RELATIONSHIP BETWEEN WORKING CAPITAL MANAGEMENT PRACTICES AND FINANCIAL PERFORMANCE BY REGISTERED PROPERTY DEVELOPERS IN KENYA
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Abstract

Purpose: Working capital management is acknowledged as a very significant element in examining performance of firms. In property development sector, large developers dominate the market but there still exist a huge housing hollow. Property development firm faces challenges in areas of working capital management that limits them in fulfilling the housing needs of citizens and further exposes the firms to poor financial performances. The current study sought to establish the relationship between working capital management practices and financial performance by registered property developers in Kenya. Specifically, the study sought to investigate the relationship between debtors’ management practices, inventory management practices, cash management practices and creditors’ management practices and financial performance by registered property developers in Kenya.

Methodology: The study was anchored on Agency Theory, The Theory of Working Capital Management, The Trade- off Theory and The Pecking Order Theory. The population of the research was seventy-six registered property developers in Kenya. The unit of observation comprised of finance managers. A census approach was employed in the study. The study utilized both primary and secondary data where structured questionnaires were used to gather primary data while a secondary data collection was used in gathering secondary data from the respective firm’s financial reports. Both inferential and descriptive statistics were employed in analyzing the collected data and results presented in form of tables and figures.

Unique contribution to theory, policy and practice: The study recommends the management of registered property developers in Kenya to enhance their practices in Cash Management, Debtors’ Management, Creditors’ Management and Inventory Management since the practices positively and significantly relates with financial performance of the property developers.


INTRODUCTION

1.1 Background of the Study

Working capital management is acknowledged as a very significant element in examining a company’s performance. Working capital (WC) is a financial metric which denotes operating liquidity open to an organization, business, or other entity, including a governmental entity. Working capital management, a managerial accounting approach focuses on keeping efficient levels of parts of current assets, working capital, and current liabilities, concerning each other. Efficient administration of working capital guarantees a firm has sufficient cash flow to satisfy its short-term debt commitments and operating expenses (Waithaka, 2012). Working capital management is vital as it directly affects the liquidity, profitability, and growth of an organization and is significant to the financial well-being of firms as the products financed in working capital are often great in proportion to the entire assets employed. It comprises the controlling and planning of current assets and liabilities in a fashion that eliminates the uncertainty of the inability to reach short-term commitments and circumvent exorbitant investments in these assets. This administration of short-term assets is as essential as the administration of long-term financial assets since it instantly adds to the maximization of a business’s liquidity, profitability, and entire performance. Consequently, companies can reduce risk and grow the overall performance by learning the drivers and roles of working capital (Waithaka, 2012).

The Buyrent Real Estate Report of Quarter 1 2018 revealed that high mortgage rates were averaging within 12% and 15% and high need for affordable housing. However, the civic unrest that took place in 2017 had its impacts felt in 2018 prompting investors to retain back their investments. However, with the handshake happening, the economy commenced picking up and the real estate was not left behind. Cytonn Investments Business Market outlook of 2018 outlines that the entry of new international trademarks into the Kenyan Market, the enactment of the shopping malls idea, and the increase of the small and medium-sized enterprises will lead to enhanced demand for office space, residential, and industrial real estate. This, consequently, means that the real estate fate looks bright. Real estate investments demand high capital and fair financing interest rates. The lowering of interest rates by the Central Bank of Kenya combined with the capping law may promote real estate firms and investors going into the future (Chege, &Bett, 2019). The construction sector is approximated to generate over 130,000 private sector posts per year (Government of Kenya, 2014). The Kenyan market has been productive in luring foreign investors because of the high-profit margins of 20 to 30 percent which analyst Luesby (2012) claimed are unlikely even in the European or United States of America markets. The construction
and real estate industry provided 8.0% of Kenya’s Gross Domestic Product in the first quarter of 2016, and a growth of 6.7% year on year supported by an active real estate sector and the earnings from infrastructural projects such as the Standard Gauge Railway (Cytonn Real Estate, 2018). The country’s city Nairobi has risen as the lead in this industry.

Debtors’ management approaches; the purpose of debtor management is to decrease the time within issuing an invoice to a customer and receiving payment in full. Debtor management comprises four main decisions: Whether a loan should be awarded to clients, which specific buyers should be granted credit, the credit days or trading terms given to buyers and the highest amount of credit to be assigned to a buyer at one time (Pirttilä et al. 2020). Inventory management is a level in the supply chain where inventory and stock volumes are trailed in and out of your warehouse. Inventory management systems aim to know where your inventory is at any given time and how much of it you have to control inventory levels correctly. Some businesses may opt to scan the inventory via a barcode scanner to boost efficiency along pick routes and accuracy. Inventory management is the key building block to longevity. When your inventory is accurately organized, the rest of your supply-chain control will fall into place. Without it, you risk a litany of errors like out of stocks, mis-shipments, overstock, mis-picks, and so on (Orobia, et al. 2020). Cash management approaches involve; decreasing the excessive value of cash in hand, employing cash effectively, managing an optimum balance of cash to meet projected and unpredicted expenditures, maintaining cash flows that are cash payments and receipts at all times. Thus, cash management assists to manage your business’ working capital efficiently. This means that efficient cash management symbolizes that your business's working capital is maintained efficiently. Thus, your company must have a sufficient sum of cash at all periods to satisfy its business requirements (Faque,2020). Creditors’ management approaches are the method of ensuring that a business has the processes and liquidity in place to maintain their bills, both ad hoc and regular. Paying obligations on time warrants that the business manages strong connections with its service providers, and is a good benchmark for the strength of the business. Trade credit is the easiest and most valuable source of short-term finance for many firms. The goal of payables administration is to ascertain the maximum level of trade credit to acquire from suppliers. Deciding on the level of credit to receive is a balancing act between liquidity and profitability (Cyril, et al, 2020).

