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CREATING VALUE THROUGH PSYCHOLOGICAL CAPITAL: A FINANCIAL PLANNING PERSPECTIVE

BY

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DECLARATION:

In accordance with Rule G5.6.3, I, Kate Emily Palframan (223150223), hereby declare that the above-mentioned treatise, "Creating value through psychological capital: A financial planning perspective" for the degree in Honours in Commerce, is my own work and that it has not previously been submitted to another University or for another qualification.

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SIGNATURE

10/10/2023………………………
DATE

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In addition to the Lord's provision, I would like to thank several people who made this study possible.

ABSTRACT

Financial planning businesses are important and are experiencing disruption through Artificial Intelligence (AI). However, AI cannot efficiently replace the role of a human financial planner because clients relate better to advice from an individual. The purpose of this study is to investigate the role that psychological capital, as measured by *Hope*, *Efficacy*, *Resilience* and *Optimism*, has on value creation, as measured by *Financial performance* and *Job satisfaction* in the context of financial planners in the South African financial planning industry. Quantitative statistical analysis including Pearson's Product Moment correlations and Multiple Regression Analysis were performed on data collected from 360 South African financial planners. The findings show that *Efficacy* has the strongest influence on *Financial performance* and *Job satisfaction*, followed by *Hope* and *Optimism*. No relationship was found between *Resilience* and *Financial performance* and a negative significant relationship was found between *Resilience* and *Job satisfaction*. It is recommended that financial planners enhance their levels of *Hope*, *Efficacy* and *Optimism* to improve their *Financial performance* and *Job satisfaction*. This study adds to the literature on PsyCap and financial planning and provides a South African context.

KEYWORDS: financial planning, financial planner, psychological capital, hope, efficacy, resilience, optimism, value creation, financial performance, job satisfaction

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INTRODUCTION, PROBLEM STATEMENT AND SCOPE OF THE STUDY

1.1   INTRODUCTION

Following the global disruption happening due to the rapid developments of artificial intelligence (AI), it has never been more essential for individuals to have a well-balanced outlook of the future (Payne, Dubofsky and Sussman, 2010:58). Psychological capital dimensions such as hope, efficacy, resilience and optimism play an important role in developing a well-balanced outlook, from a personal perspective as well as a business perspective (Colliers, Palframan, Crosoer and Budhram, 2023:52). From a business perspective, certain industries such as the financial planning industry are best served by individuals, who are assisted by AI (Colliers et al., 2023:52). Financial planners need to create strong bonds with their clients in order to discuss emotionally distressing financial situations and uncertain futures (Crafford, 2022:21). Financial planners therefore need to possess psychological capital in order to perform well in their businesses despite the uncertainties from the disruption that is taking place (Crafford, 2022:67).

To date, very little academic research is available regarding the effects of psychological capital on value creation in the financial planning industry. Understanding the role that psychological capital plays in a financial planner's perceptions of their financial performance and job satisfaction can lead to improving the business performance for both the individual and the business. The study conducted by Palframan (2021) studied the impact of a financial planners' human capital on value creation in South African financial planning businesses, however psychological capital was measured as a single construct. This study will build on Palframan's (2021) study by evaluating how psychological capital, and its four dimensions, creates both financial and non-financial value in the financial planning industry in South Africa. This chapter begins with the problem description followed by the research objectives including the primary, secondary and methodological objectives. The scope and delimitations of the study are provided and definitions are given for key concepts used. The chapter concludes with the significance of the study along with the structure of the study.

1.2 PROBLEM DESCRIPTION

Artificial intelligence (AI) will replace many jobs within the next decade, including those in the financial service industry (Pastor, 2023). Due to the invention of AI and the advances in technology, jobs in all industries including the financial industry are being threatened as machines become more humanised (Saviom, 2021). According to Smith (2018), advances in AI and automation could replace as many as half the nation's financial services workers over the next decade. To avoid replacement, financial planners and advisors need to improve the human and 'personal' side of financial planning and will require strong psychological capital, including qualities such as hope, efficacy, resilience, and optimism (Payne et al., 2010:58). Psychological capital plays an important role in the financial industry and is an element that AI would not be able to replace (Zohuri and Rahmani, 2020:54). Against this background, the purpose of this study is to identify the influence of psychological capital on the ability of South African financial planners to create value.

1.3 RESEARCH OBJECTIVES

1.3.1 PRIMARY RESEARCH OBJECTIVE

The primary objective of this study is to investigate the role that psychological capital has on value creation by financial planners in the South African financial planning industry.

1.3.2 SECONDARY RESEARCH OBJECTIVES

To achieve the primary objective, two secondary objectives (SO) have been formulated:

SO[1]:   To investigate the influence of a financial planner's psychological capital, as measured by hope, efficacy, resilience, and optimism, on the financial performance of their financial planning business.

SO[2]:   To investigate the influence of a financial planner's psychological capital, as measured by hope, efficacy, resilience, and optimism, on their job satisfaction.

1.3.3 METHODOLOGICAL RESEARCH OBJECTIVES

To achieve the above-mentioned primary and secondary objectives, the methodological objectives (MO) are:

MO[1]:   To conduct a literature review on psychological capital and value creation, as well as the resource-based view theory that underlies the relationship between these constructs.

MO[2]:   To develop a conceptual framework to describe the relationships between the constructs under investigation.

MO[3]:   To investigate the appropriate research methodology to achieve the primary objective.

MO[4]:   To analyse secondary data from a sample of financial planners.

MO[5]:   To empirically test the formulated hypotheses.

MO[6]:   To provide concluding remarks and make recommendations to individual financial planners and the financial planning industry on ways to improve value creation through psychological capital.

1.4 SCOPE AND DELIMITATIONS OF THE STUDY

There are many factors that contribute to value creation in a business. This study focuses on the value that is created by the psychological capital of South African financial planners. More specifically, this study investigates how the four dimensions of psychological capital namely hope, efficacy, resilience and optimism create value to South African financial planners through financial performance and job satisfaction.

1.5 KEY CONCEPTS

Clarity is provided on the following key concepts that are used frequently in this study. They are defined as follows:

1.5.1 PSYCHOLOGICAL CAPITAL

Psychological Capital (PsyCap) is defined by Luthans and Youssef-Morgan

(2017:340) as "an individual's positive psychological state of development that is characterized by: (1) having confidence (efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success".

1.5.2   VALUE CREATION

The concept of value creation is loosely defined according to Palframan (2022:55), who notes that value is created through relationships and interactions between businesses and their customers. Further, Palframan (2022:55) categorizes value creation into financial and non-financial value creation noting that "financial value is created through increased income, profit and the accumulation of assets, which are measured in monetary terms, whilst non-financial value is created socially and represents benefits that cannot be measured in monetary terms".

1.5.3   THEORY OF RESOURCE-BASED VIEW

The resource-based view (RBV) is an influential theory stemming from strategic management that explains how a firm's critical resources enable it to create and maintain a competitive advantage (Sabourin, 2020:83; Bertram, 2016:67; Kraaijenbrink, Spender, Groen, 2010:350). Bertram (2016:67) elaborates on RBV stating that it is a widely recognised and supported theoretical perspective indicating that the resources that a company possesses enables the firm to gain a competitive advantage.

1.6   SIGNIFICANCE OF THE STUDY

Financial planning is an important industry that needs the right employees to create value and ensure sustainability. By knowing how PsyCap contributes to value creation in a business, employers can assess new applicants in the recruitment stage to ensure the ideal candidates are employed. Therefore, this study will contribute to the industry

by identifying which dimensions of PsyCap are important for recruiters to identify when interviewing candidates for a position of a financial planner. Given the importance of the human factor of financial planning arising from AI developments (having more time to spend with clients), it is important to understand the role of PsyCap in value creation in financial planning businesses.

Considering that very little academic research is available on the role of PsyCap in the financial planning industry, this study contributes to the literature by providing a perspective on PsyCap from a financial planner's view. In addition, this study applies the RBV theory to investigate the relationship between PsyCap and value creation. Furthermore, this study also provides a perspective from a South African business context.

1.7 STRUCTURE OF THE RESEARCH

Chapter One: This chapter consists of the introduction, background and problem statement of the study followed by the research objectives made up of the primary, secondary and methodological research objectives. The scope and delimitations of the study is presented followed by the key concepts of the study as well as the significance of the study. The structure of the study concludes the chapter.

Chapter Two: This chapter consists of the literature review of the study. This chapter contextualises the nature and importance of financial planning, an overview of PsyCap and its dimensions is provided. Next, value creation is discussed which includes financial performance and job satisfaction. Existing studies conducted on PsyCap, financial performance and job satisfaction is summarised and discussed. The conceptual framework that this study makes use of, namely the resource-based view and the PsyCap theory, is described and applied to the study. Lastly, the hypotheses development is provided discussing the relationships between PsyCap, the dimensions and value creation.

Chapter Three: This chapter describes the research design and methodology framework that is used in the study and begins by describing the methods used in conducting the literature review. Following this, the choices and justifications for the

choices used in the empirical investigation are explained and summarised in Table 3.1. Next, the research strategy, data collection and analysis are described and the chapter concludes with the ethical considerations of the study.

Chapter Four: The empirical results and findings are presented in this chapter. The chapter begins with providing the demographic information from the respondents and follows with the validity and reliability of the results. The descriptive statistics are then presented with inferential statistics, including Pearson's product moment correlations coefficient and multiple regression analysis, concluding the chapter.

Chapter Five: This chapter provides the summary, conclusions and recommendations of the study. Firstly, the overview of the study is presented. Next, a discussion of the findings and recommendations will be presented regarding the financial planner's psychological capital on financial performance and job satisfaction. Contributions of the study are provided with the limitations of the study and avenues for future research following. Lastly, the study will close with a conclusion.

CHAPTER TWO
LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter, a literature review is provided, starting with describing the nature and importance of financial planning. The following section will define psychological capital and its dimensions. The next section will discuss value creation in a firm both financially and non-financially. The conceptual framework is then presented and the theories underlying this framework, namely the Resource-Based View theory and the psychological capital theory, will be explained. In the final section, existing studies on psychological capital, financial performance and job satisfaction will be summarised. Finally, the chapter will conclude with the development of the hypotheses that will be subjected to empirical testing in this study.

2.2 NATURE AND IMPORTANCE OF FINANCIAL PLANNING

In this section of the literature review, financial planning will be discussed along with its importance.

2.2.1 THE NATURE OF FINANCIAL PLANNING

Financial planning is the dynamic process of evaluating an individual's financial situation to come up with a plan to ensure that the individual can manage their finances while setting and achieving short-term and long-term goals (Geier, 2023). The financial planning process provides management solutions for an individual's investment portfolio, risk, tax planning, estate or retirement planning and their personal finances (Botha, Geach, Goodall, du Preez, Rabenowitz and Rossini, 2022:5). According to the Financial Planning Standards Board (2023), financial planning is defined as "the process of developing strategies to help people manage their financial affairs to meet personal goals. In creating their recommendations and plans, financial planners may review all relevant aspects of a client's situation across a breadth of financial planning activities, including inter-relationships among often conflicting objectives."

A financial planner is a licensed professional who provides their clients with a variety of services and professional advice to ensure that that they can manage their financial resources by creating a financial plan (Botha, Geach, Goodall, du Preez, Palframan, Rabenowitz and Rossini, 2023:4; Lake, 2022). Financial planners assist clients with budgeting, investing, saving for retirement, insurance, etc. and ensure that their clients potential for meeting their life goals is maximised (Folger, 2022). Botha et al. (2023:5) explain that financial planners need to display competencies such as strength of character, credibility and trust, while challenging and encouraging their clients and putting their interests before their own.

The professional body represented by financial planners in South Africa is known as the Financial Planning Institute of Southern Africa (FPI) and ensures that its members, Certified Financial Planners (CFP), are qualified, experienced and professional (Botha et al., 2023:12). Table 2.1 represents the three levels of membership of the FPI in which members can join depending on their qualification and experience.

