

ASSESSMENT OF THE EFFECTS OF SPENDING DISCIPLINE TRAINING ON LONG TERM FINANCIAL PERFORMANCE OF ATHLETES OF ELGEYO MARAKWET COUNTY

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ABSTRACT

The purpose of this paper is to study assessed financial management skills of athletes and implication in their training and economic development for long-term performance. The sports industry creates direct economic benefits through sales of tickets from events, consumables, hospitality, and manufacture of sports attire, tourism and labour market. International championship, Olympic Games, common wealth, Grand prix, diamond League, the Federation International of the Football association (FIFA) and others. Athletes have continued to give to the society both in kind and materially. They have uplifted the status of society and put Kenya on the world map. The athletes have grown in number and returns. Through their achievement they have played important roles such as social, political and economical roles. Beyond athletes, there is termination of career which is subjected to different outcomes. An intervention programs would ensure acquisition financial management skills. The specific objective for the study was to assess the effects of spending discipline training on long term financial performance of athletes. The target population was 300 athletes of Elgeyo Marakwet County. Out of this, a sample was selected using simple random sampling and purposive sampling techniques. Data was collected using questionnaire and interview schedules. The researcher through discussing the items in the instruments with supervisors, lecturers from the department and colleagues who indicated by a tick or cross for every item in the questionnaire if it measures what is supposed to measure or not. Data was analyzed by use of descriptive statistics which includes normal distribution, central tendency (means, median and mode) standard deviation, tables, pie charts and bar graphs. Statistical inference was used to draw conclusion about the population from sample. Microsoft excel 2007 and statistical package for social science (SPSS) helped in data analysis. Recommendations were put forward on the type of skills, training needs athletes require as they prepare for retirement and improve spending habits.

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INTRODUCTION

Kenya has for decades stood up as an athletics powerhouse, in either Olympic or World Championships. It is almost believed that long distance race belongs to Kenyans or Ethiopians, except for a few cases. Some of the Kenya's international athletics legends include Kipchoge Keino, Moses Kiptanui, Paul Tergat, Henry Rono, TeclaLorupe, Sally Barsosior, Catherine Ndereva, the late Richard Chelimo and Samuel Wanjiru just to mention a few. Between salaries, sizeable bonuses and rich endorsement deals, it's hard to fathom how professional athletes find themselves in financial chaos.

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Yet the tales of athletes' financial problems are hardly uncommon as they face unique set of economic challenges for a short time frame of major earning to the lethal combination of youth unrealistic expectations and bad advice. Athletes in Kenya have been receiving large amounts of monetary prizes after winning in various athletics events. Athletics has proved to be an economic power house in North Rift, thus the need for financial management skills. Successful athletes invest their good prizes in small business but fail shortly. Goosain 2004 found that 70% to 80% of the small businesses started in Kenya fail each year. Landzoni & Van Vunren, 2004 added that when many small businesses emerge, a considerable number of them fail at the infancy stage and some fail within a few years after start up.

Majority of athletes fail shortly after retiring from active athletics. It is important to bring awareness of financial problems to athletes to avoid languishing in poverty after retiring. According to the Global Entrepreneurship Monitor (Gem, 2004) business failure is attributable to a lack of business management skills, especially financial management skills. Poor financial discipline make many athletes open to suffering losses in their investment. It is against this background that the Kenya Amateur Athletic Association (KAAA) came up with a body whose main function includes empowering athletes by equipping them with financial skills. Despite the introduction of the service, research conducted by (Roodt 2005) showed that about 30% of athletes participating actively in small business establishment activities lack business skills. These findings are consistent with research conducted by (Lighted & Van WYK 2004). This latter study showed that one out of every three athletes is financially illiterate, Track & Field News (2015).

Statement of the Problem

Most retired athletes in Kenya go through numerous financial challenges even though they won huge sums of money locally, nationally and internationally during their hey days. High rate of poverty among them and many other socio-economic problems has been the song of the days. Consequently, many lives of athletes have been lost as a result of stress and depression. The researcher in this study sets out to address the effect of poor long term financial performance of athletes in ElgeyoMarakwet County in regard to spending discipline.

Purpose and Objective

The purpose of the study was to assess effect of financial performance skills on long term financial performance of Kenyan athletes of ElgeyoMarakwet County, Kenya. The study makes recommendations regarding financial management in order to reduce and/or eliminate pitfalls that have trapped many athletes in the past and makes recommendations to assist current and future athletes when at their prime time of career to invest well. The specific objective was to establish effects of spending discipline training on long term financial performance of athletes of Elgeyo Marakwet County. The corresponding research question was what are the effects of spending discipline training on long term financial performance of athletes of ElgeyoMarakwet County? This study assessed athletes between the years 1990-2010, a period of 20 years in ElgeyoMarakwet County Kenya who participated in international races.

