

# The Impact of a Financial Capability Program on the Financial Well-being of Medical Practitioners

OPEN ACCESS

Volume: 6

Issue: 4

Month: April

Year: 2019

ISSN: 2321-4643

Received: 16.03.2019

Accepted: 30.03.2019

Published: 01.04.2019

Citation:

Anthony, Rajna, and Mohamad Fazli Sabri.

“The Impact of a Financial Capability Program on the Financial Well-Being of Medical Practitioners.”

*Shanlax International Journal of Management*, vol. 6, no. 4, 2019, pp. 18-23.

DOI:

<https://doi.org/10.5281/zenodo.2619881>



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## Abstract

*The main objective of this study is to determine the impact of a financial capability program on the financial well-being of medical practitioners in the public hospitals in Selangor, Malaysia. Its specific aims were to determine the levels of financial capability, financial satisfaction and financial practice of medical practitioners before and after a financial capability program intervention. A total of 100 medical practitioners were randomly assigned to intervention (50%) and control groups (50%) after both completing the financial capability initial assessment and evaluation (pre-test) questionnaire. The intervention group participants attended a series of five two hour one on one coaching session while the control group did not. After a four month duration both the groups completed the post evaluation (post-test). There were equal numbers of males and females in the intervention sample compared to 19 males and 31 females in the control group. The findings showed that the paired samples t-test detected the difference between the means scores of financial capability, financial satisfaction and financial practice of the medical practitioners in the two groups (control and intervention) from time 1 (pre intervention) and time 2 (post intervention). There was no statistically significant difference found in the financial capability, financial satisfaction and financial practice scores between the two groups (intervention and control) prior to the program intervention (time 1). But the post program intervention (time 2) showed statistically significant ( $p < 0.001$ ) difference between the intervention group and the control group confirming a positive impact. The results of this study can be a starting point in using coaching techniques as part of ongoing education program.*

**Keywords:** financial well-being, financial capability, financial satisfaction, financial practice, medical practitioners, intervention.

## Introduction

The effective and efficient use of information communication technologies (ICT) by today's busy individuals who have the skills and understanding to interact with the technology accessibility, financial services sector has created greater and more convenient access to financial services and retail products like credit cards, deposit banking, mortgages, brokerage, and insurance. While it requires the individuals to be more technically proficient and be more informed consumers to control their finances, a base level of financial ability to understand, determine and differentiate the benefits of such various competing products in a more complicated financial environment is a must. This expectation to interact with financial services with smart decision making has heightened the requirement for a financial capability program initiative that will enable consumers to make effective personal financial decisions (Mohamad Fazli and NurulFarhana, 2015).

A nationwide study indicated that a number of extremely intelligent people acknowledged that they had got themselves into financial difficulties. It indicated that people with high IQ scores missed payments and maxed out their credit cards more often than those with slightly above average intelligence (Jay, 2007). In Malaysia, it is a public perception that medical practitioners are informed consumers and excellent money managers due to their earning capacity and impressive lifestyle (Rajna, 2011)). Doctors are one of the highest paid professionals. Young physicians receiving a six figure annual income has no real idea what to do with it (Leiber, 2011). The Journal of the American College of Surgeons revealed that majority surgical trainees had a moderate or high risk debt-to-asset ratio and on critically unstable financial footing (Sarah, Andrew, Evie, Eugene and Bruce, 2018). Many of these professionals are only successful in the later part of their lives. There are several factors contributing to this. New to the world of finance, young physicians take charge of their own financial future with little or no experience. They model parents, peers and friends. They often rely on the front desk officers in the financial institution for products and advice. They prefer to take advice from commissioned base single service providers such as insurance and mutual fund intermediaries and stock market remises. They admit they lack the knowledge and guidance to manage their money (Khalid, Eman, Silvia, Evers and Mickael, 2001). They make terrible financial mistakes (Leiber).

Research data shows that the impacts and results of financial education programs are not sufficiently evaluated. Current financial program evaluation efforts are still far from satisfactory. General lack of financial program evaluation capacity and understanding of how to conduct effective evaluations. Lack of attention given to evaluation at all levels (Lyons, 2005). Need for “industry” standards for program evaluation. Evaluation is still often treated as an afterthought; needs to be built into the design of the program upfront. Without an evaluation, the educator will not be able to decide whether the financial program he or she is teaching is moving in the right direction: producing successful results and meeting the needs of the audience.