Table 2.1:   FPI's Three levels of membership

Designation	Education	Experience	Examination	Ethics	Enforcement
Registered Financial Practitioner™ designation (RFP™)	National Qualifications Framework – Level 5	1 year	Yes with, and no without, recognised qualification	Annual declaration applies	Annual renewal requirement
Financial Services Adviser™ designation (FSA™)	National Qualifications Framework – Level 6/7	2 years	Yes with, and no without, recognised qualification	Annual declaration applies	Annual renewal requirement
Certified Financial Planner™ designation (CFP™)	National Qualifications Framework – Level 8	3 years	Yes	Annual declaration applies	Annual renewal requirement

Source: Adapted from Botha et al. (2023:12)

Financial planners use a six-step financial planning process to create strategies to ensure the individual's lifestyle desires and financial goals can be achieved (Botha et al., 2022:5). The six-step financial planning process (see Figure 2.1) is used to give a solid foundation for the process of giving financial advice to clients and comply with

the requirements of the Financial Advisory Intermediary Services (FAIS) Act 37 of 2002 (Botha et al., 2002:5).

Figure 2.1: The Financial Planning Institute (FPI) six-step financial planning process
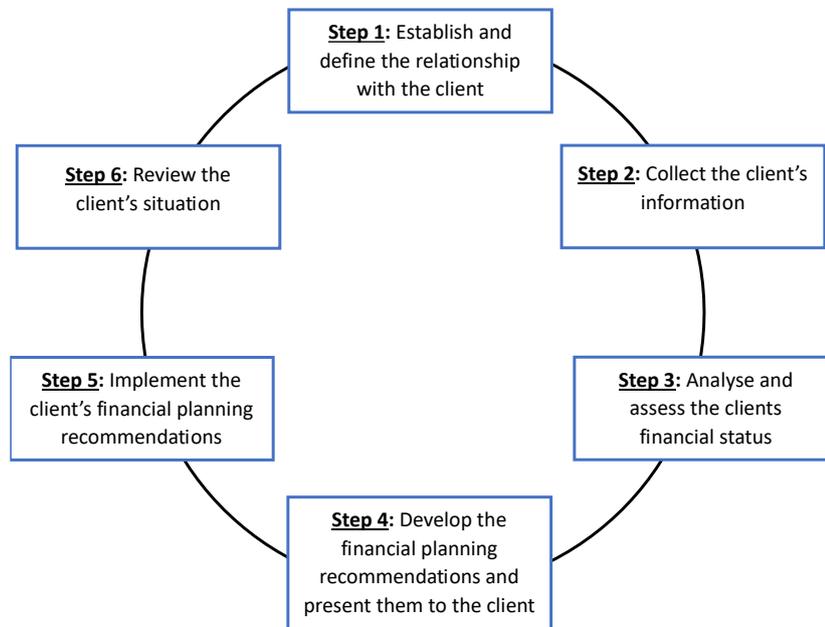
Source: Botha et al. (2022:5)

2.2.2 THE IMPORTANCE OF FINANCIAL PLANNING

Financial planning consists of different components such as saving, investment planning, budgeting, risk management, tax planning, retirement planning and estate planning in order to reduce debt and create long-term wealth (Botha et al., 2023:3). Financial planning provides many benefits for clients such as achieving their desired lifestyle including their financial goals while also providing the knowledge to make appropriate financial decisions (Botha et al., 2023:5). Financial planning is important to ensure that an individual is financially independent and that they have a plan for any future income requirements, whether they are planned or unexpected (Chieffe and Rakes, 1999:261).

Financial planning provides the opportunity to educate individuals on the importance of saving, budgeting and investing (Botha et al., 2023:3). Individuals who engage in the financial planning process are organised and are able to manage their own

finances to provide for their retirement and reap rewards such as a sense of certainty, security and being able to meet lifestyle goals at different staged of life (Botha et al., 2023:3). When individuals create a successful financial plan, they ensure that their retirement is planned for which will ensure they are able to live their desired lifestyle and enjoy a better standard of living while ensuring future financial security (Goncharova, Shakhovskaya, Starovoytov and Starovtova, 2019:265; Howlett, Kees and Kemp, 2008:226).

2.3   PSYCHOLOGICAL CAPITAL

In this section, psychological capital is discussed along with its dimensions, namely: hope, efficacy, resilience, and optimism.

2.3.1   DEFINING PSYCHOLOGICAL CAPITAL

PsyCap is a core construct of human capital originating from "post-modern positive psychology" that first became a topic of discussion in 1999 by Martin Seligman and was later developed in 2004 by Fred Luthans in the United States of America and refers to "who you are" and "what you intend to become" (Çavuş and Gökçen, 2015:244). It is argued that PsyCap must be based on prior research or theory and can be developed through training interventions (Newman, Ucbasran, Zhu and Hirst, 2014:121). PsyCap has been established under the framework of Positive Organisational Behaviour (POB) and uses the resources as a measurement indicator of positive outcomes both individually and at an organisational level such as performance improvement in the workplace (Luthans, Avey, Avolio and Peterson, 2010:41, Finch, Farrell and Waters, 2020:1026). According to Newman et al. (2014:122), Luthans and his colleagues identified four main psychological resources namely hope, efficacy, resilience and optimism and are commonly known as the HERO resources and are described below (Luthans and Youssef, 2017:343).

2.3.2   THE DIMENSIONS OF PSYCHOLOGICAL CAPITAL

The four dimensions of PsyCap, commonly known as the HERO elements, are positive psychological resources that create positive well-being within an individual (Nimmi,

Kuriakose, Donald and Nowfal, 2021:200). The elements or dimensions of PsyCap are state-like constructs that are adaptable and open to development (Luthans et al., 2010:43). According to Luthans et al. (2010:42), the four dimensions of PsyCap are related to employee behaviour, attitudes, and performance in the organisation. The four dimensions, namely hope, efficacy, resilience, and optimism are described below.

2.3.2.1   Hope

Hope is a cognitive factor and is defined as the perseverance to achieve goals by following a path (pathway) or by having the motivation to succeed (agency) (Luthans and Youssef, 2017:5). Agency refers to the goal-oriented energy, while the pathway ensures a plan to meet the goal (Luthans, Luthans and Luthans, 2004:47). Hope fuels dreams and aspirations to set and achieve goals while having the resilience and determination to overcome challenging obstacles (Luthans, Avolio, Norman and Combs, 2006:389). Employees with high levels of hope are more likely to identify different methods to overcome challenges that they may experience while building and developing resilience (Newman et al., 2014:122).

2.3.2.2   Efficacy

Efficacy is the confidence an individual has about their "abilities to mobilize motivation, cognitive resources or courses of action" to successfully execute a specific task (Luthans et al., 2017:6). Luthans et al. (2004:47) explains that efficacy, also known as confidence, is the strong positive relationship or belief that an individual has in their own capabilities to achieve work-related performances. Efficacy, also known as self-efficacy, refers to the belief that an individual has in themselves to achieve specific tasks (Zellweger, Sieger and Halter, 2011:525). Neyişci and Yilmaz (2022:1402) define efficacy as a process that reveals positive emotions that boosts the confidence an individual to achieve their goals.

2.3.2.3   Resilience

Resiliency is referred to as the "ability to bounce back" from challenging situations (Luthans et al., 2004:47). Resilience represents the positive adaption to overcome

adversities, to withstand difficult situations, adapt to changes and become competent to handle challenges and uncertainty (Luthans et al., 2017:342). Nimmi et al. (2021:200), defines resilience as the capacity to recover from failed events while maintaining composure and developing the ability to be positive despite facing challenges. Neyişci et al. (2022:1402) state that resilience is the factor that allows an individual to manage their stressful situations with concepts such as skills, abilities, positive thinking and self-control, increasing their resilience.

2.3.2.4   Optimism

Optimism is defined as "a positive explanatory style that attaches positive events to personal, permanent, and persuasive causes, and interprets negative events in terms of external, temporary, and situation specific factors" (Luthans et al., 2017:6). Optimism gives individuals a positive attitude or mindset which helps them in dealing with challenges. Optimistic individuals have created positive expectancies which increase their levels of motivation allowing them to set and achieve goals more ambitiously (Newman et al., 2014:122).

2.4   VALUE CREATION

A business is able to create value through both financial and non-financial value drivers (Śledzik, 2013:93). This study focuses specifically on financial performance (financial value driver) and job satisfaction (non-financial value driver).

2.2.2   FINANCIAL PERFORMANCE

Financial performance is defined as a measurement and evaluation of a firm's financial health over a period of time including its financial growth and corporate profitability (Kenton, Murry and Courage, 2023; Ramezani, Soenen and Jung 2002:56). It is essential for a firm to measure their financial performance as it enables them to create and develop strategic plans as well as methods to achieve the objectives set out by the firm (Venazani, 2012:10).

Financial performance measures a business's ability to manage their resources and can be measured using financial statements consisting of a balance sheet, income, cash flow and changes in capital (Fatihudin and Mochklas, 2018:554). Other measurement indicators of financial performance include balance sheets and the use of financial ratios (Dufera, 2010:5). According to Śledzik (2013:92-93) the different drivers of financial value that affect financial performance in a company are as follows: growth in sales, operating profit margins, Income Tax rate, debt etc.

2.4.2   JOB SATISFACTION

Job satisfaction is a non-financial reward that is a positive affection state of the reflection of an individual's work experience based on their judgements and perceptions of their working conditions and is an essential factor in the success of a business (Zhu, 2013:294; Biason, 2020:406). Many descriptions of job satisfaction explain that it is a positive or negative emotion expressed by an employee that stems from their job experiences and the job values that fulfil the employee's needs (Eid and Larsen, 2008:394; Ealias, 2012:37).

According to Bourne (2020), job satisfaction plays an important part in the financial performance of a firm due to increased profits due to higher sales and lower costs, as well as higher productivity as employees who are satisfied with their jobs can produce more. Lower turnover and employee retention are also benefits of job satisfaction for the firm as the employees are unlikely to leave a satisfactory position (Biason, 2020:407). Biason (2020:405) indicates that the relationship between job satisfaction and employee retention is highly researched relationship that impacts a business's competitive advantage.

2.5   EXISITING STUDIES ON PSYCHOLOGICAL CAPITAL, FINANCIAL PERFORMANCE AND JOB SATISFACTION

Although there has been little research, previous studies have been done on PsyCap, financial performance and job satisfaction in various industries (see Annexure C). These studies are mostly quantitative in nature using both regression analysis and structural equation modelling. The commonalities of these studies tested the

dimensions of PsyCap namely hope, efficacy, resilience and optimism, on individuals in various industries and some students. These studies resulted in positive performance within their organisations. The previous studies show that PsyCap has a positive influence on both financial performance and job satisfaction, however Peterson, Luthans, Avolio, Walumbwa and Zhang (2011:427) indicate that PsyCap leads to improved performance, but that performance cannot lead to improved PsyCap.

Neyişci et al. (2022:1407) determined the strength of the relationships between all dimensions of PsyCap of teachers and the results determined that hope and self-efficacy are the strongest of these dimensions. Avey, Nimnicht and Pigeon (2009:384) conducted a study on the role that PsyCap and its dimensions play on the banking sector and found that PsyCap had a positive relationship with the employees' level of financial performance.

2.6 CONCEPTUAL FRAMEWORK

The conceptual framework proposed for this study is depicted in Figure 2.2. The theories underlying this framework, namely the Psychological Capital theory (PCT) and the Resourced-Based View (RBV) theory and the hypotheses to be tested are elaborated on in the next sections.

Figure 2.2: Conceptual model: Factors influencing value creation through financial planners

Psychological Capital:
- Hope
- Efficacy
- Resilience
- Optimism

Value creation:
- Financial performance
- Job Satisfaction
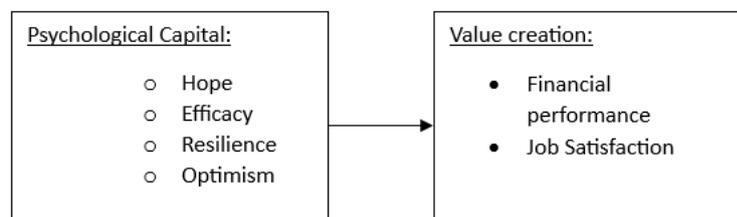
Source: Researcher's own construction

2.6.1 PSYCHOLOGICAL CAPITAL THEORY

Psychological Capital Theory (PCT) is a theory originating from positive organisational

behaviour and was first developed in the management field (Dóci, Spruyt, De Moortel, Vanroelen and Hofmans, 2023:337). PCT proposes that the dimensions of PsyCap are resources that lead to positive outcomes both individually and at an organisational level such as performance improvement in the workplace (Luthans, Avey, Avolio and Peterson, 2010:41; Finch, Farrell and Waters, 2020:1026).