Literature Review

The literature review covered the general and specific empirical evidence on spending discipline in regard to athletes. Marx, J. et al (2010) posit that financially, discipline is about controlling one's spending and making sure one pay for the things that need to be paid. The hardest part for most people is controlling their spending. If one cannot control one's spending then no matter how much money one make it will never be enough. Our wants will always be able to exceed whatever income we can acquire. Thus, controlling spending is a necessity for everyone. It is being able to say no to purchases one normally makes on a whim. These impulse purchases are the primary contributors to athletes not following their budget. One can make a budgetary amount to account for impulse

purchases but then make sure one do not go over that amount on a monthly basis. Those who do not have a natural amount of discipline must acquire it the hard way. Acquiring it comes from learning to practice it in small amounts. Start by simply trying to follow one's budget. Once one can do this then the next step is to be able to save money. Saving money requires that one say no to oneself when one have the urge to spend it. We often think we "must" when in truth there is no urgency other than that which we have created in our mind to justify something (Gitman L. 2010). This would mean that the starting point of financial discipline for an athlete is the ability to restrain oneself through coming up with a budget and strictly adhering to it. This is important because failure to adhere to one's budget shows lack of discipline just like someone breaking his or her own rules. After planning out one's budget, one is more likely to make timely bill payments, save up cash for big-ticket items and put money aside to purchase investments. For motivation to stay the course, one's financial budget should begin with goal setting. From there, one can put together a budget that preserves enough cash flow to meet one's goals.

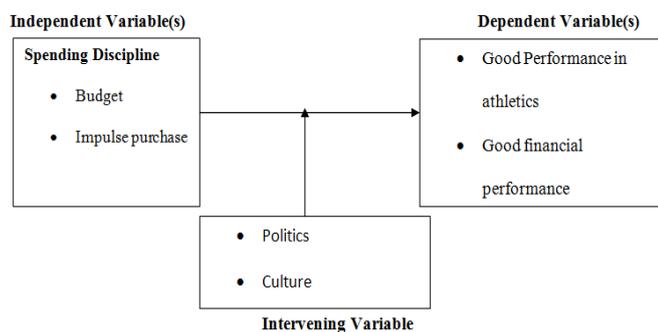
A budget allows one to tell one's money where to go instead of wondering where it all went. Without this basic financial tool in place, one will not be able to maximize the money one has worked so diligently to earn. One of the greatest benefits of budgeting is being able to stop the morning routine of checking one's bank account balance! One should prepare a budget every month, and it should be completed before the month actually begins. This systematic approach will allow one to review one's financial performance over the previous month and make any adjustments necessary for the upcoming one. This will allow one to eliminate a lot of insanity from one's life simply by preparing and living by a budget. It is important to understand that discipline is a skill that gets better with practice. That means that if one can just begin applying it in one area of one's life soon what one learn will transfer to other areas of one's life. When one is able to apply discipline to any area of one's life, then the results will dramatically improve (Meredith, G. & Williams, B. 2006).

Long Term Performance

Performance (PM) includes an activity which ensures the goals are constantly being met in an effective and efficient performance management can focus on the performance of an organization, a department or even the process to build a product or service. Performance management is also known as a process by which organization align their resources, systems and employees to strategic objectives and priorities. It can be applied by organizations or a single department or an individual person. Sports writers frequently speculate about the effect of money and athletic performance. According to Gitonga and Mwishuka (2011), some of the problems experienced by retired athletes include poverty, downward income, mobility, unemployment and confusion, loss of identity, idleness, dejection, and vary according to athlete's preparation for retirement's education level, gender and career prospects outside sports arena. Education is extremely important and therefore programmer must be implemented. Spending Discipline Skills. If you cannot control an individual spending then no matter how much money you make it will never be enough (Marx & Deswardt 2010). Our wants will always be able to expend whatever income we can acquire. Thus, controlling spending is a necessity for

everyone. It is being able to say no to purchases you normally make on a whim. These impulse purchases are the primary contributors to people not following their budget. You can make a budgetary amount to account for impulse purchases but then make sure you do not go over that amount on a monthly basis. Those who do not have a natural amount of discipline must acquire it the hard way. Acquiring it comes from learning to practice it in small amounts. Start by simply trying to follow your budget. Once you can do this then the next step is to be able to save money. Saving money requires you say no to yourself when you have the urge to spend it. We often think we “must” when in truth there is no urgency other than that which we have created in our mind to justify something (Gitman, 2010).

