a credit check. It is also stated that employers prefer not to have

employees whose financial issues may affect their ability to perform at work due to anxiety from debt collectors.

1.3. Problem Statement

Employees whether employed by public or private sectors experience financial problems at some point in their lives and for some employees the problem is continuous. About 20% to 30% of employees experience financial problems and stress that negatively affects work productivity (Garman, 2006). Employers are faced with a serious challenge of expensive productivity costs resulting from employee financial troubles.

Financial problems have been indicated to negatively affect individual and family wellbeing. The following factors: anxiety, marital conflict, depression, drug and alcohol abuse have been associated with financial problems. Employees experiencing financial problems have been found to present with the following symptoms: lower work productivity, employee health, increased absenteeism and other workplace problems, such as stealing and corruption (Kim, 2007: 23-33).

Haupt and Coetzee (2008) reveals that 105 423 summonses were issued for debt and 54 755 judgements granted for the month of May 2008, an indication that employees are failing to meet financial obligations. The report by Public Service Commission (2007) indicates that employee over-indebtedness is a worrying factor in the public service.

The report reveals that the number of public servants experienced financial problems in the form of over-indebtedness and a total cost of payments as a result of garnishee orders issued to public servants, amounted to R1.01 billion, about R235 million (23%) is accounted for garnishee debt of public servants based at National Departments and about R776 million (77%) is accounted for debt of public servants on provincial offices, Northern-Cape Province contributed 27% to the provincial figure.

The access to credit and the emerging of unregistered credit providers has also increased the problem and has come without any financial education to the benefactors.

It therefore resulted in the worse situation where the majority of consumers being blacklisted and this is indicated by National Credit Regulator first quarter report (March 2010) that credit bureaus had records for 18.21 million credit active consumers and 9.84 million (54%) were

classified as in good standing whereas 8.37 million (47%) credit active consumers had impaired or negative credit records.

According to the Public Service Commission report (2007) it is highlighted that the ability to manage state's financial resources requires competency in financial management, financial discipline and planning, thus it is relevant to suggest that effective financial management begins with the ability to manage personal finances in a disciplined manner.

It is further indicated that any doubt on the ability of public servants to manage their own finances creates uncertainty on the level of trust, honesty and integrity with which they would manage departmental budgets and assets hence this place a responsibility on public service to care about financial wellness of its employees. In the public service this topic has not been researched to determine if the productivity of employees is affected or not. This study intends to establish whether employee personal financial problems affect work productivity.

1.4. Objectives of the study

The objective of this study is to:

- 1.4.1. Investigate the impact of financial problems on employee work productivity.
- 1.4.2. Determine why employees fail to meet their financial obligations.
- 1.4.3. Explore the relationship between financial stress and employee wellness.
- 1.4.4. Determine the impact of absenteeism on employee productivity.
- 1.4.5. Analyse the level of personal financial and credit management of employees.
- 1.4.6. Formulate conclusions and recommendations for management team of Statistics South Africa in Northern-Cape Province on relevant strategies to address employee financial problems and to better manage and improve employee productivity.

1.5. Research questions

The questions that this study aims to investigate are:

- 1.5.1. Why are employees failing to meet their financial obligations?
- 1.5.2. What are the causes of financial problems?
- 1.5.3. How do financial problems affect workplace productivity?
- 1.5.4. Does employees understand financial and credit management?

1.6. Research Hypotheses

The following are tentative or untested statements regarding the research questions:

- 1.6.1. H₀₁ Financial problems and H₀₂ absenteeism will affect workplace productivity.
- 1.6.2. H₀₁ Credit management and H₀₂ financial management will affect financial obligations.
- 1.6.3. H₀₁ Financial problems have a mediation role on the relationship between H₀₁ financial stress and H₀₂ financial management.
- 1.6.4. H₀₁ Financial obligations and H₀₂ financial problems will affect workplace productivity.

1.7. Scope of the study

The study was conducted among the permanently employed staff members within Stats SA in Northern-Cape Provincial Office and since the researcher was an employee of the Department was cost-effective as well as convenient to disseminate data collection tools to collect the required data for the study.

Stats SA as a Government Department that conducts periodical surveys so it employed most of its field workers on a contractual basis; so in order for the researcher to get conclusive results and make informed decisions, the study targeted only permanent employees on salary level 6 to 13.

1.8. Limitation and delimitation of the study

Due to the fact that employees regard financial information as private and confidential, the respondents might be reluctant to participate through the questionnaire. Respondents might not disclose the true financial position due to fear of being stigmatised or categorised as people having financial problems.

1.9. Proposed benefits or importance of study

The issue of personal financial problems and its impact on workplace productivity continue to cause a major concern for employee both in public and private sector. The rise of consumer debt and judgements granted to creditors by court of law for debt collection are also very much evident in the literature as indicated by the statistical release of Stats SA P0041 (2011).

In the literature, it is also highlighted that absenteeism, stress, decreased productivity, broken social relationships all got influenced by financial problems as highlighted in the study by American Psychological Association (2008). The study conducted by Public Service Commission showed that public service employees continue to have high level of indebtedness thereby causing instability and excessive workload for HR department to handle issues like processing wage garnishment, debt collection calls, processing of loans on the payment system, salary advancement and capturing of leave of absence (Haupt & Coetzee, 2008).

The following benefits will be offered: a) The study or research will offer helpful information for management team of Stats SA to identify possible causes of employee problems, absenteeism as well as estimating the potential costs of employee financial problems by calculating productivity losses. b) The study will highlight the importance of workplace financial education, credit and financial management. c) The study will provide useful information to managers, supervisors and HR division by identifying the level of financial wellness of employee and d) The study will reveal the stress level of employees and utilisation rate of EAP services in Stats SA. e); The identified problems will also be used by Stats SA's management team to design and determine responsive programs to minimise impact of employee work productivity.

1.10. Research methodology and design

The study will use a quantitative research approach due to the nature of the topic under study, which is an investigation into the impact of employee financial problems on productivity in Statistics South Africa in Northern-Cape Province. According to Creswell (2003:36) a quantitative research approach is grounded in the positivist social sciences paradigm, which primarily reflects the scientific method of the natural sciences.

The overall objective of this research methodology is to test or verify the theory, rather than develop one. This methodology abstracts data from the participants into statistical representation, the entire research process is objectively constructed and the findings are usually representative of the population being studied.

1.11. Data Analysis Method

Responses from the questionnaire will be recorded, captured in the spread sheet and transferred to a statistical software package like Statistical Package for Social Science (SPSS) for in-depth analysis. Inferential statistics will be used to reach conclusions and make generalisations about the characteristics of populations based on data collected from the sample.

The researcher will present, analyse and interpret data collected by converting frequency of responses into percentages to better understand and interpret the findings. Data will be presented in the form of graphs, tables, bar and pie charts.

1.13. SUMMARY

In this chapter, the background of the problem statement was given and problem statement was discussed. Study objectives, research questions and hypotheses were clearly formulated. The researcher defined the scope of the study as well as the limitations and delimitations of the study. Data analysis methods, research methodology and design were also briefly discussed in the chapter.

The following chapter will review the literature and the researcher reviewed the existing literature about the topic under investigation, namely: the impact of employee financial problems on workplace productivity in Statistics South Africa in Northern-Cape Province; and will use resources like books, UNW-Library, internet, journals, articles and Government publications.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter presents literature reviewed in line with this study with focus on the impact of employee financial problems on work productivity of Statistics South Africa. The study was aimed at identifying how financial problems affect employee productivity in the workplace to further investigate why employees were failing to meet their debt obligations with a view of making recommendations for effective and efficient management of the identified problem.

The purpose of literature review as indicated by Babbie in (Bernheim & Garrett, 2007: 1311-1315) is to relate what has already been done to the problem under study. The functions of the literature review are as follows: (a) It may disclose that somebody else has already conducted the similar study; (b) it provides better knowledge into the complexity of the problem and (c) it enables the researcher to have full justification as well as sense of study.

The researcher reviewed the existing literature about the topic under study, namely: *The impact of employee financial problems on workplace productivity in Statistics South Africa in Northern-Cape Province* and used resources like journals, books, articles, search engines like Google scholar, UNW-Library and Government Reports and Publication releases.

Next is the review of literature under the following headings: Personal financial management, credit management, work productivity, financial problems, wage garnishment, employee assistance programme, financial Literacy, performance management and absenteeism.

2.2. Financial Problems

According to Nadler (2010:26) money and financial problems are ranked number one causes of stress and that it directly results in anxiety and depression, which is not often regarded by HR that stress acts as a mitigating factor for other benefits like retirement. The study by Money Mentors (2011:36) reveals that employees need money management skills for effective savings and that the stress that the employee brings to the company also causes stress for the company.

According to the study it is indicated that employee's financial problems do have a negative impact on the performance of the employee which can further lead to absent days at work, health related illness, lack of concentration and accidents.

On the other hand, researchers like Garman (2007:58) also concur that employees with financial problems negatively affect their employer's bottom line in a way that they no longer afford to contribute to their retirement fund due to money problems. The author also is of the idea that personal financial problems is the number one cause of employee stress and that 35% of those financially stressed employees bring these problems to the workplace which directly affects work performance and the overall company.

The study by Windham (2011:56) reveals as well that employee financial problems remain the number one cause of stress which causes a major concern in terms of performance, attendance at work and as a result company time is wasted by dealing with personal financial matters. It is further indicated that stress related illness like insomnia, depression, tension, fatigue and hypertension all results from stress caused by financial problems.

2.2.1. Causes of financial problems

According to Delafrooz and Laily (2011:222) the main causes of financial problems are among others, the overuse of credit, overspending, lack of budgeting, high debt level, lack of shopping skills and low salary. It is also indicated by the researcher that personal financial problems remain on the top list of causes of workplace troubles; also the researcher is of the view that financial literacy is the main cause of employee financial problems.

However, the study by Research Works (2009: 3) identifies the following as four causes of employee financial problems, namely: a) Life events – like divorce, lawsuits, retrenchment, illness or accidents may force employee to use personal savings in order to deal with these events. b) Financial literacy – lack of skills to manage, invest and save money whereby it results in the abuse of credit or spending more than the income. c) Psychological factors – like responding to adverts and impulsive buying, it is also further indicated that stress may cause lack of self-control and money problems which might be associated with addiction, drugs and alcohol, d) Income stagnation – decline in disposable income increases the financial strains on personal and family budgets thereby enhancing chances of additional personal debt.

2.2.2. Effects of financial problems of employees on employers

Garman (2007:38) reveals that employers pay for their employee's bad financial habits in the form of absenteeism, tardiness, turnover, wage garnishment, pay advances, theft, accidents, substance and alcohol abuse as well as work time spent on handling money troubles. The research by Grosh (2009:46) highlights that stress, loss of productivity; wage attachment and theft are the effects of employee financial problems on employers. The study by Crous (2011: 8-9) reveals that personal financial issues continue to impact employee productivity whereby in the study 29% of employees with financial issues who reported that they have been distracted; whereby 97% of them spent time at work dealing with issues related to their personal finances.

Stressed workers are unhealthy and can cause financial drain on their employers (Smart Business, 2010:23). The study further reveals that an employee's good financial health can benefit both the employer and the employee because it can reduce absenteeism and increase productivity.

2.2.3. Consultation with Human Resource Manager of Statistics South Africa

The researcher consulted with the human resource manager of Statistics South Africa (Funeka Nstiko) to get firsthand information regarding; since she directly deals with employees problems such as financial problems, stress and performance management of employees. The information gathered from the HR manager indicates that more than 65% of Stat SA employee's problems are financially related.

According to the HR manager employees financial problems in Stats SA are getting worse based on the fact the number of garnishee orders received from creditors are rising on the alarming rate. It was also indicated by the HR manager that the issue of dealing with employee creditors is really time consuming and add extra burden or unnecessary workload on the already overloaded HR office since the office is experiencing staff shortage. The manager also indicated the level of shame and embarrassment experienced when she had to inform the affected employee about the wage garnishment received from his or her creditors.

Since financial problems is regarded as a sensitive and confidential issue, the HR manager indicated that in some worse cases she had to take further action by referring financially troubled employees for counselling due to the fact that they were not coping at all and that others were hardly making ends meets. This was evident in some cases where a financially troubled employee requested an early retirement so that he or she can cash in on pension money to meet financial obligations, while others request cancellation of important insurances like medical aid or investment policies in order to increase earnings.

The HR manager indicated that during the period of performance management and development system review, it becomes evident that the financially troubled employees experiences drastic poor performance. The HR office also had to deal with issues of absenteeism and alcohol abuse whereby it is evident on the number of disciplinary cases that were recorded by the office.

It was revealed by the HR manager that the poor performing employee's personal file or records had to be consulted to further find out the reasons behind poor performance and it was indicated that most of employees had garnish orders, leave without pay and lots of medical sick notes. Based on the information gathered from the HR manager it is evident those financially troubled employees do not perform optimally and that it affects productivity in a negative way.

2.3. Personal Financial and credit management

Lack of proper financial management is a personal and family money matter that has detrimental results and negatively affects one's work and home life. Garman, MacDicken, Hunt, Shatwell, Hanson and Hanson (2007:10-12) define personal financial management as the management of personal and family resources to achieve financial success. The researchers further explains that financial success is the achievement of financial aspirations that are desired, planned or attempted which includes financial management of income and credit as well as financial planning for both short and long term goals.

Personal financial management can be thought of as an important component of personal financial wellness and the review of literature relates financial problems to financial illiteracy. According to the study by Garman (2006: 176-179), financial literacy refers to sufficient knowledge of personal finance facts for successful personal financial management. The findings further revealed that the main causes of employee financial problems among

others includes overuse of credit, lack of budgeting, high debt rate, improper spending skills as well as lack of knowledge about money.

Swart (2002: 473) describes credit as the ability to obtain goods and services immediately at agreed future repayments since most financial institutions take advantage of employee's lack of knowledge and understanding of credit which ends up with employee granted more credit recklessly. On the other hand Bradford (2007:3) indicates that credit management involves frequency of difficulty in paying bills, salary attachment, repossession of valuable goods and property as well as creditors calls demanding payment, this consequently will lead to employees having personal financial problems which will cause stress and depression that will result in work productivity being negatively impacted.

Orman (2007:110-111) describes the purpose of the credit score as the basis for calculating the customer credit score by credit bureaus. The author further indicates the credit score is used to quickly check how responsible the customer is with debt and that a great score means that lenders will offer the best deals available by means of lower interest rates or lower repayments. It is further indicated by the author that a credit score can either deny the applicant opportunity of employment since some employers, with the permission of the applicant, can request the credit score to check how responsible the applicant has been with his or her finances.

The importance of good credit management is highlighted by the author to explain that even landlords screen tenants based on good credit score, motor insurance companies also determine the client's premium based on the credit score.

The National Credit Regulator Report of 2007/2008 revealed that consumer debt is increasing and that creditors are struggling to recover money owed to them by consumers. Credit management remains a challenge since the number of judgments on civil cases of debt has also risen significantly (Stats SA- P0041, 2011).

The study conducted by the OHIO State University (2009: 27-29) reveals that over-indebtedness can lead to the following circumstances: a) Private businesses might discriminate consumers by declining their credit application. b) Potential employers might force job applicants to sign an agreement to have access to their credit records and that they may choose another applicant if any negative credit listing may be discovered in that applicant's credit report. c) Secured creditors are entitled to repossess the goods for which the

customer is unable to repay. d) Finally due to the negative impact on the impact on the credit record, customers are charged high interest rates. Ndumo (2011:71) explains that having a bad credit can affect one's chances of being appointed especially if the job involves handling of money, trust and honesty.

2.4. Financial Stress

Financial stress refers to the stress caused by personal, family and other financial situations. A stressor is a life event or occurrence in or impacting upon the family unit which produces change in the family social system (McCubbin & Patterson, 2008: 78). The researcher further indicates that personal, family and financial distress are sources of financial stressors and that other personal stressors amongst others are investment loss, injury, disability, illness, and wage garnishment. It is also revealed in the study that debt and financial problems can cause employees to work overtime in order to make extra money in order to survive.

Sporakowski (2005: 31) indicates that financial stressors events requires huge amounts of money, especially sudden or unexpected life circumstances like marriage, birth of a child, job loss, divorce and death of family member, which can results in serious financial concerns or disturb financial routine or plan. The review of literature reveals that there should be a difference in workplace productivity between employees with low level of financial education and employees with a high level of financial education.

Other researchers like Kim (2007:27) and (McCubbin & Patterson, 2008: 7-15) indicate that financial stress is a financial problems and difficulties that require financial advice and support from other financial sources which include the workplace.

Information sources may include areas where employees might get information about financial advice, counselling and education. From the social side, friends and family may become the source and offer help whereas from the work perspective, colleagues, supervisors and employer human resource department may offer advice and assistance.

Researchers have investigated financial copings and emotional copings since individuals have various coping strategies for financial stress. Other researchers such as Garman (2007:32) established the relationship between financial stress, substance abuse and absenteeism. The main concern for researchers is the financial stress affects on one's daily life, such as marital relations, work productivity, credit health, alcohol abuse and absenteeism.