Studies highlight that the strength of psychological capital over other financial capital factors or human capital factors is found in its ability to positively influence the mental state of the entrepreneur (Baluku, Kikooma, Bantu and Otto, 2018). Luthans and Youssef (2017:354) support that psychological capital positively influences the attitude of entrepreneurs towards success. The concept of psychological capital is measured using hope, efficacy, resilience and optimism and creates positive well-being within an individual (Nimmi et al., 2021:200).

In the context of financial planning, PCT suggest that financial planners who have hope, efficacy, resilience and optimism are more likely to be successful in their business. Peterson and Byron (2007:789) state that the more hopeful an employee is, the more likely they will be able to achieve their goals. Neyişci et al. (2022:1402) indicates that the more optimistic an individual is, the more positive they are about dealing with events whereas unoptimistic individuals think negatively and the higher the efficacy of an individual, the more likely they are to choose challenging tasks, have higher motivation to overcome the obstacles they may experience as well as strive to achieve goals.

2.6.2   RESOURCE-BASED VIEW THEORY

A second theory used in this study is the Resource-Based View (RBV) that developed from Wernerfelt (1984) who explained that strategy is balancing the utilisation of current resources and the creation of new ones (Assensoh-Kodua, 2019:145). The RBV is a theoretical tool with its roots in strategic management that enables a firm to gain a competitive advantage using their tangible and intangible resources (Bertram, 2016:67). Sabourin (2020:83) elaborates that the resources a firm possesses including assets, capabilities, firm attributes, knowledge etc. are the primary determinants that increase the firm's competitiveness. It developed as an additional perspective

alongside the industrial organisation (IO) view and in the initial stages, had its main focus on identifying unique resources that competitors were not able to duplicate (Sabourin, 2020:84; Kraaijenbrink, Spender and Groen, 2010:350).

The dimensions of PsyCap, hope, efficacy, resilience and optimism, are internal resources used by individuals to overcome stressful situations (Avey, Luthans and Jensen, 2009:678). The RBV highlights the importance of the PsyCap dimensions as they are viewed as valuable, inimitable resources that are crucial for the long-term success of a business (Assensoh-Kodua, 2019:145). Nimmi et al. (2021:200) explains that each dimensions creates positive well-being within an individual which links to this theory. As such the RBV supports the relationships investigated in this study because, like PCT, it suggests that financial planners with higher levels of PsyCap (resources) will perform better and be more satisfied in their jobs. This study is supported by the RBV due to the resources being measurement indicators of positive outcomes both personally and in businesses (Luthans et al., 2010:41; Finch et al., 2020:1026).

2.7 HYPOTHESES DEVELOPMENT

In this study, the relationships that will be tested empirically will be the dimensions of PsyCap namely, hope, efficacy, resilience and optimism (independent variables) and financial performance and job satisfaction (dependent variables). The following hypotheses have been developed.

2.7.1 PSYCHOLOGICAL CAPITAL AND FINANCIAL PERFORMANCE

A study conducted by Avey, Nimnicht and Pigeon (2009) tested the relationship between PsyCap and financial performance in the financial industry and the retail industry and found that employees' level of financial performance is positively related to PsyCap. A study conducted by Byarugaba, Mafabi, Dywili, Kyogabiirwe and Chinyamurindi (2022:1070) indicated that there is a positive relationship between PsyCap and financial performance in small businesses and found that an improvement in PsyCap is associated with improved financial performance. Grözinger, Wolff, Ruf, Moog (2021:689) conducted a study on organisational PsyCap and firm performance

during crises and results showed that all dimensions of PsyCap positively influenced firm performance during crises.

Peterson et al. (2007:789) conducted a study on hope and job performance on participants from the retail industry and insurance industry and the results of their study supported their hypotheses that hope is significantly and positively related to job performance. The study found that when participants were more hopeful, they had higher job performance (Peterson et al. 2007:794). A comparison is drawn between the related constructs of hope, efficacy and optimism (Peterson et al., 2007:787). A study conducted by Mahmudi and Kalantari (2017:1) studied the impact of PsyCap on financial performance in a telecommunications company and results indicated a positive, significant relationship between the variables. Against this background the following hypotheses are formulated for testing in this study:

$H^{(1a-d)}$ There is a positive relationship between the financial planner's level of psychological capital, as measured by hope $H^{(1a)}$, efficacy $H^{(1b)}$, resilience $H^{(1c)}$, and optimism $H^{(1d)}$, and the perceived financial performance of their financial planning business.

2.7.2   PSYCHOLOGICAL CAPITAL AND JOB SATISFACTION

The study by Jung and Yoon (2014:1135) indicates that there is a positive relationship between hope and resilience, and the job satisfaction of the employees in the hotel industry and indicated that employees with high PsyCap were highly satisfied with their jobs. The study states that PsyCap is an essential performance factor in shaping employees' attitudes. The study conducted Karatepe and Karadas (2014:1254) aimed to investigate the impact that PsyCap has on job, career and life satisfaction and found that optimism is the best indicator of PsyCap in creating satisfied employees. A study conducted by Kaplan and Biçkes (2013:238) shows that there is a positive relationship between resilience and job satisfaction as well as optimism and job satisfaction and found that the more the constructs increase, the higher the levels of job satisfaction became. In the results of the study by Kaplan et al. (2013:238), it is reported that no significant relationships were found between efficacy and hope with job satisfaction.

Machmud (2018:45) conducted a study and found that self-efficacy is closely related to job satisfaction indicating that individuals with high self-efficacy will increase their confidence in overcoming obstacles in order to achieve their goals. The relationship between resilience and career satisfaction was tested in a study conducted by Srivastava and Madan (2020:46) that resulted in a significant positive relationship between the two variables. When testing the dimensions of PsyCap levels of teachers, Neyişci et al. (2022:1407) asked the respondents whether they consider themselves successful at their job, which relates to job satisfaction in terms of this study. The results determined a positive relationship between hope and job satisfaction. A study conducted by Abbas, Raja, Darr and Bouckenooghe (2014:1813) explored the relationship between PsyCap and job satisfaction in the retail industry and results indicated a significant relationship between the variables with hope and efficacy being the most important of the four dimensions. Against this background the following hypotheses are formulated for testing in this study:

H[(2a-d)]   There is a positive relationship between the financial planner's level of psychological capital, as measured by hope H[(2a)], efficacy H[(2b)], resilience H[(2c)], and optimism H[(2d)], and their level of job satisfaction working in their financial planning business.

2.8   SUMMARY

This chapter consisted of the literature review of this research study. The nature and importance of financial planning was discussed and PsyCap and its dimensions were defined followed by the explanation of value creation including financial performance and job satisfaction. Next, previous research on PsyCap, financial performance and job satisfaction was summarized. The conceptual framework, consisting of the RBV theory and PCT, was outlined, discussed and applied to the study. Lastly, the hypotheses used for the empirical testing were developed. The next chapter will identify and discuss the research design and methodology of the study.

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1   INTRODUCTION

This chapter describes the research design and methodology that has been adopted for the study. The chapter begins by describing how the literature review and empirical investigation were undertaken.

3.2   LITERATURE REVIEW

A literature review has been conducted on PsyCap focusing on its dimensions and the value that it creates for financial planners in South Africa. In order for the literature review to be conducted, the researcher made use of two databases namely, Google and Google Scholar, to gather the relevant information. Various articles, journals, reports and previous research on PsyCap and value creation were consulted through these databases. Keywords such as 'psychological capital', 'value creation' and 'financial planning', along with others, were searched to gather the relevant information to achieve the objectives of the study. This information was then processed, summarised and captured to provide the literature review which describes the nature and importance of financial planning, defines PsyCap and its four dimensions, and describes value creation. The literature review also discusses previous research on PsyCap, financial performance and job satisfaction. The literature review of this study can be found in Chapter Two.

3.3   EMPIRICAL INVESTIGATION

In the next section, the various choices made as well as the justification for the choices made with regard to the empirical investigation are discussed in detail in Table 3.1. Following this, the research strategy and the techniques and procedures used for data collection and analysis are presented.

Table 3.1: Research design descriptors for study

Descriptor	Options	Description of choice and justification for use
Philosophy and approach		
Philosophy/paradigm	Positivism	Positivism is a highly structured philosophical stance that uses quantitative methodologies including experimental and non-experimental research to identify and create law-like or "scientific generalisations or laws" (Saunders, Lewis and Thornhill, 2019:144; Eusafzai, 2014:178). Saunders et al. (2019:144) indicates that positivism is a scientific empiricist method designed to yield pure data and facts that cannot be influenced by human interpretation or bias. Positivism makes use of quantitative data collection through tests, structured interviews and surveys (Eusafzai, 2014:178). This study is situated in the positivist paradigm because highly structured deductive research is being done using a survey and a quantitative methodology.
Approach to theory development (The logic of the research)	Deductive research	Deductive research is an approach to theory development that a researcher may adopt. It is supported by positivism and occurs when the conclusion is obtained from logical facts, hypotheses and premises (Saunders et al., 2019:152). The approach used for this study is deductive due to the theoretical model that is developed and used to test the hypotheses.
Research design		
The purpose of the study	Correlational	Correlational research studies the relationships between two or more variables or characteristics to identify the way in which they are interrelated (Leedy and Ormod, 2013:185-186). A correlation is used to determine the strength of the relationship between the two variables and can be a positive or negative value (Saunders et al. 2012:521). This study makes use of correlational research due to the relationships being investigated between PsyCap, financial performance and job satisfaction.
Methodological choice	Mono method	A mono methodological choice is a research design method that makes use of a single method of collecting the data needed to answer the research question (Saunders et al., 2012:164). This study makes use of a mono method due to the surveys being the only data collection technique being used.
The process of the research (approach)	Quantitative study	Quantitative research is a data collection technique that looks at amounts or quantities and measures data numerically by making use of scales, thermometers or other measurement techniques (Zikmund, Babin, Carr and Griffin, 2010:137; Leedy et al. 2013:95). This study adopts a quantitative research approach as data has been collected from surveys and descriptive statistics will be used to summarise the data.

Table 3.1: Research design descriptors for study (continued)

Descriptor	Options	Description of choice and justification for use
Research strategy	Surveys	Leedy et al. (2013:189) explains that survey research is a research strategy that acquires the required information from one or more groups of people, known as respondents, by asking a set of questions and noting their answers. Surveys are a data collection approach that provides opinions and attitudes, intentions and expectations and requires appropriate survey topics such as age and income (Cooper and Schindler, 2003:319).
The time dimension	Cross-sectional	A cross-sectional time dimension refers to a study that is carried out once and results are presented for the point in time that the study was conducted (Cooper et al., 2003:149). A cross-sectional study contrasts with a longitudinal study in which the timeline is drawn out or followed over a given period of time (Leedy et al., 2013:188). This study makes use of a cross-sectional time dimension as the study was carried out once and presents data collected from respondents from a given point in time.
Techniques and procedures for data collection and analysis	Monitoring study	Monitoring refers to the method in which the data is collected and is done when the researcher observes the actions or activities and records the information that is gathered (Cooper et al., 2003:147). The data collection and analysis techniques and procedures used in this study indicate that it is a monitoring study as data relating to PsyCap dimensions and value creation is collected and analysed.
Data collection	Questionnaire	A questionnaire is mainly used in the survey strategy and is a data collection method where respondents are given the same set of questions to complete in a fixed order (Saunders et al. 2012:416). The data collection method for this study will be a questionnaire due to the survey strategy that is used.
Data analysis	Statistical analysis	Statistical analysis is a method of analysing the data that has been collected in order to identify trends or patterns and to test the validity (Cooper et al., 2003:150). This study uses a statistical analysis to investigate the influence of PsyCap on value creation.

3.3.1 RESEARCH STRATEGY

This study has adopted a survey research strategy and involves the gathering of required information and makes use of a structured questionnaire (Leedy et al., 2013:189).