Conceptual Framework



Research Gap

After retirement from sports the process of adaptation is challenging and associated with adjustment problems. Adjustment depends on factors such as age, social demographic, economic class and educational level attainment. Gitonga and Mwisuka (2011) suggested the need to engage athletes in pre-retirement planning and intervention to address the plight of retired athletes. One of these interventions according to the researcher is the effect of spending discipline training on long term financial performance of athletes. The earning opportunities athletes have after the career is brief and they should leverage them as much as possible while thinking about how to make that money last Palmer (2012). Controlling spending will spare amount to be invested for future needs. To achieve spending discipline and investment, planning skills has to be acquired or learned. Spending discipline is about controlling one's spending and purchases in line with what has been budgeted for. According to the (global) Entrepreneurship Monitor (2003) the failure is attributing to lack of business management skills and more so issues of spending discipline that result in being extravagant and hence the need of this kind of study.

MATERIALS AND METHODOLOGY

The research design used was descriptive and it helped the researcher to reach conclusions about the research problem (Leedy&Ormrod 2005). For the purpose of this study, survey research was used which according to Donald and Schindler (2003), the method is strong in its versatility. Marx et al. (2010) stated that research design should address the source of data; the type of data; techniques used to collect data and analysis and interpretation of data. These aspects were fully taken care of through the analysis of the primary data and its interpretation. The study was carried out in ElgeyoMarakwet

County which is one of the 47 Counties of Kenya. ElgeyoMarakwet County is located in the former Rift Valley Province. Its capital and largest town is Iten.

DISCUSSION OF RESEARCH FINDINGS

The study sought to assess effects of spending discipline training on long term financial performance of athletes in the County of Elgeyo Marakwet. Of the 92 questionnaires administered only 63 respondents answered and returned, which constituted 67 % rate. The findings were presented through the use of frequency tables and discussions as shown below.

Effects of Spending Discipline Training on Long Term Performance of Athletes

Their responses on those athletes engaged in business were as follows:

Table 4.2: Respondents currently running a business Enterprise

	Frequency	Percent
Yes	20	32
No	43	68
Total	63	100

Source: Field Data (2015)

The study findings revealed that majority, 68% of the respondents involved in the study were not currently running business enterprises while those who had business enterprise scored 32 % respectively. The study found out that majority were not currently running business enterprises thus scoring 68% while those who had business enterprises scored 32 % respectively while the few business enterprises were owned and managed by the owners who were the respondents scored highest at 68% and the business enterprises had been in operation for at least 10 years ,followed by those that had existed for 20 years at 13%.When respondents were probed on what kind of work they were earlier on engaged in before they began the current business enterprise, the findings revealed that 71% majority were farmers followed by police and army scoring 24% and matatu operators and other transportation business scored only 5%. In reflection to the study objective; effects of spending discipline training, education of Kenyan athletes in financial management skills, findings revealed that majority had not attended any specific financial management training in relation to their business operations which puts them in an awkward situation and experience in relation to their expenditure and budgeting. The majority of the respondents were found to have current accounts as they scored 63% while those who did not have current accounts scored 37% respectively. In regard to establishing levels of influence of investment skills on long term financial performance of athletes in ElgeyoMarakwet County, the study established that 63% did not have savings accounts, thus revealing a poor saving culture against those who had savings account at 37% respectively. The study also revealed that majority of the respondents at 62% did not have retirement accounts against only 38% who had retirement accounts, This was a true and clear indicator that the target athletes had very poor spending discipline.

Conclusions

On spending discipline, a majority of the respondents were found to be lacking critically behind and therefore need

capacity building. Some perceived risks were external and internal fraudsters and impulse purchases that are likely to be experienced at a higher rate by the athletes who seem to be ignorant of the basic knowledge and skills of financial management. Further looking at the intensity of the need and lack of long term financial performance of respondents, the stakeholders ranging from all levels of government, non-governmental organizations and religious organizations should join together in order to enhance achievement of better financial management skills to citizens for the sake of good development and performance of the economy.

Recommendations

Spending discipline trainings and capacity building seminars should target population of the study facilitated by the Athletes Associations, Community based well-wishers, nongovernmental organizations, County and National governments. The study also recommends partnership from the relevant stakeholders, government authorities, civil society organizations and religious organizations to seek means of assisting and arresting the situation among the athletes of the target community for sustainable socio-economic development. Furthermore, the study also recommends that financial institutions in the region should seek to venture into creating awareness of their different products available and increase appropriate services to the community so that they perform well in terms of finance. More so, the government should encourage investment advisory extension services across the community.

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