Employers are feeling the results of their employee's poor spending decisions and financial behaviours with the outcome of financial distress (Prawits & Garman, 2010:30). The researchers define financial distress as a negative feelings about and reactions to one's financial situation. The study conducted by the researchers found that employees with more financial distress displayed less commitment to their companies and that such stress over financial problems leads to anger, fatigue and lack of sleep.

Financial distress spills over into the workplace, contributing to such work-related occurrences as personal finance, low organisational commitment, work time being wasted on resolving personal finances and high absenteeism rate and utilising more sick leaves (Prawits & Garman, 2010:31). The researchers further found that lower pay satisfaction is another element that contributed to financial distress and it can lead to high employee turnover which implies additional costs for employers in the form of recruitment, interviewing, training and other expenses.

Numerous studies have examined the relationship between financial distress and work productivity and the findings were positive that financial distress contributes to workplace productivity whereby the employee would arrive late for work or lack of completing daily allocated duties (Miller, 2010: 30-33). Financial distress has also being linked to health outcomes and that financially distressed employees experience poor health which affects work productivity and absence from work (Prawits & Garman, 2010: 34).

The study by Ceridian Connection (2008:78) reveals that the employee high debt level, low financial planning skills and lack of budgeting skills causes employee financial stress and that it negatively affects productivity, health and that personal and professional relationships like marriage may be directly feel the impact. The study by Crous (2011:28) also agrees with the above study that reduced employee productivity, workplace accidents, employee turnover, health and welfare issues are all costs of financial stress to the company.

2.5. Work productivity

Chan and Stevens (2008:83) defines work productivity as the amount of goods and or services produced per hours of human labour. According to Garman (2007: 4) thirty to 80% of employees who experience financial distress spend less time working whereas most of the time is spent worrying about financial problems during working hours, an indicator that personal financial problems affect employee's productivity.

The study by Garman (2007: 21-23) further reveals that those financially troubled employees may resort to absenteeism in order to have time to go to their creditors to re-arrange payment, pay personal bills or apply for loans. The study further indicates that the financially troubled employees most of the time lack concentration, could not finish and accomplish their normal responsibilities and request the workload to be reduced or shared with other colleagues.

This not only affect the employer but fellow colleagues since the work of the financially distressed employee now becomes the shared responsibility of other colleagues and at the same increase their workload.

This habit further disturbs employee productivity, workplace attendance and compiles stress and financial distress, which therefore, negatively affects employers, fellow colleagues, friends and family. Another study by "The Money Coach" puts the impact of financial stress on productivity in real tangible dollars by revealing that 25% of an organisation's employees are impacted by financial stress and that 1 in 4 financially stressed employee's work productivity is reduced by 10%.

The review of literature has also linked work productivity to stress. According to Callery (2009: 35-43) there is a strong relationship between stress, substance abuse, absenteeism and lower employee productivity, including reduced production, lowered efficiency as well as high use of employer fringe benefits such as sick leave days, disability and worker's compensation.

A variety of studies confirm that financially distressed employees may resort to substance abuse which leads to increased absenteeism, accidents, health care costs, theft and employees with various chronic health conditions most susceptible to productivity loss.

Research by Herman and Gioia (2006: 123-124) indicated that distracted employees are a danger to company since employers pay for lost production, leave days taken by employees and even medical costs. The researcher believes that the employer needs employees who have the ability to prevent financial problems by all means and be financially well and healthy since that will contribute positively to productivity and that will reduce time wasted in dealing with financial problems.

Other researchers like Kruger (2008: 21) have linked absenteeism to low productivity by indicating that the employee who was scheduled to work does not work, this affects the productivity of the absent employee as well as the overall company production.

2.6. Absenteeism

Munro (2007:21-23) defines absenteeism as being absent from a workstation in the form of long tea or lunch breaks, doing shopping during working hours, being off-sick, absenting oneself without leave. The researcher further indicates that absenteeism remains to be number one problem that managers in the public service deals with on a daily basis and it causes problems such as low productivity levels and add excessive load on employees who are on duty because they must cover the work done by the absent employee.

According to Kruger (2008: 20) absenteeism is the non-attendance of employees who are scheduled to be on duty. It is also mentioned that absenteeism is bad for any company, whether profit making or not. Madibana (2010:32) indicates that absenteeism causes many problems for employers and causes work schedules to be disturbed and delayed and that it further affects committed employees because they carry the extra burden of performing tasks of the absent employee in addition to their own tasks.

On the other hand it is stated that absenteeism has its potential benefits to the employer in the case of employee illness since the output of a healthy employee is greater than that of an ill employee. The researcher recommends that in order to control absenteeism managers should monitor and record any form of absenteeism, follow up each case by visiting sick employees, seeking reasons behind absenteeism and also interview returning employees.

Employee stress about personal financial problems is a reality in the workplace. Poor financial behaviour affects both the family life and employers in such a way that lead to losses of transportation, housing, granting of credit, emotional stress and absenteeism.

The review of literature indicates that employers incur high costs due to employee absenteeism in the form of paid leave, sick leave, family responsibility, reduced or lost productivity and loss of revenue from sales not made, due to employee experience of financial problems which might also lead to theft from employers (Creswell & Jennings, 2008: 117-121).

When financial problems arise, the workplace is the first to be affected and consequently the affected employee will absent him or herself from work to better handle the financial problems which in most cases is linked to depression (Garman *et al.*, 2006: 176-179).

A major source of lower employee productivity resulting from financial problems is absenteeism (Bruner & Cooper, 2007: 21-22). According to Perry (2006: 78-82), unscheduled absenteeism cost companies on average \$688 per worker per day. The researcher further indicates that 70% or more of absenteeism is a direct result of stress related sickness and that the absence has a direct and devastating effect on worker productivity, customer satisfaction and employee morale.

Bingo (2006:10-21) also is of the view that high levels of absenteeism more often affects productivity and that it has negative impact on the overall productivity of the organisation which consequently directly affects the country's economy and market. However, Leon (2012: 36) shares the same view as Bingo that if absenteeism is not properly monitored it might develop into major issues for the company such as, low staff morale, excessive work overload for employees on duty, unnecessary inconvenience and rescheduling of priority work. The researcher is of the view that this might end up costing the employer loss in income or profit.

It is further revealed by Bingo (2006: 22 -25) that human resource management in the workplace is faced with critical challenge since absenteeism, productivity and organisational commitment remains a key performance area for human resource. The study indicates that employees find it difficult to catch up with their work in order to meet deadlines, especially when returning to work after being absent. The negative effects noted from the study include among others, reduction of quality output in the workplace, both affecting the employee and the employer.

On the other hand, Chakela (2007- 7-15) states the following as contributory factors to absenteeism: social factors, personal factors such as financial problems, work related factors such as not getting along with manager, attitude and job satisfaction. The researcher is of the view that absenteeism poses a serious threat to organisations because lost productivity affects the performance of the organisation and that of the employee.

Kruger (2008: 23-25) indicates that absenteeism has negative consequences such as: loss of pay; increased accidents; increased work load and undesired overtime for co-workers; conflict between absent and present worker; decreased productivity; more grievances; decline in work reputation; aggravated marriage and child problems. The author further highlights that there are costs that is associated with absenteeism such as: direct cost of salaries as well as indirect cost of appointment a contract worker to do the work of absent employee.

Other indirect costs include decline in productivity, reduced quality as well as frustrated colleagues and management.

2.7. Financial Capability

According to Johnson and Sherraden (2006:61) a key indicator of financial capability is the capacity to manage personal income and expenses in order to meet financial commitments. The researchers also indicate that financial capability is a more preferable expression as compared to financial literacy.

Atkinson, McKay, Kempson and Collard (2006:112) has defined financial capability as a broad concept covering or including people's knowledge and skills to understand their own financial background, together with the courage to be decisive. According to HM Treasury (2008:16) financially capable customers plan ahead, find and use information, aware when to seek intervention, which results in the great participation in the financial services market environment.

2.7.1. Personal Financial Planning

Personal financial planning process involves a decision to reject the current financial situation and accept a new way of working and managing money, Swart (2002: 2-8). The author further states that when you manage yourself, you have goals giving direction to your life and activities and that there is a need to do personal financial planning as part of your personal life plan to reach financial goals.

It is further indicated by the author that all areas of life will be subject to change when financial planning starts and that eventually benefits like: a) a balanced life style, b) increased self-worth, c) better relationships with people, d) improved health, e) increased wealth and f) prosperity will eventually be enjoyed.

The author explains that as planner, attitude towards paying accounts and other creditors will change, given that you stick to your financial agreements and commitments and that attitude towards financial problems will also change when you put your time, money, assets, friends, colleagues and capabilities to best use. Swart (2002:25 -33) indicates that reduction of monthly expenditure or increment of monthly savings are ways of debt reduction; recommended the following strategies for getting out of debt: avoid impulsive buying,

reducing certain expenses, closure of some accounts, lowering the standard of living and improvement of budgeting systems.

The author highlights the following as the benefits of budgeting: a) It gives the opportunity to analyse the household monthly income and expenditure. b) It gives the opportunity to focus your planning on the shortfall or the surplus. c) It gives control over monthly income and expenditure and finally, d) you can plan your expenditure, savings and investments in advance.

2.7.2. Benefits of financial planning

Warschauer (2008:46) states that some financial planning benefits are not easy to quantify, such as making the client aware of the financial situation and help the client in terms of being organised and that some recommendations like portfolio management might actually increase consumer's financial position and wealth. The study by Hanna and Lindamood (2010: 2-3) highlights the following six key recommendations made by financial planners that were very crucial for money management in today's lifestyle, namely: emergency fund management, debt management, insurable risk reduction, investment risk control, goal assessment and tax and estate assessment.

2.8. Employee Assistance Programme

2.8.1. What is EAP?

Employee Assistance Programme (EAP) is defined as the help, treatment and education for employees who have experienced various personal problems that destruct from their workplace productivity (Brown, 2008b, Ford, 2008, Steele, 2007:122). EAP is a workplace intervention designed to assist in the identification and resolution of productivity problems associated with employees who are impaired by personal concerns (Pillay, 2010:37). According to the author, such problems include health, marital, familial, alcohol and drug, legal, emotional, stress-related or personal concerns which may adversely affect an employee's job performance.

According to Leon (2012: 4) potential hazards to employers and employees may be physical and mental issues in the form of stress, disability, absenteeism and depression and that the company tries to minimise these negative factors in the working environment through the EAP.

Leon (2012: 4) explains that EAP is an employer sponsored program intended to support the eradication of different workplace problems through screening, assessments, referrals to other services as well as case management with longitudinal follow-up for mental health and substance abuse issues.

The researcher further highlights that the source of employee problems may be personal or work related. Lennox and Sharar (2009: 37) states that businesses that use the services of EAP achieve sufficient return on investment whereby employees who used EAP services, were more productive since they no longer have stress problems, depression as well as absenteeism.

The study conducted by Eddin (2010: 35) reveals that 20% of employees at any company are affected by personal financial problems that impact negatively on work productivity. The author further indicates that employees may experience financial strain when unable to meet their financial obligations and that prolonged financial stress such as unpaid accounts and inability to satisfy financial needs, can have a direct impact on one's health which may take a form of depression, alcohol abuse, marital problems as well as reduced self-esteem.

The review of literature also highlights financial stress as the common reason for absenteeism which indicates that high level of absenteeism may be prevalent among employees experiencing financial problems. Employee financial problems affect work productivity, thereby creating the need and usefulness of EAP.

2.8.2. Purpose of EAP

The researchers further indicate that the motive behind EAP is that it is reactive to worker's problems that interfere with their job performance. Blum and Roman (2006:38) identified functions of management related to employee assistance programme strategies as: a) to retain services of valued employees; b) provide assistance to troubled supervisors; c) provide due processes to for those employees whose personal problems may be affecting their work productivity. Pillay (2010:28) indicates that a few years ago, employers may have not been willing to get involved in counselling and giving advice but nowadays due to the high number of employees with garnishee orders, they feel compelled to rescue employees who are experiencing financial difficulties.

According to the MetLife Study (2008: 45) on Employee Benefits Trends, a national survey of 1,380 full time employees indicated interest in obtaining advice and guidance from their employers for their financial problems. The study revealed that there was an increase in the number of employees asking HR for help with personal financial issues, 26% reported an increase in the number of employees who had their wages garnished by debt collection agencies while 20% reported an increase in the number of employees asking for advances in pay. The most common programs for employees were educational courses.

The goal and purpose of financial counselling is to assist employees with debt-related problems (Engelbrecht, Roux & Motlhabane, 2010: 74). Researchers further highlight the purpose of counselling as follows: a) To decrease debts, creditors and judgements; b) to improve income versus expenditure ratio; c) to improve the quality of life and physical- well-being; d) increase financial knowledge and contribute towards a positive change in financial attitudes and e) encourage self-empowerment and financial ownership which can promote emotional wellbeing, satisfaction, conviction to handle debt, self-confidence and stamina.

2.8.3. Benefits of EAP

Leon (2012: 25-32) explains that EAP has benefits such as cost saving in the form of improved productivity, increased morale, improved employee commitment and reduced absenteeism. By utilising EAP services, claims on employee compensation can be lowered drastically, reduced employee turnover, high employee commitment level, reduced accidents and anxiety. According to Lennox and Sharar (2009: 27) companies that offer EAP services to its employees show the value they have for its employees.

2.9. Wage Garnishment

Debt-collection processes can be described as those steps, judicial and extra-judicial, taken by the creditor for the collection of debt (Haupt & Coetzee, 2008:82-83). It is revealed that in most cases the employer is the last to know about the employee's default payments, court appearances, letters of demand and telephone calls from creditors.

The employer only becomes aware upon the service by sheriff of the court, for an emoluments attachment order on the employer. The researcher explains that emoluments attachment order grants the judgement creditor opportunity to receive the weekly or monthly

repayments from the judgement debtor, through a process of deductions made from the judgement debtor's wage or salary by the judgement debtor's employer.

The debtor's employer, who is obliged by court order to make such deductions, in this instance, is referred to as the "garnishee-employer". It also stated that deductions made by the garnishee- employer are paid directly to the creditor or his representative, like an attorney, until the original debt has been fully paid up.

The emoluments attachment order, which forms part of the debt collection process, is one of the methods used to extinguish debt. In the study conducted by Haupt and Coetzee (2008:83) the emolument order usually follows a default judgement, issued by the court in the absence of employee, by either a consent to judgement signed by the employee in terms of Section 57 or 58 of the Magistrate's Court Act 32 of 1944 or as a result of the employee's failure to defend the action instituted against him or her by way of summons served on that employee.

On the other side it is clear that there are certain inconveniences that are caused by the processing of emoluments orders since it increases a huge workload for HR practitioners who implement those orders. The study reveals that processing of emolument attachment orders places the following burden on the HR personnel :a) Attending to and implementing the orders. b) Notifying employee of garnishee order. c) Spending time in discussion with employees. d) Faxing through proof of payment.

According to Miller (2011:5) a creditor may garnish the employee's income when he or she fails to pay the debt. The researcher indicates that any form of debt like default taxes, personal loans or credit card debt and that salaries, wages, bonuses can all be garnished. According to the study, garnishment procedures first appeared in Maryland's State Statute in 1963 and that concerns around garnishment abuse rose in 1960s, meanwhile the Federal Consumer Credit Protection Act was enacted in 1968. In the study the act protects 75% of the wages from garnishment. The review of the literature suggests that garnishee orders are written proof of bad financial problems.

A number of reports indicate that South Africa's personal financial over-indebtedness levels are the second largest in the world, after USA.

The number of debt-related summonses are increasing at an alarming rate and current figures from Statistics South Africa indicate that in the month of September 2011 alone, 42 316 civil judgements for debt amounting to R401,6 million and 90 185 summonses were issued against debt were recorded.

Other researchers like Crous (2011:9) are of the view that absence from work due to debt problems are causing a major concern thereby directly affecting productivity levels and that debt-related alcoholism and violence, theft and family instability are all results of debt related problems. Arbel (2012: 4-6) explains that wage garnishment is a legal document, mandated by court, by which the employer deduct a certain amount of the employee's income to the benefit of the creditor.

The researcher further highlights that wage garnishment serves as a form of security model for creditors and that it is not the best solution both practically and theoretically since it suffers from disturbances like high increase in income tax and that disadvantages like salary reduction due to garnishment may cause the employee to lack motivation which may result in the employer having to fire the employee and replace him or her with a motivated one.

According to Arbel (2012:52) wage garnishment is usually capped at 25% of the employee or debtor's income. Myers (2009: 398) reveals that there are challenges regarding wage garnishment processes like laws that do not provide notice to the debtor.

Ndumo (2011: 33-37) highlights that it is important for human resources managers to better understand debt management due to the fact that some creditors in most cases exploit employees because they know that employers do not know any better. The author fully agrees with other researchers like Myers that some garnishee orders tend to be invalid since most companies simply implement garnishee order without asking questions, yet many of these tend to be invalid or highly inflated.