A survey is a research strategy used to acquire information from a sample group of individuals to learn more about their characteristics, attitudes, opinions or past experiences (Leedy et al., 2013:189). The most common method of collecting data when using a survey research strategy is a questionnaire involving a series of identical questions given to a set of respondents that ensures the standardisation of questions and responses, maintains the objectivity of the research process and allows the respondents to remain anonymous. (Saunders et al., 2012:417-419). Questionnaires are used in survey statistics as they are an efficient data collection method resulting in quantitative data that can be analysed using descriptive and inferential statistics to identify patterns and trends in the data (Leedy et al., 2013:270).

3.3.2 TECHNIQUES AND PROCEDURES (METHODS)

The data collected by Palframan (2021) in her thesis titled "Human capital of financial planners and value creation in South African financial planning businesses" is used in this study. The techniques and procedures that Palframan (2021) made use of to collect her data are described below.

3.3.3 MEASURING INSTRUMENT DEVELOPMENT

The purpose of the measurement instrument of this study is to empirically test the hypotheses developed in Section 2.7. The following section elaborates on the operationalisation of variables and scale development.

3.3.3.1 Questionnaire cover letter, content and format

The cover letter is attached to the questionnaire and includes an explanation of the study along with information regarding the parties involved, ethical clearance, confidentiality, consent and anonymity, including options to opt out and instructions on

how to complete the questionnaire (Palframan, 2021:125). The questionnaire consists of four sections (Palframan, 2021:125). Section one of the questionnaire contained questions about the type of financial planning business the respondents owned or worked in as well as the aspects of financial planning they are involved in (Palframan, 2021:125) Section two involves the statements that measure the perceptions of the financial planners with regard to the independent and dependent variables (Palframan, 2021:125). Section three asks for demographics of the financial planners (Palframan, 2021:126).

3.3.3.2   Operationalisation of variables and scale development

In this study six of Palframan's (2021) variables are used. Four of these variables were used as the independent variables, namely *Hope*, *Efficacy*, *Optimism* and *Resilience*. The definitions of each of these independent variables along with their operationalisation and scale development are summarised in Table 3.2.

Table 3.2:   Operationalisation of independent variables

Hope		
Refers to an individual financial planner energetically pursuing and achieving work goals, seeing themselves as being successful at work and perceiving that there are many ways to reach goals and solve problems.		
Items (5)		**Sources**
Hop1	At the present time, I am energetically pursuing my work goals.	Adapted from Kim et al. (2019)
Hop2	At the present time, I see myself as being successful at work.	
Hop3	I can think of many ways to reach my current work goals.	Kim et al. (2019); Luthans et al. (2007b)
Hop4	At the present time, I am meeting the work goals that I have set for myself.	Adapted from Kim et al. (2019)
Hop5	There are many ways to solve any work problems that may occur.	Luthans et al. (2007b)
Efficacy		
Refers to an individual financial planner being confident in finding solutions to financial planning problems and in meetings with clients as well as in helping clients to meet their financial goals.		
Items (5)		**Sources**
Eff1	I am confident about finding solutions to financial planning problems.	Adapted from Kim et al. (2019)
Eff2	I am confident in being a financial planner when meeting with clients.	Adapted from Kim et al. (2019);

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Eff3	I am confident in helping my clients to set financial targets/goals.	Luthans et al. (2007b)
Eff4	I have what it takes to work as a financial planner.	Adapted from Nasta (2007)

Resilience		
Refers to an individual financial planner's ability to work on their own, get through difficult times, handle many things at once and manage stressful and difficult situations.		
Items (5)		**Sources**
Res1	I can be "on my own," so to speak, at work if I have to.	Adapted from Kim et al. (2019)
Res2	I can get through difficult times at work because I've experienced difficulties before.	
Res3	I can handle many things at one time when doing my job as a financial planner.	
Res4	I usually manage stressful situations well at work.	Adapted from Luthans et al. (2007b)
Res5	I usually manage difficulties at work one way or another.	

Optimism		
Refers to an individual financial planner expecting the best when things are uncertain, always looking on the bright side of things and being optimistic about their future as a financial planner.		
Items (3)		**Sources**
Opt1	When things are uncertain for me at work, I usually expect the best.	Kim et al. (2019); Luthans et al. (2007b)
Opt2	I always look on the bright side of things regarding my job as a financial planner.	Adapted from Kim et al. (2019)
Opt3	I am optimistic about what will happen to me in the future as it pertains to my job as a financial planner.	Adapted from Kim et al. (2019); Luthans et al. (2007b)

Source: Adapted from Palframan (2021:132)

Two of the dependent variables in Palframan's (2021) study are *Financial performance* and *Job satisfaction*. The definitions of these variables along with their operationalisation and scale development are summarised in Table 3.3.

Table 3.3:   Operationalisation of dependent variables

Financial performance		
Refers to the individual financial planner perceiving that being a financial planner provides them with a rewarding income and the chance to earn lots of money, and that they have experienced growth in number and service offerings to clients over the last three years.		
Items (8)		**Sources**
VCFin1	I have increased my financial planning client base over the last three years.	Silwana (2015); Matchaba-Hove (2013); Eybers (2010) Farrington (2009)
VCFin2	Over the last three years, I have been able to widen my service offering to my financial planning clients.	

VCFin3	Over the last three years, I have been able to offer more financial planning products to my clients.	
VCFin4	Being a financial planner provides me with the chance to earn a lot of money.	Farrington et al. (2012)
VCFin5	Being a financial planner allows me a greater earning potential than an alternative career.	
VCFin6	As a financial planner, I have increased my personal wealth over the last three years.	
VCFin7	Being a financial planner provides me with an income level that is very rewarding.	
VCFin8	Being a financial planner ensures that I have enough money to retire one day.	
Job satisfaction		
Refers to an individual financial planner being satisfied with their job as a financial planner and perceiving it as enjoyable, fulfilling and rewarding.		
Items (4)		**Sources**
VCSat1	All in all, I am satisfied with my job as a financial planner.	Kim et al. (2019)
VCSat2	I find my job as a financial planner fulfilling.	Hlongwane (2016)
VCSat3	I enjoy being a financial planner.	
VCSat4	I find my job as a financial planner rewarding.	

Source: Palframan (2021:127-128)

3.3.4   POPULATION AND SAMPLING

The population of a study refers to the complete set of potential respondents who share the same set of characteristics (Zikmund et al., 2010:387). The population for Palframan's (2021:133) study was all financial planners in South Africa, while the target population for her study was made up of all South African financial planners who, in terms of the relevant Financial Advisory and Intermediary Services (FAIS) legislation, are licensed to provide advice. The sample of her study consisted of financial planners who hold a RE1 and/or RE5 license from the Financial Services Conduct Authority (FSCA), and who she was able to access through various networks (Palframan, 2021:134). She made use of a non-profitability sampling technique which selects the sample using a non-random method (Palframan, 2021:135). Her study did not make use of a sample frame as there was no publicly accessible database of licensed financial planners in South Africa at the time the study was conducted (Palframan, 2021:134).

3.3.5   PROCESS OF DATA COLLECTION

A survey research strategy using a questionnaire to collect the relevant information was used (Palframan, 2021:190). A cover letter with link to a self-administered online structured questionnaire was sent via email to 1 560 potential respondents in the South African financial planning industry and their responses were collected using QuestionPro software (Palframan, 2021:136). Only 360 usable responses were received and were then captured and recorded on a downloadable Excel spreadsheet on which to perform the statistical analysis (Palframan, 2021:137).

3.3.6   DATA ANALYSIS

In order to complete the statistical analysis of the current study, the statistical software program, TIBCO Statistica Version 14.1.0.8 was used to test the validity and reliability of the measuring scales and to conduct the descriptive and inferential statistics, which is further described below.

3.3.6.1   Validity and reliability of the measuring scales

Validity is described as an instrument's ability to accurately measure what it intended to measure to ensure that the conclusions and inferences drawn from the findings are appropriate to what is being studied (Cooper et al., 2003:231; Zikmund et al., 2010:307). To test the validity of the measuring instrument in this study, a test for uni-dimensionality has been conducted. Ziegler and Hagemann (2015:231) explain that uni-dimensionality is used to measure psychological constructs. Due to this study measuring the influence of the psychological constructs, hope, efficacy, resilience and optimism, a uni-dimensionality test is appropriate and reliable results should be achieved.

Saunders et al. (2012:192) refers to reliability as the consistency and precision of findings and results when repeated by another researcher. A reliable study yields consistent results when applied repeatedly on a different occasion (Cooper et al., 2003:236). The most common measure for testing the reliability of constructs is the Cronbach's Alpha coefficient, which will be calculated in this study (Taherdoost, 2020:33). Cronbach's alpha is a statistical measure to assess the internal reliability of

a set of questions in a questionnaire (Bryanman and Bell, 2015:38). The coefficient values fall within a range of 0 to 1, with higher scores reflecting a greater level of reliability (Adamson and Prion, 2013:179). Saunders et al. (2019:800-801) suggests that values 0.7 or higher indicate that the questions being measured are internally consistent.

3.3.6.2   Descriptive statistics

Descriptive statistics are used to summarise and record the collected data so that the variables can be reported numerically, and the researcher is able to understand the variables in a sample or population (Saunders et al., 2012:502; Cooper et al., 2003:455). This study makes use of descriptive statistics by calculating means and frequency tables. Descriptive statistics are foundational statistics such as calculating the mean, median and mode (Cooper et al. 2003:475). The mean is an arithmetic measure of central tendency describing an average of a set of data divided by the number of observations (Kaur, Stoltzfus and Yellapu, 2018:62). The median is described as the middle numerical value in a dataset when the values are ordered from highest to lowest (Leedy et al., 2013:283; Kaur et al., 2018:62). The mode is a value that occurs the most frequently compared to other values (Leedy et al., 2013:283).

3.3.6.3   Inferential statistics

Inferential statistics is a branch of statistics used to generalise from the sample to the population and draw inferences and conclusions on large populations from the data collected from small samples (Zikmund et al., 2010:413; Leedy et al., 2013:277). This study makes use of inferential statistics, namely Pearson's product moment correlation coefficient and Multiple regression analysis (MRA). Pearson's product moment correlation coefficient is used to measure the strength of the relationship between variables or factors (Zikmund et al., 2010:564). Relationships can be described as weak, moderate and strong and makes use of the following criteria to interpret the coefficients; $|r| < 0.3$ indicates a weak relationship, $0.3 \leq |r| < 0.5$ indicates a moderate relationship and $|r| \geq 0.5$ indicates a strong relationship. MRA is a statistical method that is used in data analysis as a quantitative measurement tool used for predictive

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purposes or to determine the relationship between two variables (Uyanik and Guler, 2013:234).

3.3.7 ETHICAL CONSIDERATIONS

In collecting the data, the following ethical considerations were observed by Palframan (2021:144-145), the right to privacy, the right to anonymity and confidentiality, the right to voluntary participation, the management of power relations and the researcher's integrity. Palframan (2021) ensured that the right to privacy was adhered to by indicating in the cover letter that the respondents' personally identifiable information regarding their participation in the study would not be collected. Participants would have to give their consent and took place on a voluntary basis. To ensure that the right to anonymity and confidentiality was respected, the cover letter included that their confidentiality, anonymity and privacy was ensured and that Palframan (2021:145) would not use their individual information in the report. Invitations to participate in the study were sent out directly to the potential participants in order to manage power relations and lastly, to ensure the researcher's integrity, Palframan (2021) is a well-respected expert who serves in many leadership roles in the industry. See Annexure B for the fulfilment of ethics requirements for this study as required by Nelson Mandela University.

3.4 SUMMARY

In this chapter, an overview of the research design and methodology of the study was provided. Firstly, an outline of the literature review method was described. The methodological choices made in this study and the reasons for these choices were described in Table 3.1. These were described in terms of Saunder's (2012:128) research onion. Following this, the research strategy, techniques and procedures, as well as the measuring instrument development were described in more detail. The population and sampling, along with the process of data collection and the data analysis were also described in detail. Lastly, the chapter concluded by reporting on the ethical considerations that were observed in the study. The following chapter will present the results of the data analysis in detail.