Financial capability program initiatives - encompasses an approach that moves beyond

“financial education” and “financial literacy” to include strategies that focus on motivating longer-term changes to financial attitudes and behaviours. Financial capability aimed at helping consumers gain greater economic stability, resiliency and assets through the access to financial counseling and coaching, products and services, and ongoing support.

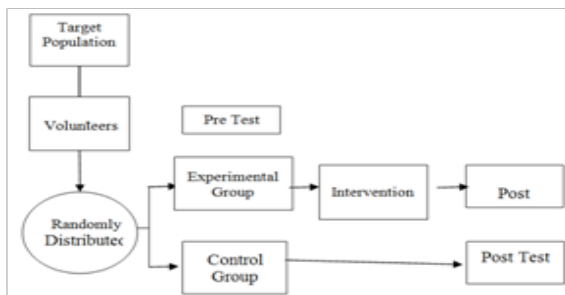
In summary, based on the problems that arise, there is substantial evidence that financial capability program initiative can make an important contribution to the well-being of medical practitioners. The main objective of this study is to determine the impact of a financial capability program on the financial wellbeing of medical practitioners in the public hospitals in Selangor, Malaysia.

### **Methodology**

One of the public hospital in the state of Selangor was chosen as study location. This location was chosen based on two reasons. First, the highest number of target population (medical practitioners) in the state of Selangor are employed in this hospital; and secondly, the highest number of bankruptcy cases are recorded in Selangor. Purposive sampling was done to select the respondents. Participants are recruited from six departments in the hospital namely, Accident and Emergency, Anaesthesiology, Orthopaedic, Surgery, Psychology and Pathology. The overall study sample is 100 which comprises of medical specialists, medical officers and house officers.

Prior to the recruitment, ethics approval was obtained from the Research Ethics Committee one of the public university, the Medical Research Ethics Committee (MREC), Clinical Research Centre (CRC) and the Institute for Health Behavioural Research (IHBR) all under the Ministry of Health Malaysia. Approval was also obtained from the Clinical Research Centre and the Director of one of the public hospital in Selangor. The individual department heads were approached personally before approval was granted to give a recruitment briefing to the medical practitioners. Recruitment briefing was done during the departments ‘weekly patients’ case study presentation time and is limited to 15 to 20 minutes due to the nature of the respondents’ work. Interested participants signed in the consent forms which were then collected and kept in a folder

till the medical practitioners showed up for their first visit. When the interested participants showed up for their first visit, they are randomly assigned to either intervention or to the control group after a pre-test is done. The intervention group participants are given appointments for subsequent visits and they go through a series of four one to one coaching and one progress monitoring visits. They complete a total of five educational visits. In the final visit, they do a post-test to evaluate the impact of the study. The control group respondents are given appointments to come back in four months' time and do a post-test. As a token of appreciation, these controlled participants are given the education (intervention) after the study was over.



**Figure 1: The pre-test-post-test experimental design**

**Results**

**Demographic Characteristic**

A total of 100 medical practitioners who met the study criteria served as the respondents in this study. Table 1 explains the demographic characteristics of the study subjects. The 100 medical practitioners were randomly assigned to intervention and control groups in equal proportion, that is, 50 samples in the intervention and 50 samples in the control group. There were equal numbers of males and females in the intervention sample compared to 19 males and 31 females in the control group. Almost half (48%) of the doctors in the study group were in the age ranging from 31-40 years old whereas most of the controlled participants are much younger. Only countable number of older medical practitioners, above age 41 took part in this research. Ethnically, 48% Indian,

15% Malay and 10% Chinese medical practitioners in the study intervention compared to 58% Malay, 12% Indian and 9% Chinese in the control group of the study. Similarly, 66% of the participants intervened were medical officers, 20% house officers and 14% specialist. The control group made up of equal number of medical officers and house officers (42% each) in addition to 16% specialist.