According to the study conducted by Haupt and Coetzee (2008:88) it is indicated that a garnishee order must be obtained in courts within the jurisdiction of the alleged debtor's home or workplace, therefore human resource managers should check each garnishee order to ensure that the court where it was granted was within the area of the debtor's home or workplace. If it is not, it is suggested that the manager should refuse to implement the salary deduction since the garnishee order would be deemed invalid.

The study further reveals that human resource managers should not honour a garnishee order where collection fees have been added to the owed or debt amount and that the debtor has the right to request a full statement to check how the amount was calculated and also, human resource managers should ask the creditors or debt collectors for proof of having notified the debtor. The study further recommends that human resource managers should not honour a garnishee order that is posted or faxed and that a valid garnishee order is the one served by the sheriff of the court.

2.10. Financial Education

2.10.1. What is workplace financial education?

Workplace financial education is information, education and /or services provided by an employer to help its employees make informed decisions about the following aspects: a) Employer-sponsored retirement plans. b) Credit and money management. c) Consumer rights. d) Benefit education. e) Investment and insurance planning (Garman, 2007:21). The study by Garman (2007:36) indicates that every time the employee brings his or her money problems to the work, workplace productivity decreases.

The author makes it clear that by providing employees easy access to quality financial education programs can increase company profits and improve personal financial management. According to Berheim and Garrett (2007: 68), employees want to get financial education from their workplace.

2.10.2. The need for workplace financial education

Employees with money problems cost employers money, hence workplace financial education is an issue for employers also (Hira & Loibl, 2009: 84-88). The researchers further indicate that when employees fail to manage their personal finances it causes financial concerns for the employer and the employee and that for profit making organisations, poor employee productivity often makes a difference between success and in business and financial loss, whereas for non-profit organisations, poor worker productivity means a poor public relations reputation and budget cutback for the next financial year.

The study also reveals that numerous indirect factors associated with poor personal financial behaviour that negatively impacts worker productivity and increase employer costs that include fighting with supervisors and other co-workers, job-stress, substance abuse, loss of

security clearance, disability and worker compensation claims, which of course do cost the employers time and money.

2.10.3. Effectiveness of workplace financial Education

The study by Garman (2007:48-52) found strong evidence that workplace financial education is effective because it resulted in better financial wellness for workers and that employers are increasingly offering workplace financial education to employees as part of the benefits program. The study also indicates that employers offer financial education to employees for the following reasons: a) to increase participation in and contribution to retirement plans, b) to help workers improve their personal financial wellness. c) to increase employee loyalty and morale, d) to reduce worker's stress, e) to improve worker's chances to retire early or on time, f) to reduce the incidence of employee theft and g) to increase workplace productivity.

According to Kim and Garman (2007:62) workplace financial education is effective in encouraging worker's participation as well as increasing contributions to employer sponsored retirement plans and that as a result of financial education and advice, many employees developed a plan for their financial future, developed a budget and reduced some personal debt. The researches recommend that employees, who received financial education materials at the workplace need to use such assistance to better handle their personal finances by reviewing individual financial plans, check current financial strategy and learn how to improve financial status.

The study conducted by and Hathaway and Khatiwada (2008: 12-15) found that there was a blurred impact of financial education programs in the workplace and that employers used financial workplace education as a recourse for already financially troubled employees rather than to capacitate them with decision-making skills or general knowledge about finances. The researcher further argues that workplace financial education is not for total wealth but rather highly important for savings towards retirement. The researcher is of the view that the existing literature on workplace financial education programs is insufficient due to lack of programs that properly analyse the impact and effectiveness of those programs.

2.11. Summary

It is evident from the review of literature that personal financial problems do contribute to employee stress, which in turn directly impacts employers in areas like absenteeism, productivity in a negative way. Delafrooz and Laily (2011: 222-228) recommends that financial education and counselling will have a positive impact on reducing financial problems and improving satisfaction. It can be concluded from the literature that employers will see the benefits of financial education through increased profits resulting from improved employee productivity, lower absenteeism and less turnover.

Review of literature reveals that employees prefer to receive financial education from their workplace and that companies are likely to experience decrease company time being used to handle personal financial problems at the cost of the employer. However, Garman (2007:59) is of the opinion that today's workplace financial education programs are failing since employees close to retirement are not financially prepared to retire and support this by revealing that 55 million of workers have not yet started saving for retirement.

The following chapter focuses on the research methodology chosen for this study. Research methods and design will be discussed in detail.

CHAPTER 3: RESEARCH METHODOLOGY AND DESIGN

3.1. Introduction

The brief overview of research methodology the way it is applied in this study was introduced in chapter one of the study. This chapter reveals an in-depth discussion of the research methodology the researcher will apply in the study. The chapter reflects the manner in which the study was planned, structured and executed in order to meet the criteria required. Furthermore, the chapter focuses on questionnaire design, data collection, population and sample size of the study.

3.1.1. Research Methodology

Research methodology is defined as the study of methods by which knowledge is gained, Creswell (2003: 132) and that it aims to give the work plan of the research. Other researchers like Rajasekar, Philominathan and Chinnathambi (2006: 24) explains that a research methodology is a way to systematically solve the research problem and that it may be regarded as a science of studying how research is done scientifically whereby it studies the different steps or processes that are adopted by the researcher in studying the research problem.

3.1.2. Research Design

According to Creswell (2003: 137) research design is a plan, structure and strategy of investigation to obtain answers to research problems or questions. The author further highlights that research design clearly indicates the procedures for conducting the study, including when, from whom and under what conditions data were to be collected or obtained.

Madibana (2010: 12) explains that research design is a blueprint for conducting study, maximising control over factors that could interfere with the validity of the findings; guiding the planning and implementation of a study in a way that is more likely to reach the set goals. Research design incorporates some of the important methodological decisions like data collection plan, sampling and data analysis plan that the researcher makes in conducting a study.

Cooper and Schindler (2011: 134) outline the following as essentials of research design: (a) the design is an activity –and time-based plan. (b) The design is always based on the research

question. (c) The design guides the selection of sources and types of information. (d) The design is a framework for specifying the relationships among the study's variables and (e) The design outlines procedures for every research activity.

Cooper and Schindler (2011:139) indicate that the purpose of research design is to provide the most valid, accurate answers as possible to the research questions. Saunders, Lewis and Thornhill (2009: 143-149) state that the research design helps the researcher to: a) make an informed decision about the research methodology whereby the researcher has to decide how data is to be collected and analysed; b) adapt the research design to cater for limitations and constraints and c) determine which research methods would be suitable for the particular study.

3.1.3. Research Methods

Research methods are various procedures, schemes, algorithms etc used in research (Cooper & Schindler, 2011: 153). It is further indicated by the authors that research methods are essentially planned, scientific and value-neutral and also include theoretical procedures, experimental studies, numerical schemes and statistical approaches etc.

3.2. Overview of possible methods

A research design is a detailed plan of how the study is to be conducted (Cooper & Schindler, 2011:139). According to Saunders, Lewis and Thornhill (2009:136) a research design is a general plan of how you will go about answering the research questions.

It is further revealed that it will contain clear objectives, specify the sources where data collection is targeted taking into account the limitations or challenges that the researcher might encounter in terms of time, data accessibility, money and location.

Bingo (2006: 61), indicates that research design is used to structure the research and to highlight all the parts of the research project, samples, groups, measures, treatments and methods of assignment all work together to try to address the central research questions.

3.3. Types of research

3.3.1. Quantitative

A quantitative research design was used in the study in the form of a survey approach and a bit of qualitative approach. Quantitative research includes the use of statistical analysis as well as numerical measurements to examine the social phenomena. Quantitative data often consist of responses from the respondent that are coded, categorised and reduced to numbers so that it may be analysed with statistical software packages.

In order to solicit multiple realities from the respondent, the researcher combined the two research approaches and developed a questionnaire.

3.3.1.2. Advantages of Quantitative Research Design

Some of the advantages of quantitative research design are that it places great deals in reliability and objectivity of findings and encourages replication, Hopkins (2000). The following advantages are noted by Cooper and Schindler (2011: 163). A large sample size is covered under this method, both mixed and single methods can be used, it is reduced to numbers or codes for computerised analysis; maintains clear distinction between facts and judgements and rarely has direct or indirect contact with the respondent.

Saunders *et al.* (2009) indicated the following advantages of quantitative research: (a) Provides estimates of populations at large. (b) Indicates extensiveness of attitudes held by people. (c) Provides results which can be condensed to statistics. (d) Allows for statistical comparison between different groups. (e) Measures level of occurrence actions or trends, etc, and (f) Can answer questions such as “how many?” and “how often?”

3.3.2. Qualitative

According to Cooper and Schindler (2011: 160) qualitative research aims to achieve an in-depth understanding of a situation and that qualitative technique are used at both data collection and data analysis stages. Data collection techniques include among others: individual in-depth interviews, case studies, focus groups, grounded theory and observation.

It is further revealed during qualitative data analysis that the researcher depends heavily on content analysis of written or recorded materials drawn from personal interactions with respondents.

3.3.2.1. Advantages

The following advantages of qualitative research are highlighted by Cooper and Schindler (2011: 160): small sample size; uses verbal or pictorial descriptions; researcher involvement is very high.

Mixed method is another method of combining both qualitative and quantitative research methods in the study (Cooper & Schindler, 2011:163).

3.4. Justification of chosen method

The researcher chose the quantitative research approach because it uses statistical software packages like SPSS to analyse that data. With the software, the researcher is able to establish relationships or differences between two or more variables, which are expressed as correlations, relative frequencies. The study will be descriptive in nature and the relationships between variables will be explored using relative frequencies. The researcher chose a survey approach based on the following: a) the commitment on the breadth of the study; b) its focus on the direct issues on hand at a certain time period and c) Its reliance on empirical data.

3.5. Population and Sample size

Population is the total set from which individual or unit of study is chosen (Wegner, 2006). Population is an entire set of subjects, objects, events or elements being studied (De Vos, 2003: 49). A sample is a proportion or subset of the population.

According to Glasow (2005: 22) determination of sample size depends on the following five factors, namely: (a) desired degree of precision. (b) Statistical power required. (c) Ability of the researcher to gain access to the study objects. (d) Degree to which the population can be stratified and (e) Selection of the relevant units of analysis.

The study population will be derived from the employees of Statistics South Africa in Northern-Cape Provincial Office since it will be cost effective and time saving in terms of collecting data.

The study will focus on permanent employees on salary level 6 to 13, which is ranging from general assistants, admin support, assistant directors, deputy directors, district managers, directors and executive managers.

Saunders *et al.* (2009:212) indicates that for some research it is possible to collect data from an entire population as it is of a manageable size and however indicates that it should not be assumed that a census would provide useful results that collecting data from the sample which represent the entire population.

3.6. Sampling Technique

According to Saunders *et al.* (2009:212 – 216) there are two sampling techniques available, a) probability or representative sampling which means that the probability of each case being selected from the population is well known and that is usually equal for all cases. (b) However, non-probability sampling means that the probability of each case being selected from the total population is not known. Zikmund (2003: 70) indicates that sampling involves any procedure that uses a small number of items or a portion of a population to make a conclusion regarding the whole population.

According to Blumberg, Cooper and Schindler (2011: 194) non-probability samples that are unrestricted are called convenience samples; furthermore, they are the least reliable design but normally the cheapest and easiest to conduct. It is also highlighted that while convenience sample has no controls to ensure precision, it may still be a useful procedure.

The researcher used stratified sampling as well as convenience sampling technique to serve as an opportunity to select accessible respondents as well as to obtain completed questionnaires quickly and economically. According to Zikmund (2003: 380) convenience sampling refers to sampling by obtaining units or people who are most conveniently available. Keller (2005: 149) indicates that a stratified random sample is obtained by separating the population into mutually exclusive sets, or strata and then drawing simple random samples from each stratum.

However, Blumberg, Cooper and Schindler (2011: 163) highlight the following as reasons for sampling: lower cost, greater accuracy of results, greater speed of data collection and availability of population elements.

The Northern-Cape Provincial office of Stats SA currently has 42 permanent employees and 120 contractor temporary employees. These employees were grouped into four different components, namely: a) Corporate Services, b) Field Work Operations, c) Statistical Support

and Informatics and d) District Services. All the permanent employees are targeted since the population is less than 100.

Therefore, according to Floyd and Fowler (2002: 5-7) sampling defines a process of selecting a small subset of a population that is representative of the entire population. In general, if a sample size is less than or equal to 100, it means the entire population should be targeted. For this study, the population is 42 for permanently employed employees on salary level 6 to 13, which is less than 100, so the entire 42 will be the target population for this study.

3.7. Data Collection Method

Data collection is the gathering of information to address a research problem, Creswell (2003). Data collection techniques used in the study was questionnaire and interview. Structured interview with the identified Human Resource Manager was scheduled and also a well-structured questionnaire with closed-ended questions will be developed and administered to the sampled employees. The questionnaire was compiled and discussed with the supervisor and suggested changes were effected. The researcher will personally distribute questionnaires to employees close to her since it seems effective.

3.8. Questionnaire as data collection instrument

The researcher used the most commonly used and important questionnaire as data collection instrument since information can be collected directly from the respondent if it cannot be collected from observations. Data collection instrument in quantitative research often involve measuring instruments (De Vos, 2003: 165). A questionnaire is a series of questions designed to provide accurate information from every member of the sample, Lancaster (2005: 139).

According to Saunders *et al.* (2009: 129-131) a good questionnaire allows the researcher to collect data directly from the respondent and that it is further indicated that it should be made possible for the researcher to measure what the respondent think, the experience taken and likes and dislikes of the respondent. Questions that will form the content of the questionnaire shall be asked in a way that will not unsettle the respondent.

A warning will be made in advance for questions regarded as confidential and sensitive. The questions will be structured in a way that the objectives of the study are met and that good quality data will lead to conclusive results or decisions. The researcher chose to use the questionnaire for reasons such as time limitation and resources needed to complete the study.

3.8.1. Characteristics of a good questionnaire

Constructing a questionnaire requires considerable time and thought and it should address all concerns of the study. According to Novunga (2004:58) questionnaire questions should be clear to both the respondent and the researcher and that a note should be taken not to measure in one item over and over again in different questions.

The following were indicated as characteristics of a good questionnaire: It (a) should be concerned with specific and relevant topic under study. (b) Should be short. (c) Directions and wording should be simple and clear. (d) Questions should be objective. (e) Should be presented in a good order and (f) should be attractive, neatly printed and clearly arranged (Shaughnessy, Zechmeister & Zechmeister, 2006:55-57).

3.8.2. Development of the questionnaire

Lancaster (2005: 139) indicates that a questionnaire should be as short as possible, have a logical structure, have questions which are simple wherever possible, avoid ambiguous questions, avoid leading questions and use a specific choice of answers where possible. It was further indicated by the authors that the following concerns during questionnaire design should be noted: namely; avoid complex and biased questions, avoid negative issues and avoid irritating questions or instructions.

According to Hopkins (2002:81-84) the questionnaire should address all the data requirements as specified in the research objectives and also, before constructing questionnaire, the research questions must be determined explicitly. The questionnaire was based on the literature review and other instruments used in similar research. Lancaster (2005: 139) indicates that a clear idea of overall objectives is needed in order to design a questionnaire.

Zikmund (2003: 330) indicates that relevance and accuracy are the two basic criteria a questionnaire must meet in order to achieve the study purpose. The author further explains that a questionnaire is relevant if no unnecessary information is collected and if the information that is needed to solve the study problem is obtained, whereas accuracy means that the information is reliable and valid.

The researcher chose the questionnaire as data collection tool for the study by formulating questions from the themes from the review of the literature.

Questions were designed in such a way that the study objectives are met and that they directly focus on the topic under study. Leading questions will be avoided to that the high level of instrument validity be maintained; also the wording will be short and to the point in order to ensure the reliability and validity of questions.

The questionnaire will be brief and reflect quality needed so that it requires little time from the respondent. The researcher preferred a structured questionnaire for this study because of its advantages such as easy to analyse and simple to administer.

3.8.3. Advantages of a questionnaire

The major advantage of using the questionnaire is that it offers reliability and consistency to the questions, if it is designed properly. In this study the main objective of the questionnaire was to save time. The following advantages of questionnaire are noted by Novunga (2004:60): a) It is less time consuming. b) Minimal travelling and low unit cost. c) The respondent is free to answer a question or two during his or her free time. d) Easy to process and c) The format offers the respondent confidentiality and anonymity. Blumberg, Cooper and Schindler (2011: 213) reveals that questionnaires allow the respondents time to think about the questions, requires minimal staff, more complex instruments can be used and also allows for rapid data collection.