CHAPTER FOUR
EMPIRICAL FINDINGS

4.1   INTRODUCTION

This chapter presents the empirical findings of the research study. In order to undertake the statistical analysis, a statistical software program, TIBCO Statistica Version 14.1.0.8 was used. The chapter begins with presenting the summarised demographic information that had been requested from the respondents. Following this, the validity and reliability test results will be provided and lastly, the descriptive and inferential statistics of the study will be presented.

4.2   DEMOGRAPHIC INFORMATION

Section one of the questionnaire requested the demographic information from the respondents who participated in the study. Annexure D summarises this information that has been collected.

Majority of respondents are male, with 249 (69,5%) males and 109 (30,4%) females with their ethnicity being 85.8% White and the remaining 14.2% being Black, Asian, coloured or another ethnicity. The age range was categorised into six groups from 25 years old to older than 70 years old, with most (34.2%) of the respondents falling into the 51-60 age group. The next highest age group is 61-70 with 20.6% of respondents, followed by 18.3% of respondents being in the 31-40 age group. The majority of the respondents have a qualification of an honour's degree or a post-graduate diploma (59.4%). Only 13.9% of respondents have a master's degree, MBA or higher, and only 11.7% of respondents are qualified with a diploma. The remaining 15% of the respondents have either a grade 12 or equivalent qualification, higher certificate or bachelor's degree. In terms of their professional designation, 237 (66%) respondents are CFPs, with the remaining 122 (33,9%) having either an FSA designation, RFP designation or no designation. The respondent's industry tenure refers to the length of time they have been in the industry and most (31.2%) of the respondents have been in the industry for over 20 years followed by the second highest category of 6-10 years (8.9%). Only 17.5% of respondents have been in the industry for 16-20 years, 15.6% for 11- 15 years and 16.8% for under 5 years. Lastly, most of the respondents (24.5%)

have more than 301 clients with the remaining respondents having between 50 and 300 clients.

4.3 VALIDITY AND RELIABILITY RESULTS

Table 4.1 and Table 4.2 present the validity and reliability results of the dependent and independent variables.

4.3.1 INDEPENDENT VARIABLES

The 18 items intended to measure *Hope*, *Efficacy*, *Resilience* and *Optimism* each loaded onto the relevant factors as intended using tests for uni-dimensionality. Factor loading for each item of >0.5 and the Cronbach's alpha coefficients of >0.7 for each factor provides sufficient evidence of validity and reliability for the scales measuring the independent variables (see Table 4.1).

Table 4.1:   Validity and reliability - Independent variables

Hope - Variance explained: 54.27%		Cronbach's alpha: 0.763		
Item	**Statement**	**Factor loading**	**Item-total correlation**	**CA after deletion**
Hop1	At the present time, I am energetically pursuing my work goals.	-0.855	0.679	0.669
Hop2	At the present time, I see myself as being successful at work.	-0.492	0.351	0.791
Hop3	I can think of many ways to reach my current work goals.	-0.821	0.632	0.686
Hop4	At the present time, I am meeting the work goals that I have set for myself.	-0.714	0.553	0.716
Hop5	There are many ways to solve any work problems that may occur.	-0.745	0.532	0.728
Efficacy - Variance explained: 66.14%		Cronbach's alpha: 0.870		
Item	**Statement**	**Factor loading**	**Item-total correlation**	**CA after deletion**
Eff1	I am confident about finding solutions to financial planning problems.	-0.808	0.692	0.843
Eff2	I am confident in being a financial planner when meeting with clients.	-0.791	0.668	0.849
Eff3	I am confident in helping my clients to set financial targets/goals.	-0.817	0.706	0.839
Eff4	I have what it takes to work as a financial planner.	-0.836	0.724	0.835
Eff5	I have the necessary skills to work as a financial planner.	-0.814	0.697	0.844

Table 4.1:   Validity and reliability - Independent variables (continued)

Resilience - Variance explained: 49.35%		Cronbach's alpha: 0.725		
Item	**Statement**	**Factor loading**	**Item-total correlation**	**CA after deletion**
Res1	I can be "on my own," so to speak, at work if I have to.	-0.562	0.378	0.720
Res2	I can get through difficult times at work because I've experienced difficulties before.	-0.660	0.441	0.696
Res3	I can handle many things at one time when doing my job as a financial planner.	-0.675	0.467	0.690
Res4	I usually manage stressful situations well at work.	-0.814	0.624	0.625
Res5	I usually manage difficulties at work one way or another.	-0.773	0.570	0.658
Optimism - Variance explained: 69.41%		Cronbach's alpha: 0.775		
Item	**Statement**	**Factor loading**	**Item-total correlation**	**CA after deletion**
Opt1	When things are uncertain for me at work, I usually expect the best.	-0.870	0.667	0.632
Opt2	I always look on the bright side of things regarding my job as a financial planner.	-0.853	0.639	0.671
Opt3	I am optimistic about what will happen to me in the future as it pertains to my job as a financial planner.	-0.773	0.536	0.783

4.3.4   DEPENDENT VARIABLES

The 12 items used to measure the dependent variables (*Financial performance* and *Job satisfaction)* all loaded satisfactorily using tests for uni-dimensionality. Factor loading of >0.5 for each item and the Cronbach's alpha coefficient of >0.7 for each factor provides sufficient evidence of validity and reliability of these scales (see Table 4.2).

Table 4.2:   Validity and reliability - Dependent variables

Financial performance - Variance explained: 43.89%		Cronbach's alpha: 0.812		
Item	**Statement**	**Factor loading**	**Item-total correlation**	**CA after deletion**
VCFin2	I have increased my financial planning client base over the last three years.	-0.625	0.498	0.796
VCFin3	Over the last three years, I have been able to widen my service offering to my financial planning clients.	-0.505	0.401	0.808
VCFin4	Over the last three years, I have been able to offer more financial planning products to my clients.	-0.512	0.414	0.807

Item	Statement	Factor loading	Item-total correlation	CA after deletion
VCFin5	Being a financial planner provides me with the chance to earn a lot of money.	-0.622	0.490	0.797
VCFin6	Being a financial planner allows me a greater earning potential than an alternative career.	-0.651	0.504	0.795
VCFin7	As a financial planner, I have increased my personal wealth over the last three years.	-0.750	0.616	0.778
VCFin8	Being a financial planner provides me with an income level that is very rewarding.	-0.836	0.719	0.763
VCFin9	Being a financial planner ensures that I have enough money to retire one day.	-0.729	0.586	0.782
Job satisfaction - Variance explained: 81.29%		**Cronbach's alpha: 0.920**		
Item	**Statement**	**Factor loading**	**Item-total correlation**	**CA after deletion**
VCSat1	All in all, I am satisfied with my job as a financial planner.	-0.831	0.718	0.933
VCSat2	I find my job as a financial planner fulfilling.	-0.941	0.881	0.874
VCSat3	I enjoy being a financial planner.	-0.924	0.856	0.883
VCSat4	I find my job as a financial planner rewarding.	-0.906	0.823	0.894

4.4   EMPIRICAL FINDINGS

This section presents the results of the descriptive and inferential statistics.

4.4.1   DESCRIPTIVE STATISTICS

The descriptive statistics for both the independent and dependent variables are presented in Table 4.3. The study made use of a 7-point Likert scale with responses from 1 to 2.999 being classified as Disagree; from 3 to 4.999 being classified as Neutral and from 5 to 7 being classified as Agree.

Table 4.3:   Descriptive statistics (N=360)

Factors	Mean	Std. Dev.	Disagree%	Neutral %	Agree %
Hope	5.703	0.838	0.8	14.7	84.4
Efficacy	6.336	0.631	0.3	2.2	97.5
Resilience	6.035	0.682	0.3	4.4	95.3
Optimism	5.522	1.017	2.8	16.7	80.6
Financial performance	5.371	0.929	1.4	26.9	71.7
Job satisfaction	6.045	0.972	2.2	6.7	91.1

The independent variable, *Hope,* reported a mean score of 5.703 with majority (84.4%) of respondents agreeing that they can energetically pursue and achieve their work goals, see themselves as successful at work and perceive that there are many ways to reach goals. *Efficacy* reported a mean score of 6.336 with 97.5% of respondents agreeing that, as financial planners, they are confident in finding solutions to financial planning problems, have confidence when meeting with clients and helping clients meet their financial goals. *Resilience* reported a mean of 6.035 with 95.3% of respondents agreeing that resilience refers to the ability of an individual financial planner to work on their own, get through difficult times, handle many things at once and manage stressful and difficult situations. *Optimism* reported a mean of 5.522 with 80.6% of respondents agreeing that they expect the best when things are uncertain, always look on the bright side of things and are optimistic about their future as financial planners.

The dependent variable, *Job satisfaction,* reported a mean of 6.045 and 91.1% of respondents agreed that as a financial planner, they are satisfied with their jobs and perceive it as enjoyable, fulfilling and rewarding. However, *Financial performance*, reported a mean of 5.371 with only 71.7% of respondents agreeing that they perceive that being a financial planner provides them with a rewarding income and the chance to earn lots of money and that they have experienced growth in the number and service offerings to clients over the last three years.

4.4.2   INFERENTIAL STATISTICS

The inferential statistics calculated in this study are that of Pearson's product moment correlations and multiple regression analysis (MRA). The inferential statistics results indicating the relationships between the independent and dependent variables are presented in the sections that follow.

4.4.2.1   Pearson's product moment correlations

Pearson's product moment correlations coefficients were calculated (see Table 4.4) in order to measure the strength of the relationships between the independent variables (*Hope*, *Efficacy*, *Resilience* and *Optimism*) and the dependent variables (*Financial*

performance and *Job Satisfaction*). The criteria used to interpret the correlation coefficients are as follows: |r| < 0.3 indicates a weak relationship, 0.3 ≤ |r| < 0.5 indicates a moderate relationship and |r| ≥ 0.5 indicates a strong relationship. Table 4.4 indicates that most factors are strongly associated with each other with some factors showing moderate relationships. *Hope*, *Efficacy* and *Optimism* report strong relationships (>0.5) between them. *Resilience* shows strong relationships with all factors, except for the relationships between resilience and the dependent variables (*Financial performance* and *Job satisfaction*) which are reported as moderate relationships. There are no weak relationships (<0.3) between any of the variables.

Table 4.4:   Pearson's product moment correlations

Factors	1	2	3	4	5	6
1. Hope	1	0.589	0.609	0.683	0.632	0.636
2. Efficacy	**0.589**	1	0.687	0.537	0.566	0.571
3. Resilience	**0.609**	**0.687**	1	0.540	0.473	0.431
4. Optimism	**0.683**	**0.537**	**0.540**	1	0.608	0.670
5. Financial performance	**0.632**	**0.566**	**0.473**	**0.608**	1	0.638
6. Job satisfaction	**0.636**	**0.571**	**0.431**	**0.670**	**0.638**	1

(Bold = p < 0.05)

4.4.2.2   Multiple regression analysis

A MRA was performed to establish the influence that the independent variables (*Hope, Efficacy, Resilience* and *Optimism*) have on each of the dependent variables (*Financial performance* and *Job satisfaction*). The results thereof are reported in Table 4.5.

Table 4.5:   Multiple regression analysis

Dependent variable: Financial performance	R-Square = 0.495		
Independent variables	**Beta**	**t-value**	**Sig. (p)**
Hope	0.353	5.583	0.000*
Efficacy	0.395	4.880	0.000*
Resilience	-0.073	-0.966	0.335
Optimism	0.252	5.159	0.000*

Table 4.5:   Multiple regression analysis (continued)

Dependent variable: Job satisfaction	R-Square = 0.552		
Independent variables	Beta	t-value	Sig. (p)
Hope	0.330	5.298	0.000*
Efficacy	0.466	5.857	0.000*
Resilience	-0.241	-3.220	0.001*
Optimism	0.387	8.051	0.000*

(* p < 0.005)

From Table 4.5 is it evident that significant positive relationships are reported between *Hope* (Beta = 0.353; p < 0.005), *Efficacy* (Beta = 0.395; p < 0.005) and *Optimism* (Beta = 0.252; p < 0.005), and the dependent variable *Financial performance*. As such, the higher an individual financial planner scores on these aspects of PsyCap, the higher they perceive the performance of their financial planning business to be. The findings also show that a financial planner's levels of efficacy has the greatest influence on the financial performance of their business.