**Table: 1 Demographic profiles of sample population**

Variables	Intervention N=50, (%)	Control N=50, (%)
<b>Gender</b>		
Male	25 (50.0)	19 (38.0)
Female	25 (50.0)	31 (62.0)
<b>Total</b>	<b>N=50</b>	<b>N=50</b>
<b>Age</b>		
<30	19 (38.0)	26 (52.0)
31-40	24 (48.0)	22 (44.0)
41-50	6 (12.0)	2 ( 4.0)
51-55	1 (2.0)	
<56	0	
<b>Total</b>	<b>N=50</b>	<b>N=50</b>
<b>Ethnicity</b>		
Malay	15 (30.0)	29 (58.0)
Chinese	10 (20.0)	9 (18.0)
Indian	24 (48.0)	12 (24.0)
Others	1 (2.0)	
<b>Total</b>	<b>N=50</b>	<b>N=50</b>
<b>Rank</b>		
House officer	10 (20.0)	21 (42.0)
Medical Officer	33 (66.0)	21 (42.0)
Specialist	7(14.0)	8 (16.0)
<b>Total</b>	<b>N=50</b>	<b>N=50</b>

**Analysis of Research Question 1 (RQ1)**

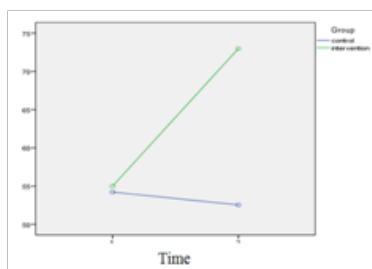
The research question 1 read as follows: What are the levels of financial capability of medical practitioners (intervention and control group) before and after a financial capability program intervention? To answer this question, a paired sample T test was done (Table 2).

**Table: 2 Financial Capability (Pre and Post Intervention)**

	Control N=50	Intervention N=50	Paired difference	t	Df	p Value
	Mean ± SD	Mean ± SD	Mean ± SD			
PreFinancial Capability Intervention	54.22 +7.773	55.00 +7.578	-.780 ±10.201	-.541	49	.591
PostFinancial Capability Intervention	52.54 +8.227	72.98 +5.490	-20.440 ±9.243	-15.637	49	0.001*

\*P the p values represent the comparison between groups, value <0.05 are significant by paired t-test.

Paired samples t-test detects a difference between the means of two dependent variables. As such, from Table 2 shows that prior to the financial capability program intervention, there was no statistically significant difference found in the financial capability between the two groups (intervention and control). But post program intervention shows statistically significant ( $p < 0.001$ ) difference between the intervention group and the control group. From the above analysis, the means of financial capability scores of the medical practitioners in the two groups (control and intervention) from time 1 (pre intervention) and t2 (post intervention) was drawn using SPSS ANOVA (Figure 2).



**Figure 2: The Mean of Financial Capability Score of Medical Practitioners by Time and Group**

From the above figure 2 and table 2, it can

be concluded that the control group had a mean of  $M=54.22$  at time 1 ( $t_1$ ) and a drop in the mean ( $M=52.54$ ) at time 2 ( $t_2$ ). The intervention group at time 1 ( $t_1$ ) was  $M=55.00$  which is slightly higher than the control group at time 1. At time 2, the intervention group mean is  $M=72.98$  which indicates a substantial significant increase in financial capability.

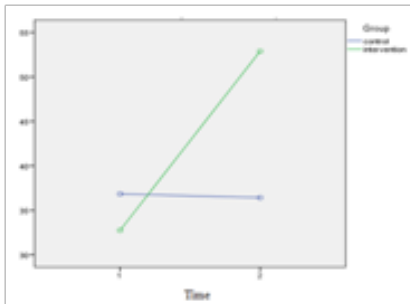
### Analysis of Research Question 2 (RQ2)

Research question 2: What are the levels of financial satisfaction of medical practitioners (intervention and control group) before and after a financial capability program intervention?

Similar to research question 1, paired samples t test was used to detect the difference between the means of two groups' satisfaction significance. From table 3, it is noted that there was no statistically significant difference found in the financial satisfaction between the two groups (intervention and control). But post program intervention shows statistically significant ( $p < 0.001$ ) satisfaction difference between the intervention group and the control group. From the above analysis, the means of financial satisfaction scores of the medical practitioners in the two groups (control and intervention) from time 1 (pre intervention) and t2 (post intervention) was drawn using SPSS ANOVA (Figure 3).