Babbie (2008: 277-280) also highlighted the following advantages of questionnaire: (a) A huge number of individuals can be contacted simultaneously. (b) Each sampled participants respond to the identical questions. (c) A written questionnaire provides a means of freedom of expression without any fear of the embarrassment to the respondent. (d) Questionnaire provides easy analysis of data and (e) Responses are easily tabulated. Zikmund (2003: 175) also indicates that questionnaires provide quick, inexpensive, efficient and accurate means of assessing information about the population.

3.8.4. Disadvantages of a questionnaire

The following disadvantages regarding the questionnaire were noted by Babbie (2008: 278): (a) High non-response rate. (b) Poorly constructed items. (d) Questionnaire dealing with biographical data of respondents. According to Blumberg, Cooper and Schindler (2011: 213) the following questionnaire disadvantages were noted: (a) Printing and postage costs. (b) Low response rates in some modes. (c) No interviewer intervention available for probing or

explanation. (d) Cannot be too long or complex. (e) Often respondents returning survey represent extremes of the population- skewed responses and (f) Anxiety among some respondents.

3.8.5. Open and closed ended questions

According to Zikmund (2003: 331-333) open-ended questions poses some problems since it asks the respondent to answer in his or her own words and that it is beneficial when the researcher is conducting exploratory research. The author further indicates that the respondent is free to express what is in his or her mind and that the researcher may find unexpected responses towards the topic under study due to the freedom of expression the respondent has. It is also indicated that open ended questions are costly due to the job of coding, editing and analysing the data is expensive. Babbie (2008: 272) defines an open-ended question as a question whereby the respondent is required to provide his or her own answer.

On the other hand Babbie (2008: 272-273) indicates that closed-ended questions are questions where the respondent is given a variety of answers to choose from. Closed-ended questions were chosen for the study during questionnaire design process because they were easy to analyse.

3.8.6. Criticism against the use of the questionnaire

The following criticism against the use of the questionnaire was noted by Saunders, Lewis and Thornhill (2009:358) like the following: excessive non-response rate, poorly constructed questions, the questionnaire dealing with sensitive information and data from different questionnaires being difficult to synthesise.

3.8.7. Administration of the questionnaire

At least 42 questionnaires will be disseminated to Stats SA's targeted employees for the study. According to Cooper and Schindler (2011:34) the researcher should obtain informed consent from participants by fully disclosing the procedures of the proposed research before requesting permission to continue with the study. The researcher requested permission from the executive manager who requested to discuss the questionnaire before distribution to employees.

The researcher personally disseminated questionnaires to employees that are in close proximity, whereas others will be given to the managers and supervisors to further disseminate to respective subordinates. Guidance was given to managers on how to disseminate the questionnaire and also the copy and the record of questionnaire will be kept in order to track the response received as well as those not returned.

3.9. Data Analysis

The SPSS software will be used to reach the aim and objectives of the study together with the following analysis techniques:

3.9.1. Correlation Analysis

It will be used in the study to determine the existence of relationships among different attributes related to the respondent's level of satisfaction and some selected demographic indicators. Pearson and Spearman correlations will be used to investigate the degree of linear dependence among attributes and demographic factors.

3.9.2. Descriptive Statistics

Descriptive analysis will be used to organise data in the study and the frequency analysis will be used to describe the respondent's views on assessing the impact of employee financial problem on work productivity.

3.10. Reliability and Validity

Reliability refers to the extent to which the instrument can be counted upon produce consistent observations when used by a well consistent observer (Saunders, Lewis & Thornhill, 2009: 156-158). According to Babbie (2008: 156) reliability is a matter of whether a particular technique, applied repeatedly to the same object, yields the same result each time. Easterby-Smith, Thorpe, Jackson and Lowe (2008:29-30) reveals that reliability can be assessed by asking the following three questions: a) Will the measures yield the same results on other occasions? b) Will similar observations be reached by other observers? And c) is there transparency on how sense was made from the raw data?

The researchers' further state that subject or participant error, subject or participant bias, observer error and observer bias are the four threats to reliability. In this study, research reliability will be influenced by the relationship between the researcher and the participants.

Validity refers to the extent to which an instrument measures what it is intended to measure (Saunders *et al.*, 2009: 157). Babbie (2008: 160) refers to validity as the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. Validity, in this study, will be achieved through the problem that is being investigated, the research questions and the objectives of the study.

3.11. Ethical Consideration

Cooper and Schindler (2011:32) define ethics as norms or standard of behaviour that guide moral choices about our behaviour and relationships with others. The researcher further indicates that the goal of ethics in research is to ensure that no one is harmed or experience negative consequences from the research activities. The researcher commits to professional ethical values of objectivity and integrity in the execution of the study.

The researcher also adheres to the public nature of the scientific practice that demands that at all times one should be prepared to disclose one's methodology and techniques of analysis.

Permission to conduct the research was requested officially from the Provincial Executive Manager of Stats SA in Northern-Cape Province. The purpose of the study was explained to the respondents before they can start answering the questionnaire so that they can withdraw if they wish or continue being well informed.

The participant's consent was voluntary. The respondents were made aware that participation in the study might make them to disclose their financial information and status. Ethical consideration to employees in execution of this study relates to one's commitment to adhere to the right to privacy including the right of one (in the context of this study would be Stats SA employees) to refuse to participate in the research study and not be obliged or forced to so against their will.

As the study requires the disclosure of personal financial status, the researcher ensured that participants are kept anonymous and that the information collected from them will be treated confidentially and its source will not be known as the researcher will store the information in a safe place. Approval was obtained before commencing with the study.

3.12. Summary

The researcher gave detailed analysis of the research methodology on issues pertaining data collection instrument, data collection tools, population and sampling as well as ethical consideration. The literature review assisted the researcher to find out more about the impact of employee financial problems on work productivity and with such information the researcher will be able to develop the questionnaire to find out the opinions of employees of Stats SA regarding the topic under study.

The next chapter presents the findings of the study as a result of data analysis. It also discusses the data collected from respondents and interprets the findings in relation to the research aim of this study.

CHAPTER 4: RESEARCH RESULTS

4.1. Introduction

This chapter presents the survey data as analysed and interpreted. Cooper and Schindler (2001: 82) highlight that data analysis involves reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques. Data analysis is the application of reasoning to understand and interpret the collected data (Zikmund, 2003: 73).

The data is presented through tables and bar charts. Out of 43 questionnaires that were distributed, 40 returned back to the researcher. This represents approximately 93 percent response rate. The questionnaires were personally disseminated with the assistance of supervisors and managers and were collected after 10 days after the distribution in order to afford respondents enough time to participate. In order to avoid and overcome the non-response rate, the researcher made the appearance of the questionnaire to look attractive and easy to understand. Copies of the questionnaires were numbered and a record was kept in order to determine the responses and non-responses of sampled participants.

The researcher together with the assistance of the statistician used the statistical software package known as Statistical Package for Social Sciences (SPSS) version 20 to analyse the gathered data. The frequencies of responses was converted into percentages and also tables and bar charts were used to present the data further, reliability test as well as correlation analysis to show the relationship between variables to meet the study objectives. Respondents responded to 25 questions of the questionnaire.

4.2. Demographic profile of the respondents

A total sample availability of 40 employees from Statistics South Africa, Northern-Cape Provincial Office was selected to collect data. The provincial office has four clusters, namely: Corporate services, Field Operations, Statistical Support and Informatics and District Support. All respondents were permanently employed with the salary level between 06 and 13. The ages of respondents range between 24 and above 50 years. The population group of the respondents is made up of blacks, coloureds, whites, Indian/Asian as well as other unspecified groups.

Next, the demographic profile of respondents will be analysed from Table 4.1 to Table 4.5 in terms of age, gender, population group, marital status as well as education level. The frequency and percentage of respondents' demographic profile will also be shown in the Table 4.1 to Table 4.5.

Frequency Table 4.1: Age Category

Age category	Frequency	percent
20-29	7	17.5
30-39	13	32.5
40-49	16	40
50 or more	4	10
Total	40	100

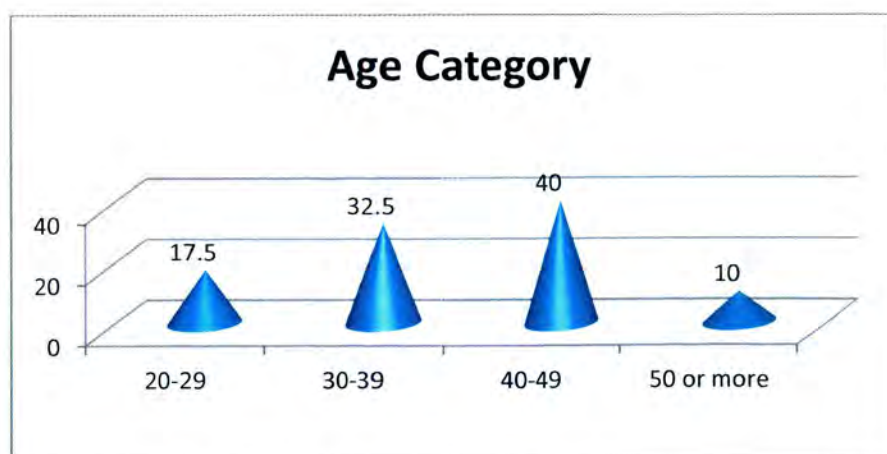


Figure 4.1: Age

The information in figure 4.1 shows that the majority of respondents (40%) were between the age group of 40-49 years. Another reasonable number (32.5%) was of the age group of 30-39 years, followed by 17.5% for age group of 20-29 years while a lowest 10% accounted for the age group of 50 or more years.

The fact that the majority of respondents 40% were between the age group of 40-49 years indicate that personal financial problems are more prevalent at this stage of late adulthood. This indicates that at this stage there are a lot of financial responsibilities that comes with long period of service or employment.

Frequency Table 4. 2: Gender

Gender	Frequency	percent
Female	23	57.5
Male	17	42.5
Total	40	100

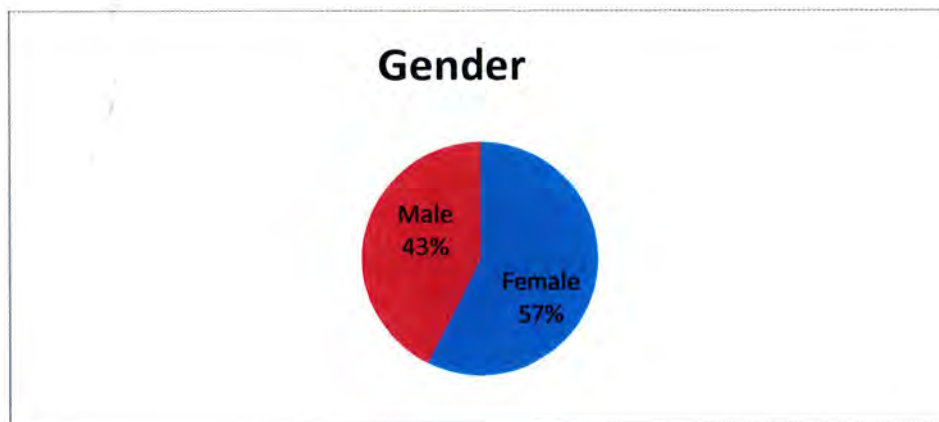


Figure 4.2: Gender

It is reflected in figure 4.2 above that the majority (57.5%) of respondents were female and 42.5 % were males. This could indicate that Statistics South Africa in Northern-Cape promotes women empowerment and gender equity by employing more females.

Frequency Table 4. 3: Population Group

Population Group	Frequency	Percent
African	10	25
Coloured	18	45
White	7	17.5
Indian/Asian	4	10
Other	1	2.5
Total	40	100

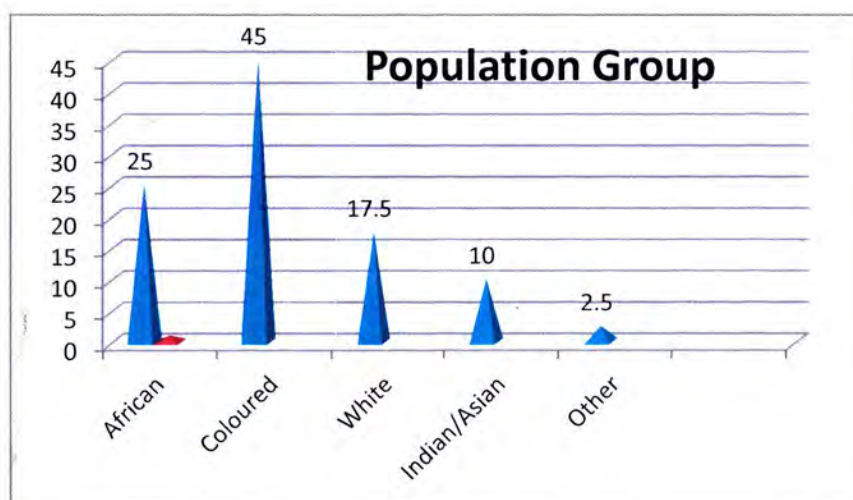


Figure 4.3: Population Group

The information in figure 4.3 above shows that the majority of respondents were coloureds (45%), followed by blacks at twenty five percent. The whites account for 17.5% while Indian/Asian were the lowest at two and a half percent.

According to Statistics South Africa's Census 2001 and Community Survey of 2007 reveals that Northern-Cape is mainly dominated by coloureds population group. This could be the reason that Statistics South Africa employs more coloureds population group due to high dominance in Northern-Cape Province.

Frequency Table 4.4: Marital Status

Marital Status	Frequency	Percent
Married	4	15
Never Married	12	30
Live with partner	12	30
Separated	5	12.5
Divorced	3	7.5
Widowed	2	5
Total	40	100



Figure 4.4: Marital Status

It is shown in figure 4.4 above that a respondent who was never married and those who lived with partners were both 30%. Those who were married were fifteen percent, followed by those who separated (12.5%), divorced respondents were 7.5% and the widowed were the lowest at five percent.

This could mean that financial problems mostly affect employees who live with partners as well as those who are single and less of those who are married.

Seven and half percent of respondents were divorced, while 5% were widowed. It is indicated by Swart (2002:9) that financial problems are a major source of most divorces.

Frequency Table 4.5: Education Level

	Frequency	Percent
Grade 12	1	2.5
Certificate with grade 12	7	17.5
Diploma with grade 12	8	20
Post graduate diploma	5	12.5
Bachelor degree	8	20
Honours	3	7.5
B Tech	3	7.5
Masters	5	12.5
Total	40	100

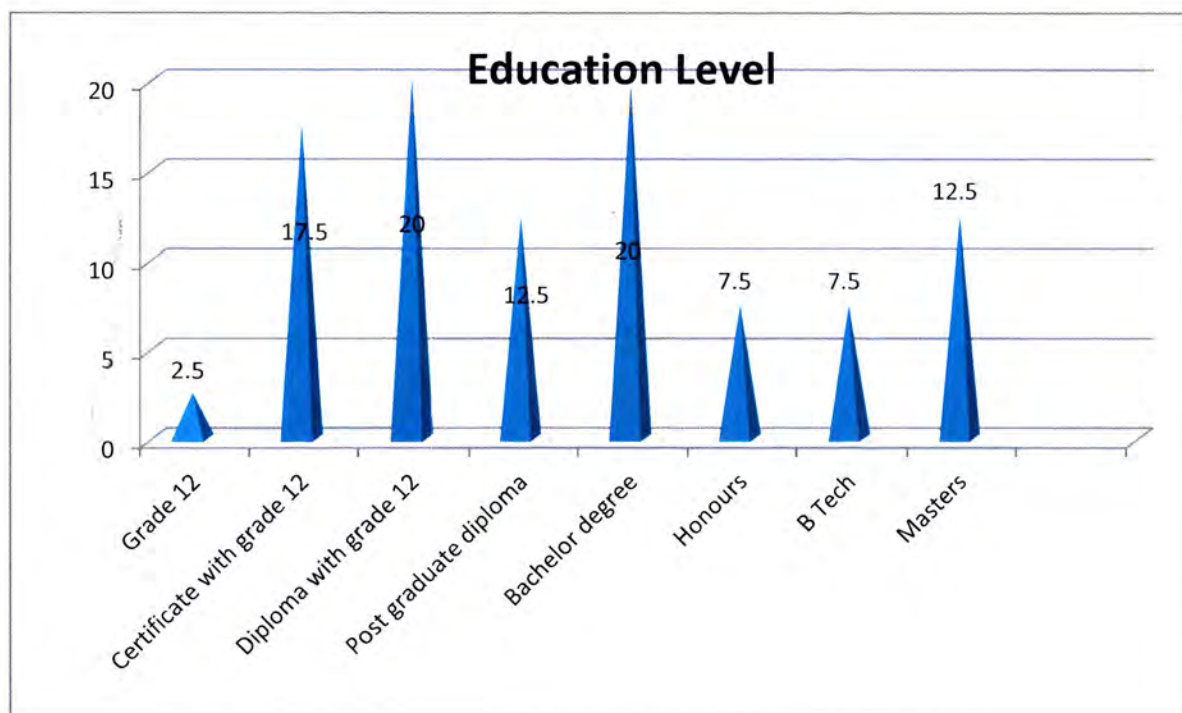


Figure 4.5: Education Level

The information on the figure above shows that 20% of respondents had Bachelor's degree and Diploma with matric. Respondents with certificate with matric were 17.5%, those with post graduate diploma and masters were 12.5%, whereas 7.5% were those with honours and B Tech and respondents with matric were 2.5%.