No significant relationship was found between *Resilience* (Beta = -0.073; p > 0.335) and *Financial performance*. This finding suggests that whether or not a financial planner has high levels of *Resilience*, there is no influence on the *Financial performance* of their business. Given these results, support is found for the following hypotheses, namely H[(1a)] (hope), H[(1b)] (efficacy) and H[(1d)] (optimism), but not for H[(1c)] (resilience).

A significant positive relationship is reported between *Hope* (Beta = 0.330; p < 0.005), *Efficacy* (Beta = 0.466; p < 0.005) and *Optimism* (Beta = 0.387; p < 0.005) and the dependent variable *Job satisfaction*. As such, the higher an individual financial planner scores on these aspects of PsyCap, the more satisfied they become with their jobs as financial planners. These findings show that efficacy has the greatest impact on the financial planner's experience of satisfaction in their financial planning business.

A significant negative relationship is reported between *Resilience* (Beta = -0.241; p < 0.005) and *Job satisfaction*. Therefore, the more respondents agree to the statements that measure resilience, the less likely they are to experience job satisfaction. Given

the results of this study, support is found for the following hypotheses $H^{(2a)}$ (hope), $H^{(2b)}$ (efficacy), $H^{(2c)}$ (resilience) and $H^{(2d)}$ (optimism).

4.5 SUMMARY

The empirical findings were presented in this chapter. The demographic information of the respondents was presented followed by the validity and reliability results of the scales measuring the independent and dependent variables. The descriptive statistics were then provided and lastly, the inferential statistics, including Pearson's product moment correlation coefficients and multiple regression analysis, were presented. The next chapter consists of an overview of the study, a discussion will be presented and recommendations provided. Contributions and limitations of the study and avenues for future research will be highlighted. Finally, a conclusion will close the chapter.

CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1   INTRODUCTION

This is the final chapter of the study and first provides a brief overview of the study. Following this, a discussion of the findings will be presented and thereafter recommendations will be made. The contributions and limitations of the study will be highlighted and avenues for future research will be presented. Lastly, a conclusion will be provided.

5.2   OVERVIEW OF THE STUDY

Chapter One presented the introduction, problem statement and scope of the study. A problem description was presented and research objectives, including the primary, secondary and methodological research objectives. The primary objective of this study was to investigate the role that psychological capital has on value creation by financial planners in the South African financial planning industry. The scope and delimitations of the study were provided and the key concepts of PsyCap, value creation and RBV theory were defined to provide clarity. The significance of the study was discussed and the structure of the study was indicated.

Chapter Two presented the literature review of the study. The nature and importance of financial planning was described. PsyCap was described in further detail including its dimensions, namely hope, efficacy, resilience and optimism. Value creation relating to financial performance and job satisfaction was defined. Next, existing studies on PsyCap and value creation were summarised. The conceptual framework for this study, underpinned by the RBV theory and the PsyCap theory was then presented and the hypotheses to be tested in this study, were developed.

Chapter Three explained the research design and methodology used in the study. The method used to conduct the literature review and empirical investigation was described. In terms of the empirical investigation, the research strategy, techniques and procedures, and the measuring instrument development was described in detail.

The population and sampling, process of data collection and data analysis were also described. The data analysis involved assessing the validity and reliability of the measuring scales, descriptive and inferential statistics. The ethical considerations that the researcher considered were described and a summary concluded the chapter.

Chapter Four presented the empirical findings of the study. Firstly, the demographic information of the 360 respondents was given, followed by the validity and reliability results of the independent (*Hope*, *Efficacy*, *Resilience* and *Optimism*) and dependent variables (*Financial performance* and *Job satisfaction*). The empirical results of the descriptive statistics were presented, followed by the inferential statistics including Pearson's product moment correlation coefficients and multiple regression analysis.

The overview of the study indicates that the primary, secondary and methodological objectives have been achieved. Table 5.1 indicates the chapters in which the research objectives of this study were achieved.

Table 5.1:   Research objectives achieved

Objectives	Chapter(s)
Primary objective:	**Achieved**
The primary objective of this study is to investigate the role that psychological capital has on value creation by financial planners in the South African financial planning industry.	Chapters 1-5
Secondary objectives:	**Achieved**
SO[1]: To investigate the influence of a financial planner's psychological capital, as measured by hope, efficacy, resilience, and optimism, on the financial performance of their financial planning business.	Chapter 2
SO[2]: To investigate the influence of a financial planner's psychological capital, as measured by hope, efficacy, resilience, and optimism, on their job satisfaction.	Chapter 2

Table 5.1:   Research objectives achieved (continued)

Methodological objectives:		Achieved
MO[1]:	To conduct a literature review on psychological capital and value creation, as well as the resource-based view theory that underlies the relationship between these two constructs.	Chapter 2
MO[2]:	To develop a conceptual framework to describe the relationships between the constructs under investigation.	Chapter 2
MO[3]:	To investigate the appropriate research methodology to achieve the primary objective.	Chapter 3
MO[4]:	To analyse secondary data from a sample of financial planners.	Chapter 3
MO[5]:	To empirically test the formulated hypotheses.	Chapter 4
MO[6]:	To provide concluding remarks and make recommendations to individual financial planners and the financial planning industry on ways to improve value creation through psychological capital.	Chapter 4

Source: Researcher's own construction

5.3   DISCUSSION OF FINDINGS AND RECOMMENDATIONS

The following section will discuss the findings of the study, show how the secondary objectives have been achieved and present recommendations based on these findings.

5.3.1   FINANCIAL PLANNER'S PSYCHOLOGICAL CAPITAL AND FINANCIAL PERFORMANCE

The first secondary research objective was to investigate the influence of a financial planner's PsyCap, as measured by hope, efficacy, resilience and optimism, on the financial performance of their financial planning business. The results indicate that the majority (71.7%) of respondents agreed that their financial planning business provides them with a rewarding income and the chance to earn lots of money, and that they have experienced growth in number and service offerings to clients over the last three years.

The findings show that the higher a financial planner's levels of hope $H^{(1a)}$, efficacy $H^{(1b)}$, and optimism $H^{(1d)}$ are, the higher they perceive the financial performance of their financial planning business to be. These findings are supported by several other studies (Peterson et al., 2007:787; Avey et al., 2009:384; Mahmudi et al., 2017:1) who also reported positive relationships between PsyCap and performance. The findings

of the current study show that a financial planner's level of efficacy has the greatest influence on this perception. Similarly, Neyişci et al. (2022:1407) also report *Efficacy* as having a strong influence in their study on the levels of PsyCap of teachers in distance education. As in the current study, Peterson et al. (2007:789) also identified that *Hope* is significantly and positively related to performance.

No relationship was found between *Resilience* and *Financial performance*. As such whether or not an individual financial planner has the ability to work on their own, get through difficult times, handle many things at once and manage stressful and difficult situations, has no influence on the financial performance of their financial planning business. This finding contradicts several studies (Neyişci et al., 2022:1407; Avey et al., 2009:384) which reported a positive influence. A possible explanation for the finding in this study could be that the items measuring *Resilience* are unrelated to one's ability to perform as financial planner.

5.3.2 FINANCIAL PLANNER'S PSYCHOLOGICAL CAPITAL AND JOB SATISFACTION

The second secondary research objective was to investigate the influence of a financial planner's PsyCap, as measured by hope, efficacy, resilience and optimism, on the job satisfaction of a financial planner. The results of the empirical findings indicate that the vast majority (91.1%) of respondents agreed that they are satisfied with their job as a financial planner and perceive it as enjoyable, fulfilling and rewarding. The findings show that the higher a financial planner's levels of hope H[(2a)], efficacy H[(2b)], and optimism H[(2d)] are, the more satisfied they are with their jobs as financial planners. These findings are supported by several other studies (Karatepe et al., 2014:1254; Abbas et al., 2014:1813) who also reported positive relationships between PsyCap and job satisfaction.

A significant negative relationship was found between *Resilience* and *Job satisfaction*. Therefore, the higher a financial planner's ability to work on their own, get through difficult times, handle many things at once and manage stressful and difficult situations, the less likely they are to be satisfied with their job as a financial planner and perceive it as enjoyable, fulfilling and rewarding. These results contradict the study

conducted by Srivastava et al. (2020:46) who reported a positive influence. A possible explanation could be that the items measuring *Resilience*, such as the ability to work on one's own and handle many things at once are unrelated to one's ability to perform as a financial planner, however it may influence their level of job satisfaction.

5.3.3   RECOMMENDATIONS

Based on the findings of this study the following recommendations are made:

- To enhance their levels of hope it is recommended that financial planners energetically pursue and strive to achieve their work goals, see themselves as being successful at work and be aware that there are many ways to reach goals and solve problems. Financial planners can work on their skills and abilities to improve their service offering and be hopeful that they will get new clients.
- To enhance their levels of efficacy, it is recommended that financial planners improve their confidence in finding solutions to the financial planning problems they face and improve their confidence levels in meeting with and helping their clients meet their financial goals. Financial planners should stay up to date with the latest developments, improve their technical knowledge and knowledge about the markets and have excellent time management skills. With experience comes better knowledge and confidence.
- To enhance their levels of optimism, it is recommended that financial planners expect the best when things are uncertain, always look on the bright side of things and be optimistic about their future as a financial planner. To improve their optimism, financial planners should practice positive thinking.
- Financial planners can improve their financial performance by becoming goal-oriented, maintaining a positive outlook on life focusing on areas to be hopeful about, maintaining an optimistic perspective on their business while in a confident manner. Financial planners should adopt a positive mindset or attitude, become motivated to achieve their goals and become confident in their own capabilities to develop the benefits of job satisfaction.

5.4   CONTRIBUTIONS OF THE STUDY

This study has provided insights into the role of PsyCap, specifically the dimensions

hope, efficacy, resilience and optimism, on value creation in the financial planning industry in South Africa. The empirical findings of this study show that positive relationships can be found between *Hope*, *Efficacy* and *Optimism*, and the dependent variables *Financial performance* and *Job satisfaction*. This study adds to the literature on PsyCap and financial planning as well as providing a South African context. It is important to provide guidelines to the financial planning industry on how to optimise the dimensions of PsyCap so that they are able to improve their *Financial performance* and *Job satisfaction*. Providing these guidelines to strengthen financial planner's performance and job satisfaction is especially important given the rate of disruption currently being experienced given the AI developments.

5.5   LIMITATIONS OF THE STUDY AND AVENUES FOR FUTURE RESEARCH

A limitation of the study conducted by Palframan (2021) that is applicable to this study is that the study focuses only on the financial planning industry. As such, the results from this study cannot be generalised to other industries. A second limitation is that the research was carried out throughout South Africa and research could be conducted on other geographic territories. A third limitation is that this study only focused on PsyCap. Other factors of human capital that are mentioned in the study conducted by Palframan (2021) could be explored such as cultural capital and moral capital, which were identified but not investigated by Palframan (2021). It is recommended that future studies explore other industries in different geographical areas as well as explore other factors of human capital. A fourth limitation to this study was the time allowed for the completion of this study as well as the page constraint given for the report (treatise). This research study had to be completed in one year (2023) and the report was restricted to 40 pages, excluding the table of contents, list of sources and annexures. Future studies could provide a more in-depth literature review on studies investigating the relationship between PsyCap and performance, which could provide more insights into the relationship between *Resilience* and performance specifically.

5.6 CONCLUSION

This study achieved its primary objective of investigating the role that psychological capital has on value creation by financial planners in the South African financial planning industry by addressing the gap in the knowledge. The researcher hopes that future researchers explore other factors of human capital and the role they play in value creation within different industries. The recommendations provided could be beneficial to financial planners and their employers. Through implementing these recommendations, the PsyCap of financial planners can be optimised which in turn can maximise value creation for their financial planning businesses.