**Table: 3 Financial Satisfaction (Pre and Post Intervention)**

	Control N=50	Intervention N=50	Paired difference	t	Df	P Value
	Mean ± SD	Mean ± SD	Mean ± SD			
Pre Financial Satisfaction	36.84 +17.179	32.74 +12.917	4.100 ±20.574	1.409	49	.165
Post Financial Satisfaction	36.42 +16.495	52.88 +11.460	-16.460 ±19.581	-5.994	49	0.001*

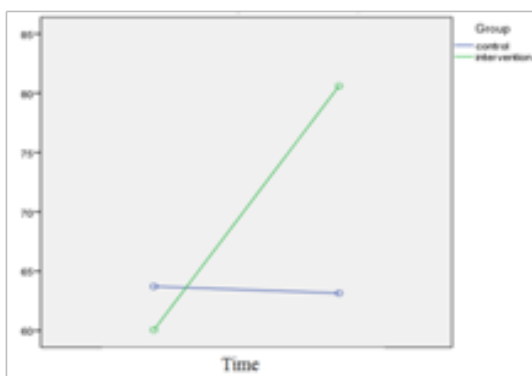


**Figure: 3 The Mean of Financial Satisfaction Score of Medical Practitioners by Time and Group**

From the above figure 3 and table 3, it can be concluded that the control group had a mean of  $M=36.84$  at time 1 ( $t_1$ ) and an insignificant drop in the mean ( $M=36.42$ ) at time 2 ( $t_2$ ). The intervention group at time 1( $t_1$ ) was  $M=32.74$  which was much lower than the control group at time 1. At time 2, the intervention group mean is  $M=52.88$  which indicates a significant level of increase in financial satisfaction.

**Table: 4 Financial Practice (Pre and Post Intervention)**

	Control N=50	Intervention N=50	Paired difference	t	df	p Value
	Mean ±SD	Mean ±SD	Mean ±SD			
Pre Financial Practice	63.72 +8.676	60.06 +9.401	3.660 ±12.893	2.007	49	.051
Post Financial Practice	63.16 +9.074	80.60 +8.008	-17.440 ±12.055	-10.230	49	0.001*



**Figure 4: The Mean of Financial Practice Score of Medical Practitioners by Time and Group**

From the above figure 4 and table 4, it can be concluded that the medical practitioners in the

**Analysis of Research Question 3 (RQ3)**

Research question 3: What are the levels of financial practice of medical practitioners (intervention and control group) before and after a financial capability program intervention?

Table 4 shows the pairwise comparison of financial practice of medical practitioners which revealed that there was no statistically significant difference found between the two groups (intervention and control). But post program intervention shows statistically significant ( $p<0.001$ ) financial practice difference between the intervention group and the control group.

From the above analysis, the means of financial practice scores of the medical practitioners in the two groups (control and intervention) from time 1 (pre intervention) and  $t_2$  (post intervention) was drawn using SPSS ANOVA (Figure 4).

control group recorded a mean of  $M=63.72$  at time 1 ( $t_1$ ) for financial practice and a mean of  $M=63.16$  at time 2 ( $t_2$ ). The intervention group at time 1( $t_1$ ) was  $M=60.06$  which was much lower than the control group at time 1. At time 2, the intervention group mean is  $M=80.60$  which indicates a significant level of increase in financial practice after intervention.

**Conclusion**

The medical practitioners who were coached face to face showed a markedly increased financial capability score. This is in line with a survey done with over 30,000 respondents in a community-based organizations offering free tax-preparation services in Texas, found stimulating observed evidence of culturally defined economic resiliencies and financial

capabilities (Robles). Therefore, it is statistically significant that a financial capability intervention program can increase the level of financial capability.

The study confirmed that financial education increased financial capability and subsequently increased financial satisfaction. In this study financial satisfaction is used as benchmark for financial wellbeing. There was a positive increase in the level of financial satisfaction among the medical practitioners who attended the financial capability program and those who did not. The intervention program was found to benefit the medical practitioners. The evidence was seen in the statistically significant increase in their financial practice after the four-month coaching. The one on one coaching enhanced the level of positive financial practice among the intervention group.

### Recommendation

The financial capability initiatives aimed at improving financial capability of medical practitioners can set groundwork and build a stronger foundation for future research among other target population. These findings have implications for policy makers, professionals, high net-worth individuals, hospital administrators, financial educators, counsellors, financial planners and medical practitioners themselves. Further, these findings can also be used to develop financial education programs focusing on financial capability designed for researchers who are interested in conducting an impact study.

### Acknowledgement

The authors wish to express their gratitude to Research University Grant Scheme (RUGS), Universiti Putra Malaysia (Vot:9431000) for funding this study.

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