The fact that the majority of respondents (20%) have a Diploma and 17.5% have a Certificate with matric, can be of the reason that in Northern-Cape Province there is lack of Institutions of higher learning such as a University, only FET Colleges are present hence the 17.5% accounted for the Diploma.

The other 20% of respondents with a Bachelor's degree and 12.5% with a master's degree indicate the serious need of financial education programmes for employees to be focused on changing financial management and improve financial knowledge since the respondents are regarded as educated and expected to make better financial decisions yet experience financial problems.

4.3. SCALE MEANS TEST

Means Test Table 4.6 : Scale Means Score (a)

	N	Mean	Std. Deviation	Std. Error Mean
7. Do you know about the credit bureau and credit reports?	40	3.38	.868	.137
11. a. Which of the following do you do when experiencing financial problems?	40	2.55	.959	.152
11. b. Does the problem selected above negatively affect your work productivity?	40	1.33	.474	.075
12. b. How do you deal with your financial problems?	40	2.95	.986	.156

The inspection of figure 4.6 (a) shows that only the knowledge about the credit bureau and credit reports lean towards the positive side while the rest of the questions on the same table lean towards the negative side. Furthermore, the variation of the respondent are less than one, which means there is no much variation or differences on the responses. The mean (3.38) measure centre of location of most values in the middle of frequency distribution, then the standard deviation (0.868) measure how far on the other side of mean is each of the 40 respondents .

The scale point on the above regard was as follows: 1- Nothing, 2- very little, 3- some, 4- a fair amount and 5- a lot.

Means Test Table 4. 7: Scale Means Score (b)

	t	df	Sig (2-tailed)	Mean Difference	95% Confidence Interval of the Difference
					Lower
7. Do you know about the credit bureau and credit reports?	24.595	39	.000	3.375	3.10
11. a. Which of the following do you do when experiencing financial problems?	16.810	39	.000	2.550	2.24
11. b. Does the problem selected above negatively affect your work productivity?	17.667	39	.000	1.325	1.17
12. b. How do you deal with your financial problems?	18.926	39	.000	2.950	2.63

Means Test Table 4.8 : One-Sample Test

	95% Confidence Interval of the Difference
	Upper
7. Do you know about the credit bureau and credit reports?	3.65
11. a. Which of the following do you do when experiencing financial problems?	2.86
11. b. Does the problem selected above negatively affect your work productivity?	1.48
12. b. How do you deal with your financial problems?	3.27

If we test on 0.05, probability must be less than the level of significant which is alpha 0.05. Therefore according to table 4.4 all the values are significant with significant value of 0.00. It is significant because the alpha 0.05 is greater than significant value of 0.00.

All the statements are statistically significant given the fact that probability value of 0.00 is less than 0.05. The one with the smallest interval of 1.48 for the response to the question: Does the problem selected above negatively affect your work productivity? The employees who know about credit bureau are the biggest with the value of 3.65.

The following section will discuss the findings in a more detailed manner by providing insight in relation to the literature and in terms of the research question in order to give meaning to the presented data.

4.4. Individual questionnaire responses

According to Punch (2009: 277) an initial analysis of data set is very useful whereby it would be done on a variable-by-variable base, and techniques such as standard deviations (or variances), means and frequency distributions would be used. It is also indicated by the author that the benefit of descriptive analysis is to keep the researcher close to the data as well as to understand the distribution of each variable across the survey respondents.

Frequency distribution is a set of data organised by summarising the number of times a particular value of a variable occurs (Zikmund, 2003: 403). According to Babbie (2008: 450) frequency distribution is a description of the number of times that the various attributes of a variable are observed in a sample.

Next, a frequency table and figure per question are shown in Table 4.9 to Table 4.30. These tables and figures below are analysed according to the responses given by the respondents. The findings are further supported with the review of literature.

Frequency Table 4.9: Number of financial dependants?

Dependants	Frequency	Percent
One	13	32.5
Two	10	25
Three	10	25
Four	7	17.5
Total	40	100

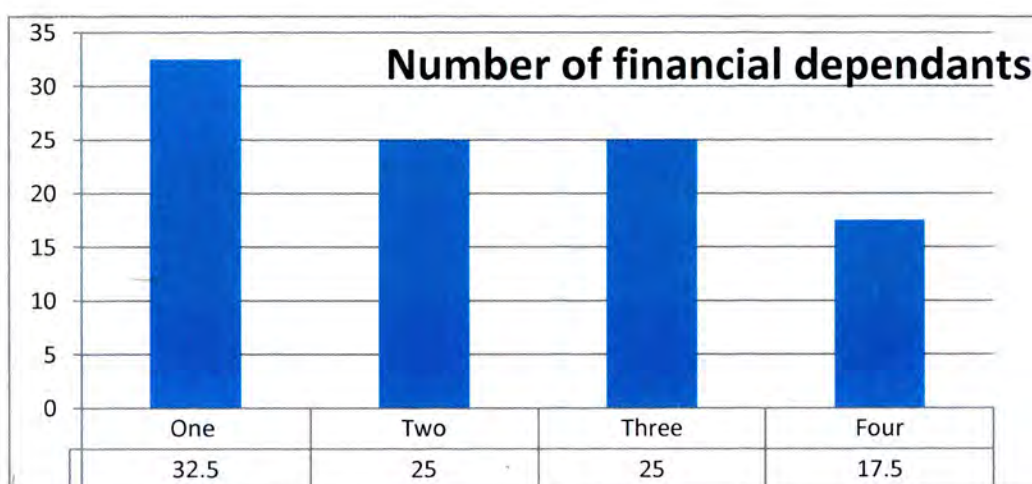


Figure 4.6: Dependants

The information on the above figure shows that the majority of respondents (32.5%) had one financial dependant, respondents with two and three dependants were both 25% and 17.5% of respondents had four dependants.

The fact that 25% of employees had two and three financial dependants is a clear indication of a huge financial family responsibility to take care of loved once. Financial problems are experienced by employees with two or three financial dependants and this may lead to the employee to incur more debt and borrow recklessly in order to satisfy and meet financial needs of dependants. Garman (2006: 52-53) is of the view that factors that may create severe personal financial problems include, among others, changes in the family income, changes in the employment status and loss of ability to fulfil home responsibilities and the need to support financial dependants.

Frequency Table 4. 10: Do you ever keep a written budget?

	Frequency	Percent
Yes , every month	11	27.5
Sometimes	22	55
Not at all	7	17.5
Total	40	100

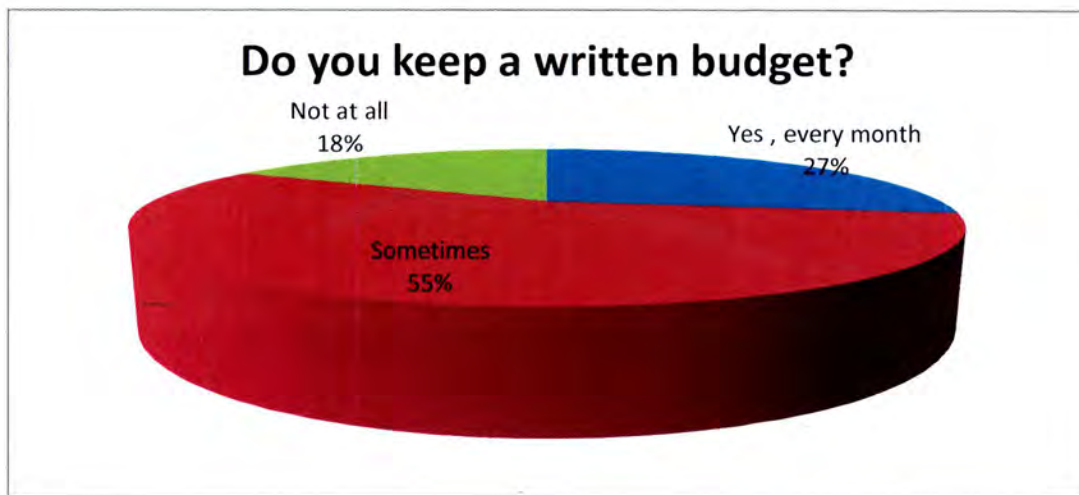


Figure 4.7: Budget

The above figure shows that the majority of respondents (55%) kept written their budget sometimes, while 27.5% kept their budget on a monthly basis and 17.5% did not keep the written budget at all. Swart (2002:9-10) indicates that every women should draw up a budget for themselves or for their partners and that every member of the family should have input in drawing and interpreting the budget.

Journey (2011:15-17) also highlights that a budget is about setting targets to spend money on a given time frame. The author further indicates the following as good reasons for having a budget, namely: (a) Budget reduces money related anxiety. (b) Budget gives control over financial situation and (c) A spending plan helps to avoid diversions that may try to alter your plans and also helps to reach goals and dreams.

Frequency Table 4.11: Do you have savings and investments?

	Frequency	Percent
Yes	25	62.5
No	14	35
Other	3	2.5
Total	40	100

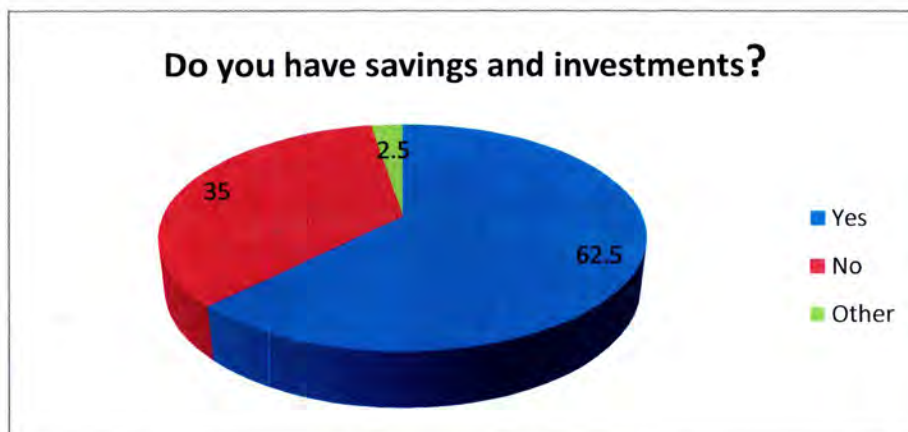


Figure 4.8: Savings and investments

The information on the above figure shows that the majority of respondents (62.5%) have savings and investments, 35% do not have savings and investment while the 2.5% accounted for other. The fact that 35% of respondents do not save nor invest a portion of their household income, is an indication of financial problems and lack of financial planning and management hence financial education remains a needed resource.

Swart (2002:131) describe savings as money a person has at his or her disposal that he or she does not spend. The author further explains that investment is described as the transfer of purchasing or buying power to third parties for the purchase of assets. Savings is regarded as the key success factor for promoting economic growth while employee debt in increasing higher than the inflation rate, Delafrooz and Laily (2011: 222), low financial education and lack of financial information affects one's saving ability.

Frequency Table 4. 12: If yes, how often are your savings and investments done?

	Frequency	Percent
Routinely on a monthly basis	9	22.5
If my expenses leave me with enough money	15	37.5
Whenever possible	14	35
Other	2	5
Total	40	100

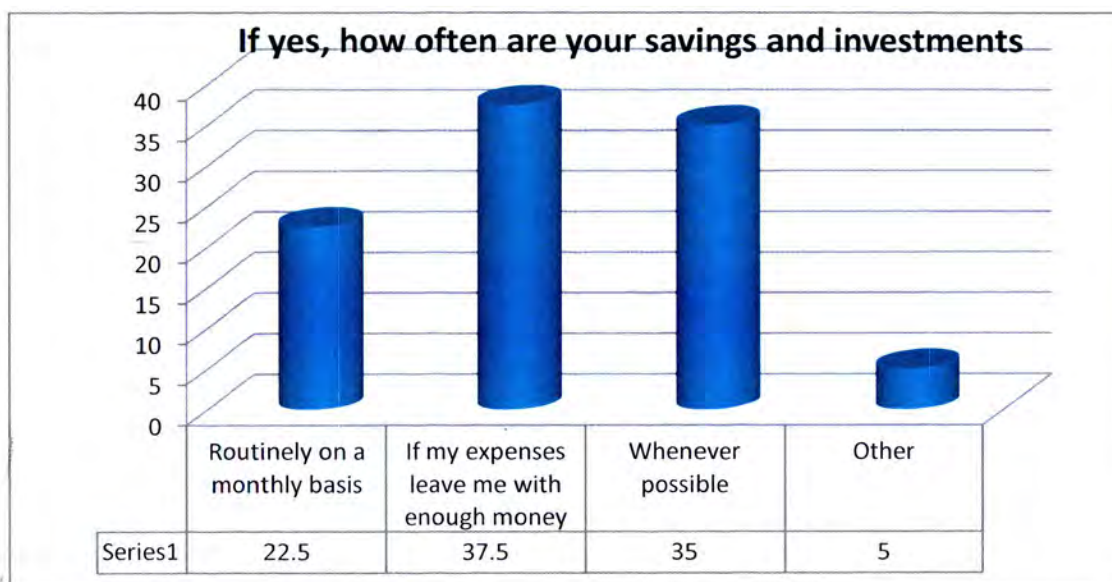


Figure 4.9: Extent of savings and investments

It is indicated in the above figure that 37.5% of respondents save only when their expenses left them with enough money, 35% save only whenever possible, 22.5% save on a monthly basis.

The above information indicates that the majority of employees (37.5%) neither save nor invest only when left with some money after expenses. This indicates that neither savings nor investment form part of the monthly written budget, which indicate the need for proper execution and adherence to financial management practices. The need to include savings or investments on a monthly budget should be further emphasised to employees.

Frequency Table 4. 13: Do you know about the credit bureau and credit reports?

	Frequency	Percent
Very little	5	12.5
Some	20	50
A fair amount	10	25
A lot	5	12.5
Total	40	100

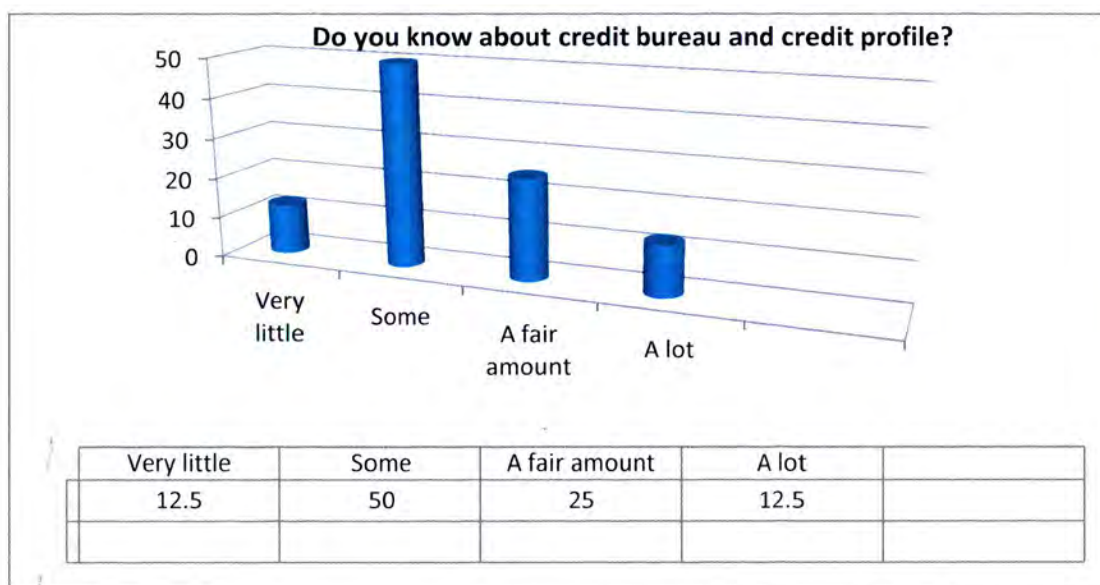


Figure 4.10: Knowledge about credit bureau and credit reports

The above figure shows that 50% of respondents know some about credit bureau and reports, 25% know a fair amount, while 12.5% knows a little and the other 12.5% knows a lot about credit bureaus and credit reports.

The fact that the majority of respondents (50%) only know some about credit bureau and credit report signals the serious need of financial education. This might be attributable to employee ignorance when it comes to money matters and proper management of credit not taking into account the consequences of being declined credit in future and be listed as a bad customer.

Not only does a bad credit record affect your finances only but it also minimise chances of career growth since most employers currently checks the credit record of the candidate before appointment, in order to ensure that the prospective employee can be trusted to handle company finances due to the fact that he or she takes good care of his or her personal finances.