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ANNEXURE A: LEARNING AGREEMENT

NELS●N M▲NDELA
UNIVERSITY

FACULTY OF BUSINESS AND ECONOMIC SCIENCES

LEARNING AGREEMENT BETWEEN SUPERVISOR(S) AND POSTGRADUATE STUDENT FOR FULL RESEARCH QUALIFICATIONS

The aim of this learning agreement is to provide postgraduate students and their supervisors an opportunity to develop a sound and productive working plan. This document should be read in conjunction with the following Nelson Mandela University Policy documents:

- The General Prospectus
- Faculty of Business and Economic Sciences Prospectus
- Masters and Doctoral Degree Policy (M & D Policy)
- Code of Conduct for Researchers
- University Code of Ethics Policy
- Policy on Intellectual Property
- Promotion of Academic Integrity and Prevention of Plagiarism

These documents are available on the Nelson Mandela University's website (http://my.mandela.ac.za/default.asp?id=308&IRCno=) and are available on request from Ms Lindie van Rensburg (lindie@mandela.ac.za).

The Faculty of Business and Economic Sciences requires all postgraduate students and their supervisor(s) to complete a learning agreement within **TWO** months of the commencement of the research degree programme. Postgraduate students and their supervisor(s) should discuss the issues outlined in this agreement, to have clarity and consistency regarding the conduct of the Postgraduate student and supervisor(s). Should a co-supervisor be appointed, he/she should be part of the discussion process.

The postgraduate student and supervisor should keep a copy of this learning agreement, including a copy send to Ms Lindie van Rensburg (lindie@mandela.ac.za).

PART A: DETAILS OF POSTGRADUATE STUDENT, SUPERVISOR(S) AND QUALIFICATION

NAME & SURNAME:	Kate Emily Palframan
STUDENT NUMBER:	223150223
QUALIFICATION:	BCom Honours in Business Management
FIRST YEAR OF REGISTRATION:	
DEPARTMENT:	Business Management
SUPERVISOR:	Professor S. Farrington
CO-SUPERVISOR	

PART B: ROLES AND RESPONSIBLITIES OF THE POSTGRADUATE STUDENT AND SUPERVISOR(S)

POSTGRADUATE STUDENT:
As a postgraduate candidate, the student is expected to apply him- or herself to meeting the following reasonable responsibilities.

The postgraduate Student accepts and undertake the following responsibilities as outlined in the M & D Policy (Rule 5.3):

RULE	DESCRIPTION	INITIAL
5.3.1	Complete all the required components of the academic programme as stipulated.	KP
5.3.2	Plan and execute the research study as agreed to with the guidance of the supervisor (and co-supervisor, where applicable).	KP
5.3.3	Ensure that the research proposal is submitted for approval within the stipulated timeframe in accordance with the university's rules (6 months for Master's degree & 12 months for Doctoral degree).	N/A
5.3.4	Adhere to the principles of accepted safety and health standards, ethical research practice as per Nelson Mandela University Code of Conduct for Researchers (IRC 404.01), Policy on Research Ethics (IRC 404.02), specific codes of the discipline (where applicable) and conventions regarding plagiarism as per Nelson Mandela Policy for the Promotion of Academic Integrity and Prevention of Plagiarism (IRC 305.04).	KP
5.3.5	Make regular appointments with supervisor(s) to update supervisor(s) on progress or any difficulties encountered in executing the academic project as planned to ensure timeous remedial action where required.	KP
5.3.6	Keep written record of supervision sessions and the decisions agreed to.	KP
5.3.7	Submit regular outputs from the academic project to ensure effective guidance and input by supervisor(s).	KP
5.3.8	Ensure that written work submitted has been proofread and of an acceptable academic standard.	KP
5.3.9	Ensure that the necessary amendments or revisions decided upon with supervisor(s) are made regularly and resubmitted as agreed for further guidance.	KP
5.3.10	Take responsibility for the final production of the treatise/dissertation/thesis for examination and final submission in accordance with university or faculty-specific rules	KP
5.3.11	Submit a manuscript to the supervisor prior to the time of the approval of examiner reports (for purpose of awarding the doctoral degree).	KP
5.3.12	Renew annual registration for the academic programme within the periods as stipulated by the university.	KP
General	The postgraduate student has read all the relevant strategic and policy documents related to their relevant qualification.	KP
General	The postgraduate student has familiarised him- or herself with the internet-based plagiarism detection service; Turnitin software.	KP
General	The postgraduate student endeavours to partake in workshops and training related to the research project	KP

SUPERVISOR / CO-SUPERVISOR:
The responsibilities outlined below are reasonable expectations of academics or any other persons who are undertaking the supervision of master's and doctoral candidates.

The supervisor(s) accepts and undertake the following responsibilities as outlined in the M & D Policy (Rule 5.2):

RULE	DESCRIPTION	INITIAL
5.2.1	Manage the administrative aspects related with candidate's studies according to Nelson Mandela University rules.	SMF
5.2.2	Liaise and co-operate with the HOD/DOS and/or the Executive Dean and relevant academic support units to ensure that the student is able to access basic resources (such as library, laboratory space, chemicals, accessing bursaries and scholarships where the student meets the criteria, etc.) reasonably required by a postgraduate candidate	SMF

5.2.3	Clarify respective roles of student, supervisor, and co-supervisor (where relevant) to ensure that student and supervisor (s) are clear about channels of communication as well as expectations. Preferably such clarification should be contained in a supervisory or learning agreement	SMF
5.2.4	Confer or make contact with the student regularly (minimum once an academic term) to provide academic guidance to ensure the development and mastery of research skills and competencies relevant to the discipline and the specific study, and to ensure adherence to university requirements and/or discipline standards.	SMF
5.2.5	Monitor progress of the student and submit reports on student progress as required by the university and by relevant scholarship funding bodies.	SMF
5.2.6	Keep a record of supervision sessions and provide feedback, within the timeframe agreed upon, to enable student progress.	SMF
5.2.7	Supervisors must maintain an adherence to accepted safety and health standards, as well as ethical research practice as per Nelson Mandela University Code of Conduct for Researchers (IRC 404.01), Policy on Research Ethics (IRC 404.02), specific codes of the discipline (where applicable) and conventions regarding plagiarism as per Nelson Mandela Policy for the Promotion of Academic Integrity and Prevention of Plagiarism (IRC 305.04) and advise their students to maintain these standards as well.	SMF
5.2.8	Provide the relevant information to the student so that the candidate submits the treatise/dissertation/thesis for examination and final submission in accordance with university or faculty-specific rules (see Addendum 8 for format guidelines).	SMF
5.2.9	Advise the student regarding the submission of declaration of manuscript at the time of approval of examiner reports for the purposes of awarding of doctoral degrees (for doctoral degrees only).	N/A
General	The supervisor(s) to consult Turnitin report submitted by the student to the internet-based plagiarism detection service; Turnitin software.	SMF
General	The supervisor assists the student with the ethics application.	SMF

PART C: TERMS OF LEARNING AGREEMENT

FREQUENCY OF COMMUNICATION		
The contact details of the supervisor(s) were provided to the postgraduate student.	**YES** ☒	**NO** ☐
Specify frequency and communication channel for meetings (i.e. telephone, email, face-to-face).	At least once every two weeks, more if needed via telephone and Teams.	
In case of the appointment of a co-supervisor(s), how will meetings and communication between all be organised?	Both supervisors will be included in all emails; both supervisors will be invited to feedback meetings.	
Specify who is responsible for scheduling meetings and how far in advance these meetings should be scheduled.	Both Student and Supervisors, 4 days prior.	
Specify the procedure for changing the meeting date and time.	An email will be sent to be excused and reschedule.	
Specify frequency and duration of meetings (approx.).	Once every two to three weeks or as needed, up to two hours or as needed.	
Specify who will set the agenda and take notes.	Student or supervisor will set agenda, depending on purpose of meeting. Student will take notes.	
Clarify whether there will be any expectation regarding regular email communication.	No. Communication will take place as and when needed.	
Indicate the availability of communication of supervisor during period of research and/or ordinary leave.	As needed. To be arranged between student(s) and supervisor(s).	
List the roles, responsibilities of supervisor, co-supervisor(s) and student.	Specific responsibilities of the supervisor and co-supervisor for research supervision. **The supervisor(s) will be able to advise the student/candidate (to be used interchangeably) on the:** • Scope of the project;	

	• Relevance of secondary information sourced by student;
	• Feasibility of the study;
	• Timeframes for completion of each section of the study;
	• Validity and reliability of the data collected;
	• Research methodology chosen; and
	• Final presentation of the treatise/thesis/dissertation.
	The supervisor(s) is NOT responsible for:
	• Providing students with research problems, proposals, methodology and content;
	• Providing students with literature articles on the research topic;
	• Rewriting or editing student submissions;
	• Reading more than two drafts of a chapter;
	• Assisting students with collecting data; or
	• Sourcing financial assistance for the study.
	In addition, the supervisor(s) will:
	• Insist that students maintain satisfactory academic levels.
	• Provide students with valuable feedback ASAP but undertake to do so within two weeks of receipt of submissions, unless special circumstances prevent feedback from being provided within this timeframe. Where a supervisor is not able to provide feedback within two weeks the candidate will be informed in good time.
	• Will acknowledge receipt of submissions made.
	• Will check emails and WhatsApp messages every other day during office hours, this excludes recess/leave periods.
	Specific responsibilities of the student/candidate for research supervision
	• The student(s) takes full responsibility for all aspects of the research process.
	• The student(s) agrees to be fully committed and dedicated to completing the research to the best of their ability.
	• The student(s) will ensure that any submission is of the highest technical, linguistic and academic level.
	• The student(s) will arrange for all their work to be proofread before submitting to their supervisor(s). This includes both the component parts (the research proposal, theory chapters, questionnaire development, the methodology chapters) and the FINAL draft of the treatise.
	• The student(s) will draft a research schedule after taking personal commitments and the unavailability of supervisors during academic recess periods, into account.
	• The student(s) agrees to adhere to all deadlines, including both the deadlines set by the research institution and those that the student(s) has indicated on the research schedule.
	• The concept plagiarism and its different forms and formats is clearly understood by the student(s) and

	the student(s) undertakes to NOT make himself/herself guilty thereof in any form or format. • The student(s) agrees that all chapters of the research will be submitted to the plagiarism checker Turnitin and if it is found that the research or part thereof has been plagiarised, it is understood that this could lead to having to redo the research and could possibly lead to disciplinary action. • The student(s) will ensure that all deliverables and outputs adhere to the report writing conventions of NMU and it's the student's responsibility to familiarise herself/himself with these conventions on their own. • The student(s) acknowledges that the supervisor(s) has many other responsibilities and that treatise submissions and meeting scheduling will be done in due time to allow him/her a minimum of two weeks before a response will be expected. • The student(s) will check emails and WhatsApp messages every other day during office hours, this excludes recess/leave periods.
Comments: Issues concerning publication from thesis/dissertation and withdrawal by supervisor(s)	• Supervisor(s) must be cited as joint author(s) of any articles published or papers presented at conferences. • Should the candidate not submit research results for publication within the stipulated period of one year, the supervisor(s) shall be entitled to proceed with publication with due recognition of the candidate's contribution as a co-author. **The supervisor(s) retain the right to withdraw from the supervisory process should:** • The candidate not complete the proposal within the allotted time. • The candidate demonstrates an inability to work independently. • The candidate does not adhere to the conditions of this learning agreement.

RESEARCH PLAN / TIMEFRAME		
Specify the research plan and timeframe		
Specify how changes to the research plan / timeframe will be dealt with.	Timeframe will be adapted as needed, with satisfactory justification from the candidate.	
Was the postgraduate student informed of the timeframes regarding the submissions of research proposals as per the M & D Policy *(Rule 5.1.5.1 & 5.1.5.2)*?	**YES** ☐	**NO** ☒
Specify remedial action if schedule is not adhered to?	• Student(s) needs to provide acceptable reasons for not adhering to a schedule as set out and should negotiate a new timeframe with the supervisor(s). • Student(s) needs to know that the supervisor(s) may not be able to fit in a new time schedule on short notice when the student(s) has failed to stick to the schedule. • After a student(s) failed to meet a deadline 3 times or where the progress as indicated in the progress report is deemed to be objectively insufficient on TWO or more occasions, it will be at the discretion of the supervisor(s) to determine what action needs to	

	be taken to continue with the studies or will recommend a discontinuation of the study. • Lack of compliance will be reported to the HOD.
Comments	

SUBMISSION OF WRITTEN MATERIAL AND FEEDBACK	
Specify how often written work should be submitted to the supervisor(s).	Once every two weeks to three weeks.
Specify the timeframe for feedback.	One to two weeks depending on the workload of the supervisor.
Specify remedial action if feedback agreement is not adhered to?	Student and supervisor will discuss action to be taken when needed. • Student(s) needs to inform the supervisor(s) that he/she disagrees/not satisfied with the feedback within two weeks after receiving feedback. • A discussion on the disagreements must take place with the supervisor(s). • If the student(s) does not implement the suggested recommendations, the supervisor(s) will request a full explanation of the reasons for not doing so in writing within 14 days of receiving the feedback. • If remedial action was not implemented on THREE occasions, the supervisor(s) has the discretion to withdraw as supervisor(s) from the study.