The Credit Bureau Monitor (2012:7) states that 120,094 credit reports were issued to consumers at their request, which is an indication that consumers are concerned with their credit standing.

Frequency Table 4.14: Have you ever been known to skip or delay payment long way after the due date?

	Frequency	Percent
No, i always pay my debts on time	11	27.5
Sometimes	25	62.5
My priority list changes every time Total	4	10
Total	40	100



Figure 4. 11: Defaults in payments

The information above depicts that 62.5% of respondents sometimes skip or delay payment while 27.5% always pay their debts on time and ten percent of respondent's priority list changes every time.

The fact that the majority of respondents (62.5%) sometimes skip or delay their debt repayment indicate that employees are unable to honour their debt obligation as they experience financial problems as well as not taking into account the impact and consequences of skipping payment on their credit record. The Credit monitor report (2012:3) indicates that consumers who missed one or two instalments increased by 0.4% to 9.3% as at the end of March 2012.

Frequency Table 4.15: To what extent do you feel positive about your current financial position?

	Frequency	Percent
Not at all	3	7.5
To a very little extent	12	30
To a reasonable extent	17	42.5
To a moderate extent	3	7.5
To a great extent	5	12.5
Total	40	100

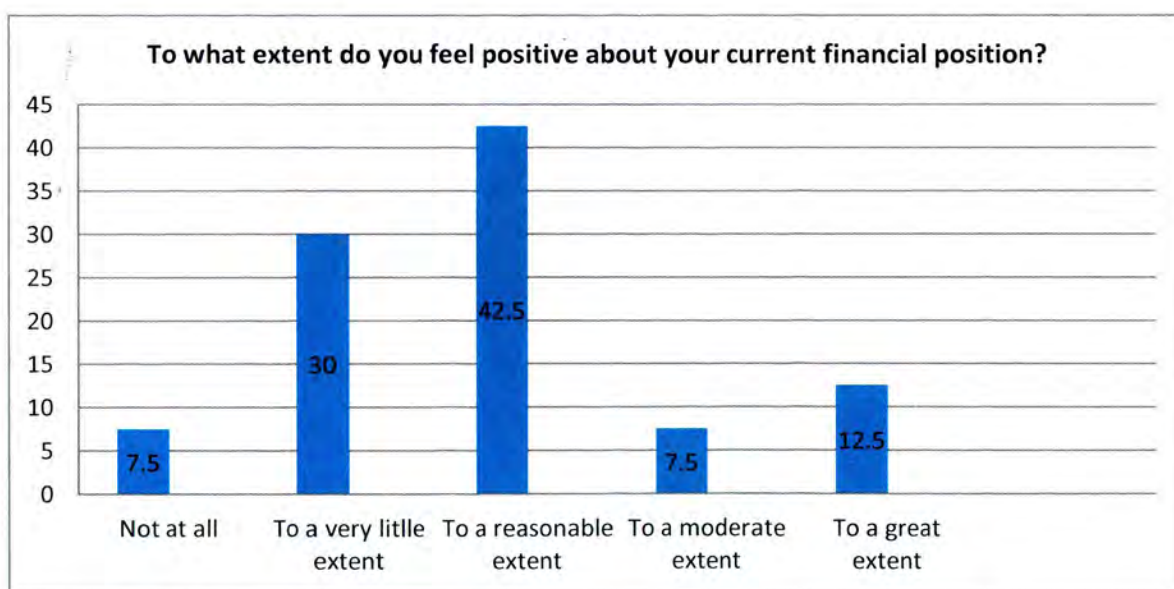


Figure 4.12: Current financial position

The above figure shows that 42.5% of respondents feel to a reasonable extent regarding their current financial position, 30% feel positive about their current financial position to a very little extent, 12.5% feel positive to a great extent about their current financial position and those who feel moderate and not positive at all both account for 7.5%.

The fact that 30% of employees feel positive to a very little extent about their current financial position indicates that employees are not financially well. This also indicates the need for the employer to have employee financial wellness programs in place. The study by financial fineness (2011: page number not known) highlights that employee financial wellness programs prove that changing employee financial behaviour is easy and inexpensive and that impact it has on employee's overall health and wellbeing is of utmost importance.

Frequency Table 4.16: I once had my salary garnished?

	Frequency	Percent
Yes	23	57.5
No	17	42.5
Total	40	100



Figure 4.13 Extent of salary garnish

The majority of respondents (57.5%) indicate that they once had their salary garnished while and 42.5% of never had their salary garnished.

It is a clear indication that the majority of employees are in a financial crisis and cannot satisfy their financial obligations with the creditors.

According to the Public Service Commission Report (2007:12) failure of employees to honour debt repayment with their creditors result in a situation where credit grantors approach the court to have a garnishee order issued to the indebted employee, whereby salary deductions are made directly from the employee's payroll.

Frequency Table 4.17: Which of the following do you do when experiencing financial problems?

	Frequency	Percent
Spend more hours on the telephone	6	15
Stay away from work	12	30
Experience stress	17	42.5
Experience social and family problems	4	10
Other	1	2.5
Total	40	100

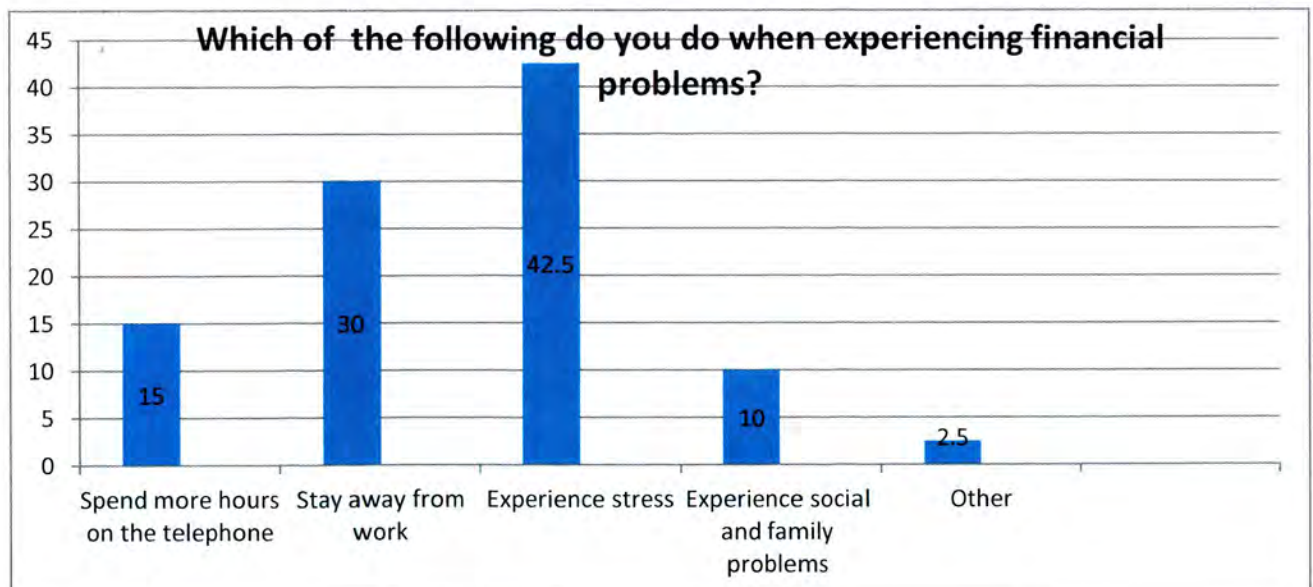


Figure 4.14: Action when in financial problems

From the figure above, it is indicated that the majority of respondents (42.5%) experience stress when they have financial problems, 30% of respondents stay away from work, 15% of respondents spend more hours on the work's telephone, while 10% of respondents experience social and family problems.

Based on these findings, it is evident that stress is experienced by the majority of employees followed by absenteeism when experiencing financial problems. The findings of this study are supported by Delafrooz and Laily (2010:91) that one of the reasons of personal financial problems is financial stress and also indicated a significant relationship between financial problems and financial stress. The study further revealed that financial stress was found to contribute in the increase of personal finance-work conflict, which is explained as a situation where personal financial problems interfere with one's job. On the other hand, Kim (2007:42) indicates that employees with financial stress were more absent from work more frequently.

The study by Kim, Sorhaindo and Garman (2006: 72) reveals that workers with debt problems often reports that financial problems are the major cause of their health problems, also it is indicated by the authors that financial stress can negatively impact employee's work performance. The researchers further revealed that financial stress had a direct effect on absenteeism, which is a clear indication that absent employees does not contribute productively to the organisation during the time they are absent. Kocakulah, Kelley, Mitchell and Ruggieri (2009: 81) are of the opinion that when employees stay away from work, an employer loses over \$16 billion in salary expenses, which is costly and causes unnecessary business disruptions.

The study by Money Mentors (2008: page number not known) confirms the findings of this study that the leading cause of employee stress has less to do with workload, deadlines or family matters, rather the number one cause of stress is personal financial problems. The study further reveals that stress caused by work issues can be alleviated within the organisation whereas stress brought on by employee's personal financial problems is not something that most organisations feel comfortable or qualified to deal with.

Frequency Table 4.18: Does the problem selected above negatively affect your work productivity?

	Frequency	percent
Yes	27	67.5
No	13	32.5
Total	40	100

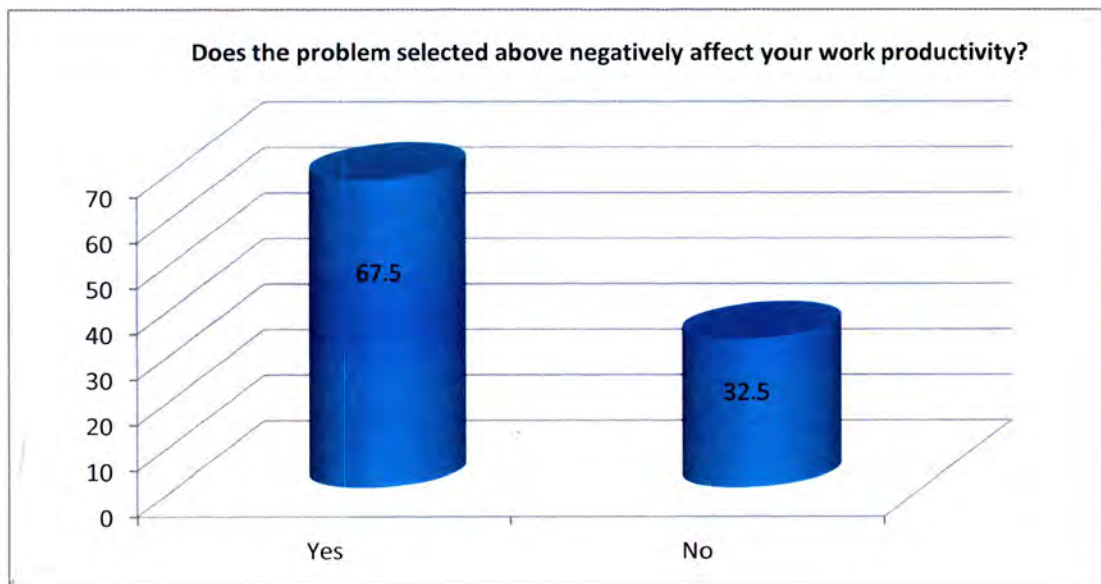


Figure 4.15: Effect of problem on productivity

The figures displayed above show that the majority of respondents (67.5%) agree that their financial problems do affect workplace productivity in a negative way, whereas the remaining 32.5% do not agree.

Since the majority of respondents indicated that they experience stress while others stay away from work when experiencing financial problems, which has a direct negative bearing on the work productivity, this is the stage where the employer should play its role to assist employees to deal with their financial problems.

The findings of this study is supported by Kim, Sorhaindo and Garman (2006:10) by indicating that financially stressed employees often take time from work to talk to fellow colleagues about their personal financial problems, communicate with creditors about past due payments, pay personal bills while at work. The researchers further indicate that due to financial distractions, employees often are unable to perform their normal work responsibilities and have to reduce their workload, which impact negatively on the workplace productivity.

Frequency Table 4.19: How do you handle excessive work load?

	Frequency	Percent
I prioritize my workload and go ahead to meet my goals	8	20
I slowly begin to tackle my work	15	37.5
I become frustrated and irritable	14	35
Other	3	7.5
Total	40	100



Figure 4.16: Dealing with excessive workload

The information on the above figure shows that the majority of respondents (37.5%) slowly begin to tackle their work as a way of handling excessive workload, 35% of respondents become frustrated and irritable, 20% prioritise workload and go ahead to meet their goals, whereas 7% has other ways of handling excessive workload.

The fact that 35% of respondents become frustrated and irritable when handling excessive workload indicate that employees' lacks time and task priority management skills and that the employee does not have the ability to cope with pressure. The study by Ceridian Connection (2008:6) reveals that the impact of financial anxiety is determined by the duration of the stressors and by how employees respond to them. The study further indicates that if not dealt with, stress can lead to poor concentration, low productivity, as well as absenteeism. Rosenberg (2012: 12) confirms that financial problems affect employee's ability to cope and focus on work.

Frequency Table 4. 20: I have experienced financial problems in my life?

	Frequency	Percent
Strongly agree	11	27.5
Agree	17	42.5
Strongly disagree	8	20
Disagree	4	10
Total	40	100

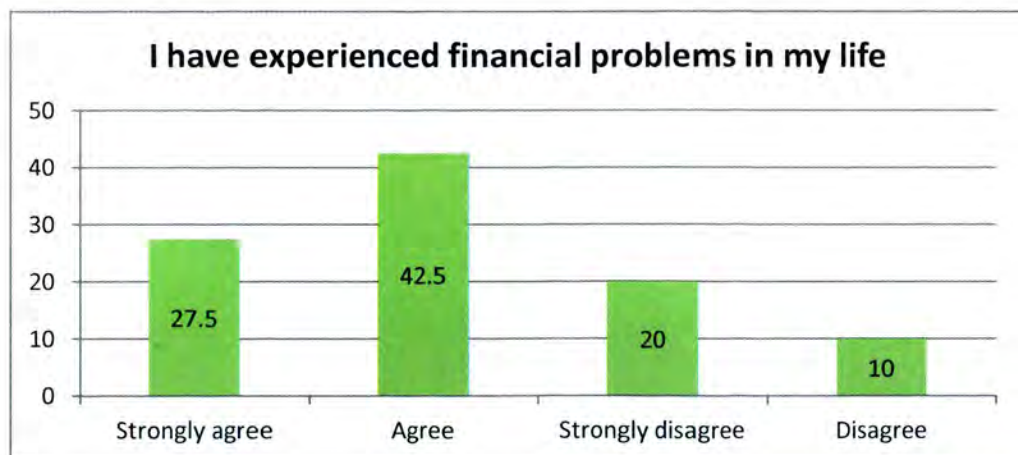


Figure 4.17: Prevalence of financial problems

The information displayed above shows that 4, 5% of respondents agree that they have experienced financial problems in their lives, 27, 5% of respondents strongly agree, while 20% strongly disagree that they have experienced financial problems in their lives and the remaining 10% of respondent disagree.

It is evident that the majority (42, 5%) of respondents have experienced financial problems in their lives and that it is a major concern it affects not only the family and social life but the work productivity as well. According to Delafrooz and Laily (2010:51) financial problems can damage and reduce workplace productivity, relations with fellow employees as well as lower workplace morale and further, financially troubled employees are a cost to employers and that. The study by Garman, Leech and Grable (2006: 76) has shown a strong relationship between financial problems and workplace productivity.

Frequency Table 4. 21: Do you need someone to help you deal with your financial problems?

	Frequency	Percent
Yes	26	65
No	14	35
Total	40	100



Figure 4.18: Any need for help

It is shown in the figure above that the majority of respondents (65%) need someone to help deal with their financial problems while the other 35% do not need someone to help them deal with their financial problems.

Based on the majority of respondents indicating that they need someone to help them deal with their financial problems is a clear indication that respondents are beginning to realise and acknowledge their financial problems, which is a first step towards resolving or dealing with the problem. EAP services as well as workplace financial education and training plays an important role.

Frequency Table 4.22: How do you deal with your financial problems?

	Frequency	Percent
Consult with your supervisor	2	5
Deal with them on my own	12	30
Consult internal sources	14	35
Consult external sources	10	25
Other	2	5
Total	40	100

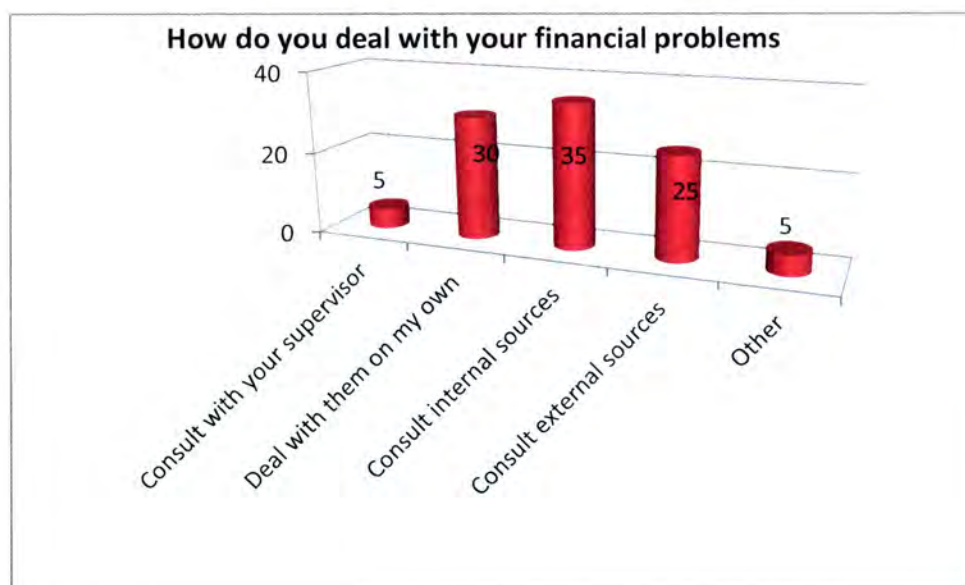


Figure 4.19: Dealing with financial problems

It is indicated in the figure above that 35% of respondents consult internal sources in order to deal with their financial problems, 30% of respondents deal with their financial problems on their own, 25% of respondents consult external sources, while 5% of respondents consult their supervisors and the remaining 5% have other ways of dealing with their financial problems.

The fact that majority of respondents (35%) chose to consult internal sources in order to deal with their financial problems, shows that employees need employer's assistance. The employer resources such as Employee Assistance Programmes (EAP) or supervisor's intervention are needed. The findings of this study are supported by MetLife Study (2008:17) that employees are interested in obtaining guidance and help from their employers with regard to their financial problems.

It also highlighted in the study that EAP counsellors are specially trained to recognise and improve the workplace performance aspects of employee personal problems that may go beyond financial difficulties as compared to the staff at credit counselling services that generally focuses only on the employee's financial issues. As indicated that 25% of respondents utilise external sources in order to deal with their financial problems.

According to the Credit Bureau Monitor (2012:9) about 6 000 consumers in South Africa who use credit apply for debt counselling every month. The 30% of respondents that deal with financial problems on their own could mean that they lack knowledge of available resources that could assist them and that they might be feeling uncomfortable to discuss money problems with others.

Frequency Table 4. 23: What is your annual income?

	Frequency	Percent
R51 000 - R100 000	4	10
R101 000 - R200 000	12	30
R201 000 - R300 000	10	25
R301 000 - R400 000	7	17.5
R401 000 - R500 000	5	12.5
R501 000 - R600 000	2	5
Total	40	100

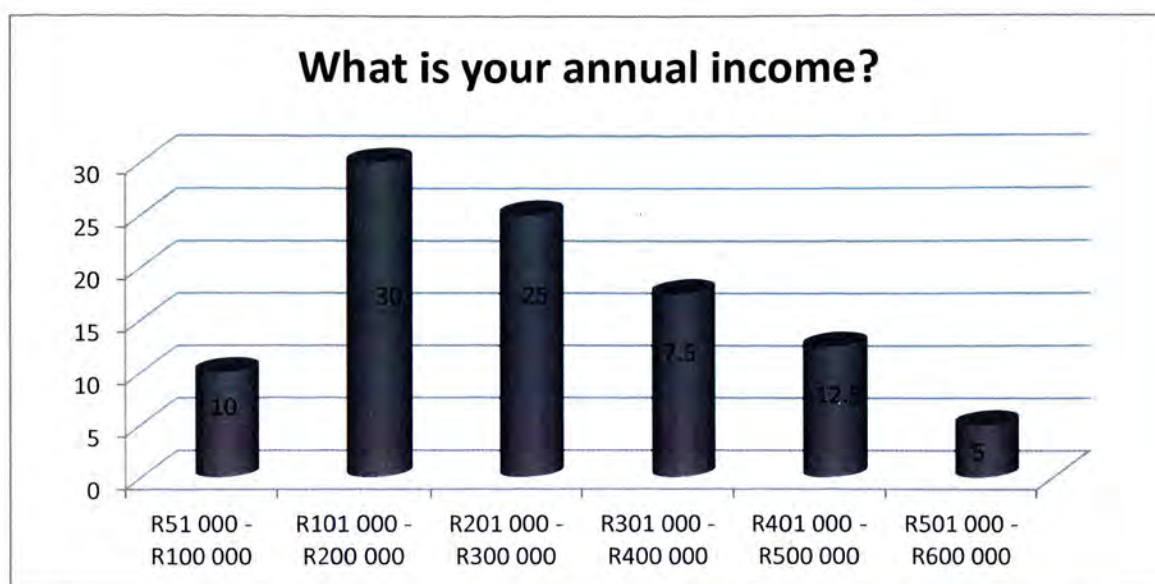


Figure 4. 20: Annual income

The above figure indicate that most of respondents (30%) were in the income bracket of R101 000 – R200 000, 25% were in the income bracket of R201 000 – R300 000, 17.5% had income of between R301 000 – R400 000, five percent were in the income bracket of R401 000 – R500 000 and 4% were in the income bracket of R51 000 – R100 000.

It can be indicated that financial problems are more prevalent for the employees on the income bracket of R101 000 – R200 000 as well as R201 000 to R300 000. This can be attributed to the fact that 20% of employees had Diplomas and Certificates with matric, an indication that higher education is needed in order to secure higher income salary level. The other factor could be that employees find it difficult to finance rent or house, car and other living expenditures with the indicated affected income brackets hence they live beyond their means and in the process incur more debt.

On the other hand researchers like Delafrooz and Laily (2011:19) indicate that financial problems are not confined to lower income levels but rather to the amount of consumer debt. The researchers further highlight that financial problems is a function of lifestyle, adopted by employees who use credit so they can live beyond their means.

Frequency Table 4.24: What are your goals towards increasing your income?

	Frequency	Percent
Learn more and earn more	6	15
Work harder at what you do	8	20
Change my attitude to achieve better results	15	37.5
Try new things	11	27.5
Total	40	100



Figure 4.21: Financial Goals

It is shown above that 37.5% of respondents would change their attitude as their goal towards increasing their income, 20% of respondent will work harder at what they do, 27.5% will try new things and 15% will learn more in order to increase their salary.

The fact that only 15% of employees are willing to further their education level as a goal towards increasing income indicates that the unavailability of higher learning institutions in Northern-Cape Province impact negatively on employee's career as well as financial goals. It is well known that with higher education or post graduate qualification, employees stand a better chance of getting a better and well-paying job and as result will be in a better financial position to handle personal finances.

Frequency Table 4. 25: I was trained on financial education at my workplace

	Frequency	Percent
Strongly agree	2	5
Agree	10	25
Strongly disagree	16	40
Disagree	12	30
Total	40	100

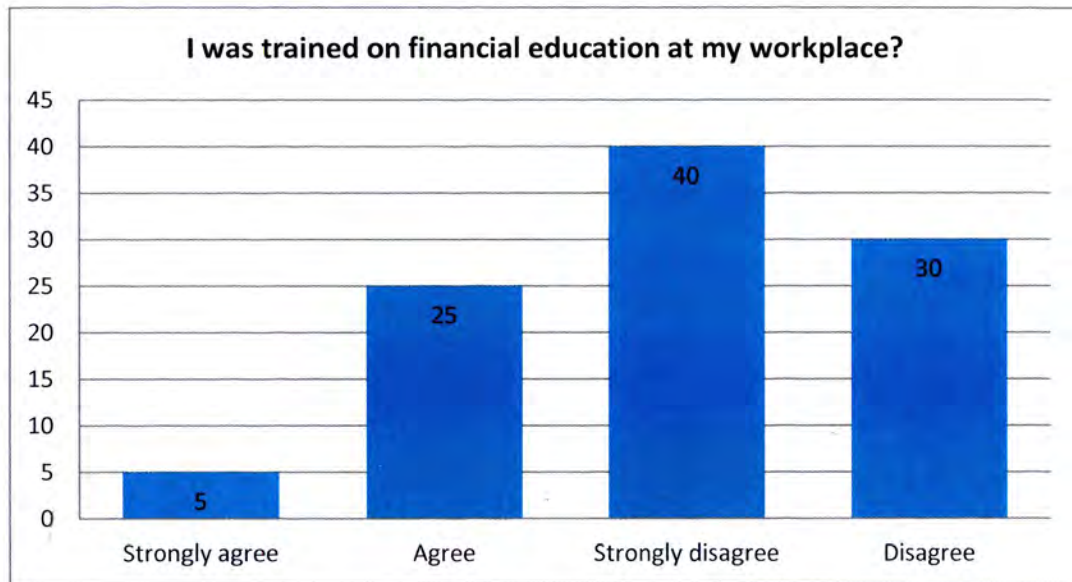


Figure 4.22: Training on finances

The figure above indicates that 40% of respondents strongly disagree that they were trained on financial education at their workplace, 30% disagree, 25% of respondents agree that they were trained on financial education at their workplace and the remaining 5% strongly agree that they were trained on financial education at their workplace.

The fact that the majority of respondents (40%) disagree that they were trained on financial education at their workplace indicate a need for employers to empower their employees on financial issues since both parties stand to benefit from the financial education.

This is confirmed by Research Works (2009:15) that when financial and money management skills are taught to workers, it does improve the situation of the affected employees in such a way that they are able to make better financial decisions, have increased confidence when making investment decisions and have improved the financial situation.

Frequency Table 4. 26. Do you believe you need financial education at your workplace?

	Frequency	Percent
Yes	32	80
No	8	20
Total	40	100

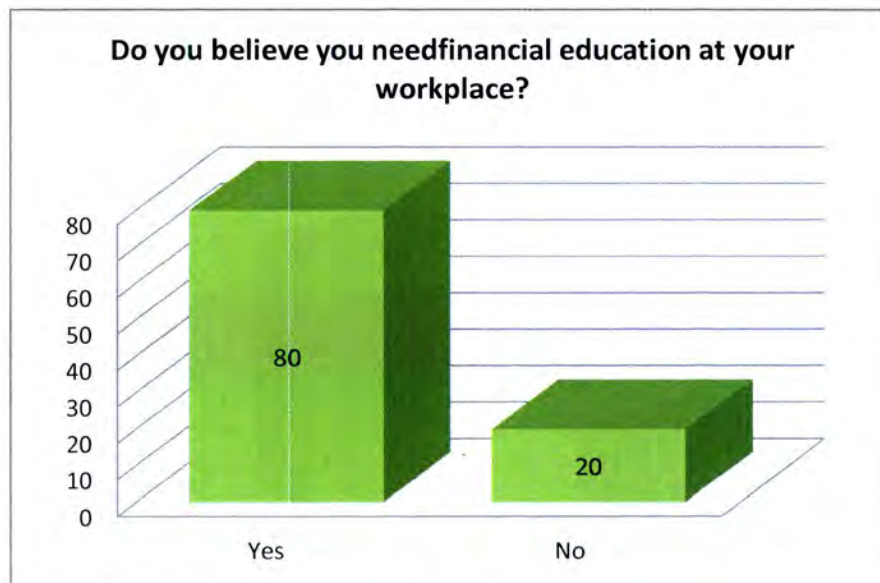


Figure 4.23: Need for financial education

The information displayed in the above figure indicates that 80% of respondents believe that they need financial education at their workplace while 20% do not believe that they need financial education at their workplace.

The study by Money Mentors (2011:111) supports the finding of this study that employees place a high value on workplace training programmes, including those related to personal development and that employees who participate in employer-provided financial education have not only been found to better manage their money but also to have greater respect for their employer. On the other hand, Delafrooz and Laily (2011: 223) are of the view that financial education will boost the employee ability to handle day to day financial problems and will reduce the negative results of poor financial decisions that might otherwise take more years to overcome.

Frequency Table 4.27: Does your workplace have Employee Assistance Programme (EAP) in place?

	Frequency	Percent
Yes	33	82.5
No	7	17.5
Total	40	100



Figure 4.24: EAP in the workplace

In the figure above it is revealed that 82.5% of respondents know that there is an EAP programme in their workplace, while 17.5% do not know if there is an EAP in their workplace.

The fact that the majority (82.5%) of respondents are aware of the existence of the EAP indicates that help is available for troubled employees whereby supervisors can refer them to EAP co-ordinator for further assistance. Leon (2012:62) supports the findings by indicating that EAP are programs sponsored by the employer intended to support the removal of various workplace problems.

Frequency Table 4.28: If yes, do you have easy access to the EAP services?

	Frequency	Percent
Yes	15	37.5
No	25	62.5
Total	40	100

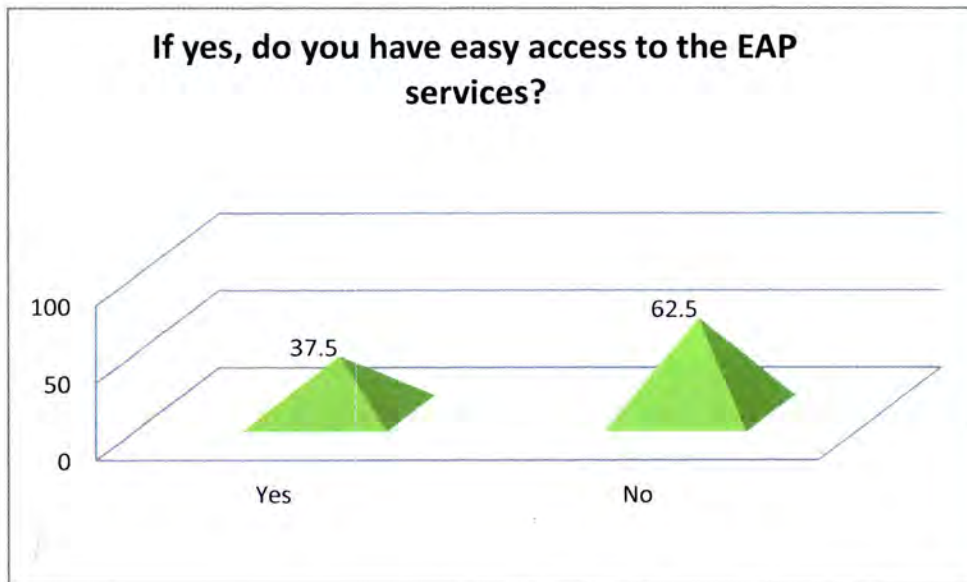


Figure 4.25: Ease of access to EAP

The above figure shows that the majority of respondents (62.5%) do not have easy access to EAP services, whereas 37.5% indicate that they have easy access to EAP services.

The fact that majority of respondents do not have easy access to EAP services indicates that the employer need to create an awareness around EAP. This could also mean that employees who are troubled, either financially or personally, may not get the necessary help they need due to lack of easy access to EAP and that many employee problems will be on the rise since they will not receive the attention needed to resolve them. Garman (2006:211) highlights that it is the employer's responsibility to take care of the well-being of its employees.

4.5. Scale Reliability Analysis

Reliability measure is established by testing for both consistency and stability. Consistency indicates how well the items measuring the concept hang together as a set. Cronbach's Alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to each other. The normal limit of Cronbach's Alpha is 0.7, the higher the reliability and consistency.

Table 4.29 : Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

Table 4.29, shows that Cronbach's Alpha reliability was tested on a total sample of 40 respondents.

Table 4.30: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.139	.037	25

It is shown in Table 4.30 that Cronbach's Alpha is 0.139, which indicates a low level of internal consistency for the scale with reference to the specific sample based on the selected variables. The sample size of 40 may be the reason for low reliability index.

The findings of reliability of this study are supported by Blumberg, Cooper and Schindler (2011: 194) that non-probability samples that are unrestricted are called convenience samples; furthermore, they are least reliable design but normally the cheapest and easiest to conduct. It is also highlighted that while convenience sample has no controls to ensure precision, it may still be a useful procedure.

4.6. CORRELATION ANALYSIS

Pearson and Spearman's Correlation analysis will be used to analyse the relationship between two or more variables or to measure the degree of association between variables (Blumberg, Cooper & Schindler, 2011: 93). The correlation analysis can be interpreted as high, moderate and low correlation based on the variables under study, also in analysing the result; it is aimed to investigate whether the relationship exists between two variables, dependent and independent variable.

Correlation Table 4.31: Measures of association (a)

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R	-.241	.130	-1.533	.133 ^c
Ordinal by Spearman	-.240	.138	-1.526	.135 ^c
Ordinal Correlation				
N of Valid Cases	40			

Note that the results for three measures of association are revealed in Table 4.31 above. To conclude on the strength or weakness of association between the variables, one of the following conditions applies: if the correlation coefficient lies between:

- 0 and -0.1, there is a little if any association;
- -0.1 and -0.3, there is low/weak association;
- -0.3 and -0.5, there is moderate association; and
- -0.5 and -1, strong association.

Given the spearman correlation of (-0.241) which means that the correlation between financial problems and absenteeism will affect workplace productivity, it is clear that there is negatively low correlation.