ETHICS APPROVAL		
	YES	NO
The postgraduate student was informed that all research projects require ethical approval?	☒	☐
The postgraduate student was informed that it is his/her responsibility to apply for ethics?	☒	☐
The postgraduate student was informed that data collection cannot commence before ethical approval was obtained (i.e. the approval letter containing the *Rec-H number*, signed by the Faculty Ethics Chair and the Declaration signed by the PRP)?	☒	☐
The postgraduate student was directed to the Rec-H Website to access ethics application and supporting documents?	☐	☐
Comments:		

INTELLECTUAL PROPERTY		
	YES	NO
The postgraduate student was informed that all intellectual property resulting from research conducted for postgraduate degrees, including all publications, is governed by the Intellectual Property Policy (IRC 401.01)	☒	☐
The student was informed that the intellectual property rights resulting from a postgraduate's research shall vest in the University	☒	☐
Comments:		

| ANNUAL PROGRESS REPORT		
	YES	NO
Student and supervisor(s) are aware that annual progress reports should be submitted by 1 October for each year of registration? N/A	☐	☒
Student and supervisor(s) are aware that failure to submit annual progress report will result in a student to be blocked from registration for the following academic year?	☒	☐

EXPECTATON REGARDING SUBMISSION FOR EXAMINATION		
	YES	NO
The postgraduate student was informed that when the research project nears completion, he/she must inform Faculty Academic Administration in writing of his/her intention to submit it for examination. Such notice must be given at least **three** months before the prospective date of submission. The postgraduate student understand that it remains his/her responsibility to submit the intention to submit form. N/A	☐	☒
The postgraduate student was informed that should he/she not submit the research project by the submission dates indicated in the General Prospective, graduation is not guaranteed and the postgraduate student will have to re-register for the academic year.	☒	☐
Comments:		

FUNDING OF RESEARCH PROJECT	
Specify who will be responsible for the cost related to the research.	The postgraduate student.
Indicate any scholarships and bursaries with timeframes, and how this might affect studies and research.	
Comments:	

The **STUDENT** and the **SUPERVISOR** confirms that:
1. They have read and understood this Learning Agreement,
2. They agree to accept its content for the duration of the study period as per the qualification stipulated above.

SIGNATURES:

Student:
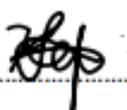
20 April 2023

Date:

Supervisor: Prof SM Farrington

2 May 2023

Date:

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ANNEXURE B: ETHICS FORM D

NELSON MANDELA
UNIVERSITY
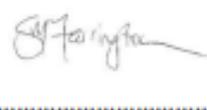
FACULTY OF BUSINESS AND ECONOMIC SCIENCES

ETHICAL CONSIDERATIONS FOR ADVANCED DIPLOMA/HONOURS/POSTGRADUATE DIPLOMA FOR NON-PUBLICATION PURPOSES

INSTRUCTIONS

- This form must be completed by student with the relevant explanation by and support of the supervisor and the student.
- It must be signed off by the student, supervisor and HoD.
- Submit the completed form to Ms Lindie van Rensburg lindie.vanrensburg@mandela.ac.za.
- Please ensure that the research methodology section from the proposal is attached to this form.

Please note that by following this ethics route, the study will NOT be allocated an ethics clearance number.

SECTION A – STUDENT ACKNOWLEDGMENT

In completing this form I, *Kate Emily Palframan*, acknowledge that my research project is for academic qualification purposes only. As such, the research report or any sections thereof may not be published in any publication, including an accredited journal.

I further acknowledge that my research project will be a desktop study and will only make use of publicly available documents or secondary data. No human subjects/ participants/ respondents will be involved in the study.

I understand that secondary data in this instance refers to data that was collected and processed by someone else for some other purpose but is now being used by the researcher for another reason (Tripathy, 2013). Research utilizing secondary data that both exists and has been collected in a public, academic database, for example Google Scholar, is considered desktop research and generally does not require full ethical approval (Creswell & Poth 2017).

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SECTION B – STUDENT AND RESEARCH PROJECT DETAILS

Student name & surname	**Kate Emily Palframan**
Student number	**223150223**
Study title	**Creating value through psychological capital: A financial planning perspective**
Year of registration	**2023**
Qualification	**BCom Honours in Business Management**
Department	**Business Management**
Supervisor	**Prof SM Farrington**

SECTION C – ETHICS CRITERIA

In completing my research project, I hereby acknowledge that I have read and understand the following important considerations as they apply to my study. I indicate this by placing a tick next to each statement.

I acknowledge that my study is based on the analysis of secondary data and that the following conditions apply:

1.	There are no human subjects/participants/respondents in my study and as such there will be no collection and use of data from human subjects/participants/ respondents though administering/distributing any questionnaire/survey or by holding any form of interview.	√
2.	As there are no human subjects/participants/respondents in my study, it does not pose any risk of harm, embarrassment or offence, however slight or temporary, to any human participant, third parties or communities at large.	√
3.	As there are no human subjects/participants/respondents in my study, it will not utilise human subjects defined as 'vulnerable' in terms of age, physical characteristics and/or disease status.	√
4.	The secondary data that will be utilised in this study does not require the consent of any institutional or government authority established to protect vulnerable people.	√
5.	The secondary data that will be utilised for this study does not require access to data from any existing, stored repository (e.g. school, institutional or university records) that can be linked to human subjects.	√

It is acknowledged that both supervisor and student have given the study the necessary research ethical consideration and confirm that full ethics approval is not required.
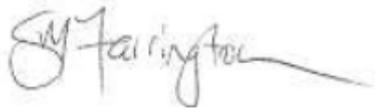
_____   17/05/2023
SUPERVISOR(S)   _____
                                                                    DATE

_____   17/05/2023
HEAD OF DEPARTMENT   _____
                                                                    DATE

_____   _12/05/2023_____
STUDENT(S)   **DATE**

ANNEXURE C: EXISTING STUDIES ON PSYCHOLOGICAL CAPITAL, FINANCIAL PERFORMANCE AND JOB SATISFACTION

Year	Authors	Industry	Independent variable	Dependent variable	Method	Result
2009	Avey, Nimnicht and Pigeon	Sample 1: Banking	PsyCap	Financial performance	Quantitative regression analysis	PsyCap related to employees' level of financial performance.
2009	Avey, Nimnicht and Pigeon	Sample 1: Franchisees	PsyCap	Financial performance	Quantitative regression analysis	PsyCap related to employees' level of financial performance.
2011	Peterson, Luthans, Avolio, Walumbwa, Zhang	Retail advisory department	PsyCap	Objective performance (sales revenue performance)	Quantitative regression analysis	PsyCap leads to subsequent performance rather than vice versa.
2011	Peterson, Luthans, Avolio, Walumbwa, Zhang	Retail advisory department	PsyCap	Supervisor-rated performance (non-financial performance)	Quantitative regression analysis	PsyCap leads to subsequent performance rather than vice versa.
2014	Abbas, Raja, Darr, Bouckenooghe	Employees from various organisations in Pakistan	PsyCap	Job satisfaction and supervisor-rated job performance		PsyCap had a significant relationship with job satisfaction and supervisor-rated performance.
2014	Jung and Yoon	Hotel industry	PsyCap – all dimensions	Job satisfaction	Structural equation model	PsyCap (hope and resilience) has a positive, significant effect on the employees' job satisfaction.
2014	Karatepe and Karadas	Hotel industry	PsyCap – all dimensions	Job satisfaction	Structural equation model	Employees high in PsyCap are more satisfied with their jobs. Optimism appears to be the best indicator of PsyCap then followed by resilience, self-efficacy and then hope.
2015	Badran, Youssef-Morgan	Egyptian employees	PsyCap – all dimensions	Job satisfaction	Structural equation modeling	PsyCap dimensions when integrated into the higher-order multi-dimensional construct are positively related to job satisfaction.

ANNEXURE C: EXISTING STUDIES ON PSYCHOLOGICAL CAPITAL, FINANCIAL PERFORMANCE AND JOB SATISFACTION

(continued)

2017	Mahmudi, Kalantari	East Azerbaijan Province Telecommunication company	PsyCap	Financial performance	Multiple correlations	PsyCap has a positive, significant relationship with the financial performance.
2020	Nguyen, Ngo	Employees in various industries in Vietnam	PsyCap	Organizational commitment and job performance	Qualitative and quantitative research	PsyCap & job performance have a positive relationship, organizational commitment has positive influence on job performance, & PsyCap is also related to organizational commitment
2021	Grözinger, Wolff, Ruf, Moog	Small and medium-sized companies (SMEs)	PsyCap	performance and creative innovation	Structural equation modelling	PsyCap positively influences creative innovation of SMEs and thus performance during crises

ANNEXURE D: DEMOGRAPHIC INFORMATION OF RESPONDENTS

Variable	Category	Frequency (N)	Percentage (%)
Gender	Male	249	69.4
	Female	109	30.4
	Not willing to say	1	0.2
	Total	**359**	**100.00**
Age	25-30	4	1.1
	31-40	66	18.3
	41-50	55	15.3
	51-60	123	34.2
	61-70	74	20.6
	>70	38	10.5
	Total	**360**	**100.00**
Qualifications	Grade 12 or equivalent qualification	9	2.5
	Higher certificate	13	3.6
	Diploma	42	11.7
	Bachelor's degree	24	6.7
	Honours degree/ PG diploma	214	59.4
	Master's degree/ MBA or higher	50	13.9
	Other	8	2.2
	Total	**360**	**100.00**
Designation	CFP	237	66
	FSA	16	4.5
	RFP	33	9.2
	None	73	20.3
	Total	**359**	**100.00**
Ethnicity	White	309	85.8
	Black	25	6.9
	Asian	15	4.2
	Coloured	8	2.2
	Other	3	0.8
	Total	**360**	**100.00**

ANNEXURE D: DEMOGRAPHIC INFORMATION OF RESPONDENTS (continued)

Time owned	Less than a year	5	1.4
	1-2 Years	26	7.2
	3-5 Years	72	20.0
	6-10 Years	55	15.3
	11-15 Years	53	14.7
	16-20 Years	48	13.3
	>20 Years	101	28.1
	Total	**360**	**100.00**
Tenure	Less than a year	6	1.7
	1-2 Years	12	3.3
	3-5 Years	42	11.7
	6-10 Years	68	18.9
	11-15 Years	56	15.6
	16-20 Years	63	17.5
	>20 Years	112	31.2
	Total	**359**	**100.00**
Number of clients	<50	61	17.0
	51-100	60	16.8
	101-150	59	16.4
	151-200	40	11.1
	201-250	22	6.1
	251-300	29	8.1
	>301	88	24.5
	Total	359	100.00

ANNEXURE E: TURNITIN REPORT

Palframan K. EBML410 - Mini treatise final

15%	15%	0%	4%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	hdl.handle.net Internet Source	10%
2	vital.seals.ac.za:8080 Internet Source	3%
3	busman.mandela.ac.za Internet Source	1%

*Turnitin explanation:

The high (10%) similarity percentage from one source is explained by the use of secondary data from the thesis of Palframan (2022). The items used in Palframan's (2022) study as well as the operationalisation of constructs had to be the same in the current study. In addition, the description of the measuring instrument, the sample and sampling technique, as well as the data collection method used in this study had to be aligned to that of Palframan's (2022) study. Palframan's study was referenced accordingly.