Correlation Table 4.32: Measures of association (b)

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R	-.099	.136	-.614	.543 ^c
Ordinal by Spearman	-.122	.148	-.756	.455 ^c
Ordinal Correlation				
N of Valid Cases	40			

Based on Table 4.32 above, there is a little association between credit management and how financial management will affect financial obligations in terms of Pearson's and Spearman Correlation. The correlation coefficient lies within an interval 0 and -0.1

Correlation Table 4. 33: Measures of association (c)

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R	.057	.140	.350	.728 ^c
Ordinal by Spearman	.083	.146	.516	.609 ^c
Ordinal Correlation				
N of Valid Cases	40			

In the Table 4.33 is a Spearman correlation of 0.083, this means that the correlation between employee's financial stress and financial management is low.

Correlation Table 4.34: Measures of association (d)

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R Interval	-.173	.148	-1.086	.284 ^c
Ordinal by Spearman Ordinal Correlation	-.142	.155	-.881	.384 ^c
N of Valid Cases	40			

In the Table 4.34 is a Spearman correlation of -0.142, which means that the correlation between employees' financial obligations and financial problems will affect workplace productivity is low.

Correlation Table 4.35: Measures of association (e)

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R Interval	-.091	.170	-.562	.578 ^c
Ordinal by Spearman Ordinal Correlation	-.122	.173	-.757	.454 ^c
N of Valid Cases	40			

The measures in Table 4.35 prove that there is a little correlation between age categories and how employees deal with their financial problems based on Pearson at -0.091 and Spearman at -0.122

Correlation Table 4. 36: Measures of association (f)

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R	.223	.173	1.410	.167 ^c
Ordinal by Spearman	.251	.159	1.601	.118 ^c
Ordinal Correlation				
N of Valid Cases	40			

In the above Table 4.36 the Spearman correlation of 0.251 shows that there is a weak association between age category and annual income of employees.

Correlation Table 4.37: Measures of association (g)

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R	.383	.125	2.557	.015 ^c
Ordinal by Spearman	.378	.133	2.514	.016 ^c
Ordinal Correlation				
N of Valid Cases	40			

There is a moderate association between age categories and their goals towards increasing their income in terms of the Pearson's R and Spearman Correlation. The correlation coefficient lies within an interval 0.3 and 0.5.

4.7. Summary

The chapter focused on the analysis of data collected from respondents and was analysed with the SPSS software in order to generate the ANOVA, descriptive statistics, Means test analysis, correlation and frequency distribution. Based on the findings of the analysis, financial worries have shown to affect employee's workplace productivity as well as family life. Employees who are financially troubled also cost the employer lots of money and add unnecessary workload to their colleagues' own work. It is also clear that stress has an impact on employee performance since it translates to missed days, health problems as well as lack of concentration. It can also be noted that the workplace financial education benefit the employees professionally as well as personally.

This chapter discussed and analysed the findings of the collected data from respondents. In the next chapter, the focus will be on the conclusions and recommendations of the study based on the reviewed literature and analysed data.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the limitations of the study, reliability of the results as well as conclusions, recommendations and suggestions for future research. As indicated in chapter four, SPSS was used to analyse the data in order to measure the impact of employee financial problems on workplace productivity in Statistics South Africa in the Northern-Cape Province. Frequency distribution, descriptive analysis, reliability analysis and correlation analysis were chosen as the method to find out the results. This chapter will also provide several practical recommendations to the management team as HR department regarding the topic under investigation.

5.2 Research objectives

The researcher discusses how the research objectives of the study were achieved based on the findings. In chapter one of this study, the researcher aimed at achieving the following study objectives:

5.2.1 Investigate the impact of financial problems on employee work productivity

As per the results of the study, 42.5% of employees agree that they have experienced financial problems whereby it is revealed in the findings of the study that 42.5% of employees' experiences stress while 30% stay away from work. This has an impact on employee work productivity as the study show that 67.5% of employees agree that financial problems lead to stress and absenteeism that in turn negatively affect work productivity.

5.2.2 Determine why employees fail to meet their financial obligations

The findings of the study show that 57.5% of employees agreed that they had garnishee orders against their salaries as compared to 42.5% that did not agree. The researcher concludes that employee's salary is reduced by the garnishee hence the inability to honour other financial obligations. Employees indicated that a garnishee order reduces monthly salary, the findings of the study reveal that 62.5% of employees sometimes skip or delay their debt payment long way after the due date, whereas 10% indicates that their priorities change every time. The researcher concludes that the other contributing factor to employees failing

to meet their financial obligations can be attributed to lack of keeping a written budget whereby issues like identifying, keeping a record of all financial obligations and determining which debt to be prioritised is missed, as revealed in the study that 17.5% of employees do not keep a written budget at all while 55% sometimes keep a written budget.

5.2.3 Explore the relationship between financial stress and employee wellness

The findings of the study show that 42.5% of employees experience stress, whereas the review of literature have linked financial stress with employee wellness. The study by Garman (2006) revealed that employees with financial problems often report financial stress as the major cause of health problems; hence a relationship is established between financial stress and employee wellness.

5.2.4 Determine the impact of absenteeism on employee productivity

The study objective was achieved whereby 30% of employees agreed that they stay away from work when experiencing financial problems, also the findings of the study show that 67.5% of employees agree that absenteeism negatively affect their work productivity.

5.2.5 Analyse the level of personal financial and credit management of employees

The findings of the study show that employees (25%) agree that they know a fair amount whereas 50% believe they know some about the credit bureau and reports. The researcher concludes that since employees have little knowledge about personal financial management, credit bureau and reports, it remains the employer's responsibility to provide training in personal financial management related issues such as money management, credit management as well as how to handle a debt crisis.

5.2.6 Formulate conclusions and recommendations for management team of Statistics South Africa in Northern-Cape Province on relevant strategies to address employee financial problems and to better manage and improve employee productivity.

The researcher later in the chapter reveals the recommendations to management based on the findings of the study.

5.3 Research questions

In chapter one of this study, the researcher aimed at finding answers to certain questions posed. The findings of the research are discussed below in answer to the research questions.

5.3.1. Why are employees failing to meet their financial obligations?

The findings of the study show that 62.5% of employees sometimes skip or delay payment long way after the due date. The questionnaire did not fully address the reasons why employees are failing to meet their financial obligations but rather show that employees are failing to honour their debt repayment by skipping or delaying repayments.

5.3.2. What are the causes of financial problems?

The questionnaire did not fully address the causes of employee financial problems, so the findings are unable to confirm the causes.

5.3.3. How do financial problems affect workplace productivity?

Employees (67.5%) agree that financial problems affect their work productivity negatively. The researcher therefore concludes that employees who experience financial problems are likely to devote less time to work productivity due to stress and absence from work.

5.3.4. Does employees understand financial and credit management?

Based on the findings of the study, 25% of employees know a fair amount about credit bureau and credit reports while 50% believe they know some regarding credit bureau and reports.

5.4 Reliability of the results

Cronbach's Alpha test was used to determine how strong the relationship was between the variables. Reliability becomes more consistent when the value of Cronbach's Alpha is 0.7. The reliability measure of the study was 0.139 which is below the acceptable Alpha's Coefficient range of 0.7. The small study sample may be the reason for low reliability results. According to Blumberg, Cooper and Schindler (2011) reliability in the research means the existence of both consistency and stability factors in the study.

5.5 Limitations of the study

One source of weakness in this study was that the sample size may have been too small thereby impacting other issues like reliability result which was 0.139, far below the Cronbach's Alpha of 0.7. The study with a small sample size creates problems such as interpretation of results in particular confidence intervals and p-values.

When conducting a research study, the data is used to estimate the true effect using the observed estimate and 95% confidence interval, with a small sample it may produce false-positive results, over or under-estimate the degree of associations. The study population was derived from the Northern-Cape provincial office only. Therefore, future studies with larger sample size that include the five district offices are needed to confirm these results.

5.6 Recommendations and suggestion for future research

Based on this research, it is recommended that the department, which is Statistics South Africa in the Northern-Cape Province need to provide resources to employees in order to help them identify and change their behaviour towards money, credit as well as savings and investments.

Financial education should form part of the training plan in the organisation to empower employees and also reduce the garnishee orders.

It is recommended that the Department make EAP accessibility easy for employees in the Northern-Cape Province since the EAP Co-ordinator is located at Head Office in Pretoria. By having the EAP Co-ordinator within the province, employees would not hesitate to refer themselves or consult when in urgent need of such services.

Future research on an investigation into the causes of employee financial problems as well as reasons why employees are failing to meet their financial obligations is recommended since it could not be fully addressed in the study.

The researcher recommends that a large sample size be considered for future studies in order to draw conclusive interpretations.

5.7 Final Conclusion

On the information of forty (40) questionnaires, respondents were asked to choose the most appropriate response with regard to the impact of employee financial problems on workplace productivity. The study summarises the following key findings:

The findings of the study show that (40%) of respondents were between the ages 40 – 49 years of age. It can be concluded that financial problems are more prevalent in late adult employees. The researcher concludes that financial problems affect employees irrespective of their education or income level.

It can be concluded that employees (30%) do not feel positive about their financial position. Employees (42.5%) experience financial problems hence 62.5% of them sometimes skip or delay payment after the due date.

The other finding is that employees are failing to meet their financial obligations hence 57.5% had their salaries garnished.

The majority of employees (40%) strongly disagree that they were trained on financial education at their workplace hence 80% need financial education offered by their employers. The research also confirms that when employees experience financial problems, they experience stress, stay away from work as well as spending more time on the work telephone dealing with their creditors. These problems contribute to unhealthy employees and that impacts their productivity at work negatively and at the same time costing the employer in terms of paying for non-productivity and of absent employee.

The findings of the study show that 35% of employees use internal sources to deal with financial problems. EAP is one of the internal source and the findings indicates that employees (62.5%) do not have easy access to this service since it is stationed at head office. This arrangement does not fully address employee problems.

The researcher concludes that credit management should be taken very seriously by employees because the bad credit reports affects one's career prospects since employers trust employees with good credit score to lead and handle company finances.

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Annexures

ANNEXURE A: COVERING LETTER

Dear respondent,

This questionnaire is intended to collect information from employees of Statistics South Africa in Northern-Cape Province for the study undertaken by me the undersigned (the researcher) on the impact of employee financial problems on workplace productivity in Statistics South Africa. The target group is permanently employed employees on salary level 6 to 13. Respondents are therefore requested to indicate their answers by putting an “X” in the space provided next to the chosen answer.

Financial problems are money related problems that occurs as a result of issues like: credit and financial management, financial planning and employee wage garnishment among others. Financial problems poses a threat to various systems that employee forms part of. Workplace financial education, credit counselling or debt management programmes are services that are offered to provide employees with free personalized counselling on money and credit management.

N.B: Participation in this study is voluntary and anonymous (the identity of the respondent is not required). The success of this study depends on your co-operation and honest response. As is normally in academic research, I shall not disclose the names of individual who provided me with particular information. All data will be analysed in a collective manner and not attributed to named individual. The survey should take approximately 15 minutes to answer.

Thank you in advance for your willingness to participate in this study.

Yours faithfully

Nkareng Thogomusi

Masters Degree Student and Researcher

ANNEXURE B: QUESTIONNAIRE

INSTRUCTION: Personal Particulars (please tick our answer with an X on the appropriate box)

1. Age Category

20 - 29	1
30 - 39	2
40 - 49	3
50 or more	4

2. Gender

Female	1
Male	2

3. Population Group

African	1
Coloured	2
White	3
Indian or Asian	4
Other: please specify	5

4. Marital Status

Married	1
Never Married	2
Live with partner	3
Separated	4
Divorced	5
Widowed	6

5. Education Level

Grade 12	1
Certificate with grade 12	2
Diploma with grade 12	3
Post graduate diploma	4
Bachelors degree	5
Honours	6
B Tech	7
Masters	8

6. Personal Financial management and planning

a. Number of financial dependants?

One	1
Two	2
Three	3
Four	4
Five	5
Six or more	6

b. Do you ever keep a written budget?

Yes, every month	1
Sometimes	2
Not at all	3

c. Do you have savings and investments?

Yes	1
No	2

d. If yes, how often are your savings and investments done?

Routinely on a monthly basis	1
If my expenses leave me with enough money	2
Whenever possible	3
Other	4

7. Do you know about the credit bureau and credit reports?

Nothing	1
Very little	2
Some	3
A fair amount	4
A lot	5

8. Have you ever been known to skip or delay payment long way after the due date?

No, I always pay my debts on time	1
Sometimes	2
My priority list changes every time	3

9. To what extend do you feel positive about your current financial position?

Not at all	1
To a very little extent	2
To a reasonable extent	3
To a moderate extent	4
To a great extent	5

10. I once had my salary garnished

Yes	1
No	2

11. The impact of financial problems on workplace productivity

a. Which of the following do you do when experiencing financial problems?

Spend more hours on the work telephone	1
Stay away from work	2
Experience stress	3
Experience social and family problems	4
Other	5

b. Does the problem selected above negatively affect your work productivity?

Yes	1
No	2

c. How do you handle excessive work load?

I prioritize my workload and go ahead to meet my goals	1
I slowly begin to tackle my work	2
I become frustrated and irritable	3
Other	4

12. I have experienced financial problems in my life?

Strongly agree	1
Agree	2
Strongly disagree	3
Disagree	4

a. Do you need someone to help you deal with your financial problems?

Yes	1
No	2

b. How do you deal with your financial problems?

Consult with your supervisor	1
Deal with them on my own	2
Consult internal sources	3
Consult external sources	4
Other	5

c. What is your annual income?

Less than R50 000	1
R51 000 – R100 000	2
R101 000 – R200 000	3
R201 000 – R300 000	4
R301 000 – R 400 000	5
R401 000 – R500 000	6
R501 000 – R600 000	7
R601 000 or more	8

d. What are your goals towards increasing your income?

Learn more and earn more	1
Work harder at what you do	2
Change my attitude to achieve better results	3
Try new things	4
Other	5

13. I was trained on financial education at my workplace?

Strongly agree	1
Agree	2
Strongly disagree	3
Disagree	4

14. Do you believe you need financial education at your workplace?

Yes	1
No	2

15. Does your workplace have Employee Assistance Programme (EAP) in place?

Yes	1
No	2

a. If yes, do you have easy access to the EAP service?

Yes	1
No	2

THANK YOU FOR YOUR PARTICIPATION

P.O.Box 2462

Taung Station

TAUNG

8580

05 September 2011

The Provincial Executive Manager
Statistics South Africa- Northern Cape
Private Bag X 5053
Kimberley
8300

Dear Mr. Lawrence Ndaki

REQUEST FOR PERMISSION TO CONDUCT A RESEARCH STUDY

I hereby request a permission to conduct my research study in your Department. I am a currently a first year MBA student at Graduate School Of Business and Government Leadership , North West University at Mafikeng Campus.

My research topic is to investigate the impact of employee financial problems on productivity in Statistics South Africa in Northern Cape Province. I hope to accomplish the following: problems emanating from financial problems, current ways of addressing these problems and the prevalence of financial problems and its impact on employee productivity.

Hope that my request will receive urgent attention.

Yours truly,

N.A. Thogomusi

Nkareng Annah Thogomusi (Ms)





Statistics
South Africa



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To: Ms Nkareng Annah Thogomusi

From: The Provincial Executive Manager – Mr. Lawrence Ndaki

Date: 11 July 2012

Subject: Authorisation letter to conduct research with employees of Statistics South Africa

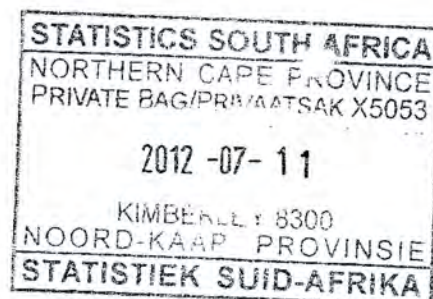
Dear Ms Thogomusi

This serves to confirm that you may proceed with the research from Statistics South Africa employees in Northern Cape in terms of the needs of your further studies on the understanding that the final product be released to the senior management team as a guideline for development of policies and procedures that will assist employees to better manage personal finances.

I wish you every success in your studies and the achieving of your further qualification.

Yours sincerely

Lawrence Ndaki
Provincial Executive Manager



FANIE POSTMA

BA UED

TRANSLATOR / LANGUAGE
PRACTITIONER

REGISTERED AT SATI
(NR 1001334)

24 VILLA HEIDE
FLIMIEDA
KLERKSDORP
2570

Cell 083 4096252

Tel 018 4687680

17 OCTOBER 2012

TO WHOM IT MAY CONCERN:

Student number: 16463080

I hereby confirm that I have done a thorough language edit of
Me Nkareng AnnahThogomusi's mini dissertation: The impact of employee financial problems
On workplace productivity in Statistics South Africa.

I confirm that I am registered with SATI (South African Translation
Institute): nr 1001334.



FANIE POSTMA.