1.2 Statement of the Problem

Kenya has a huge housing hollow which is rising every year and is increasingly common in urban regions due to inequalities in income levels in the economy. The yearly increment in demand for housing in Kenya is 206,000 units annually with 82,000 units required in metropolitan areas. In 2015, the Ministry of Housing figured that the symmetrical supply of houses to the market stood at 50,000 creating a 156,000 shortage which added up to the 2million units enduring deficit (Wafula, & Weche, 2018). While Kenya's mortgage market is rising, the sector is dominated by large commercial real estate firms. The real estate industry has endured largely under-developed even though industry actors recognize the economic and social significance of the sector. According to Cytonn Investments (2018), the financial performance of real estate in Kenya relaxed by 18.4% in 2017. Empirical researches have been done on the influence of working capital management on financial performance for instance; Hassan et al., (2018) sought to examine the influences of working capital management on Malaysian SMEs profitability in the view of control factors estimated by the leverage, size of the firm, and sales growth. The verdicts exhibited that
there is a negative correlation between working capital management (DAR, ITID, and CCC) and SME profitability measures (ROA and ROE). However, this study targeted SMEs whereas the present study targeted registered property developers in Kenya. In addition, Wire et al (2015) sought to determine the influence of working capital management practices on the financial performance of small and medium manufacturing enterprises in Nairobi County, Kenya. The study observed that cash management methods employed by the SMEs have an important influence for they yield better management of cash resources which subsequently results in the growth of the SME. However, the study prescribed further studies be carried out to establish the relationship between debtors’ management practices and financial performance in other sectors other than SMEs. An empirical study by Wambia, and Jagongo,(2020) sought to explore the influence of working capital management practices on the financial performance of insurance companies in Kenya. The main difficulty reported by most of the respondents was increasing bad debts (20.8%, 20), fraudulent claims (12.5%, 12), cost of financing (10.4%, 10), poor investment plans (9.4%, 9), and lack of proper policies (9.4%, 9). This contrasts the findings by Kinuthia, Maimba, and Mwangi, (2020) who sought to determine the association between the working capital management and the financial performance of the listed manufacturing firms in Kenya. These inconsistencies have led to the need to try and establish the relationship between working capital management practices and financial performance by registered property developers in Kenya a gap the present study sought to fill.

1.3 Objectives of the Study

i. To establish the relationship between debtors’ management practices and financial performance by registered property developers in Kenya

ii. To evaluate the relationship between inventory management practices and financial performance by registered property developers in Kenya

iii. To ascertain the relationship between cash management practices and financial performance by registered property developers in Kenya

iv. To assess the relationship between creditors’ management practices and financial performance by registered property developers in Kenya

LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Agency Theory

Agency theory has been pointed out that separation of control from ownership implies that professional managers manage a firm on behalf of the firm’s owners (Kiel & Nicholson, 2003). Conflicts arise when a firm’s owners perceive the professional managers not to be managing the firm in the best interests of the owners. According to Eisenhardt (1989) stated that the agency theory is concerned with analyzing and resolving problems that occur in the relationship between principals and their agents or top management. The theory rests on the assumption that the role of organizations is to maximize the wealth of their owners or shareholders (Abdulrahman, 2014). This study was guided by agency theory. The agency theory postulates that the day-to-day running of a business enterprise is carried out by managers as the agents who have been engaged by the
owners of the business as principals who are also known as shareholders. The theory is on the
notion of the principle of the two-sided transaction. It holds that any financial transactions involve
two parties and both act in the best interest but with different expectations. The major problem
associated with this theory includes information asymmetry, moral hazard and adverse selection
(Kwame, 2010). The theory anchored the objective; to establish the relationship between debtors’
management practices and financial performance by registered property developers in Kenya to
the theory of agency.

2.1.2 The Theory of Working Capital Management

The theory of working capital management emanated from Sagan (1955) and the theory provides
the basis for working capital management research. The theory of working capital management
emphasizes the need for management of working capital accounts and warns that it could vitally
affect the health of the company. Sagan (1955) pointed out the money manager’s operations are
primarily in the area of cash flows generated in the course of business transactions. However, the
money manager must be familiar with what is being done with the control of inventories,
receivables, and payables because all these accounts affect cash position. Thus, Sagan (1955)
advocated that the management of accounts receivable, accounts payable, inventories and cash is
vital for the operational functions of a firm. Further, the theory of working capital management
argues that the major task of a money manager is to provide funds as and when needed and to
invest temporarily surplus funds as profitably as possible because of his particular requirements of
safety and liquidity of funds by examining the risk and return of various investment opportunities.
Thus, a money manager should take his decisions based on the cash budget and total current assets
position rather than based on traditional working capital ratios (Arabahmadi and Arabahmadi,
2013). The theory of working capital management anchored the second objective which sought to;
evaluate the relationship between inventory management techniques and financial performance by
registered property developers in Kenya since the management of the registered property
developers should focus on maintaining optimal inventory in a manner that minimizes costs and
maximizes the benefits.

2.1.3 Trade off Theory of Liquidity

The theoretical framework suggested by Campbell and Kelly (1994) premised on the argument
that companies try to achieve an ideal (optimal) level of liquidity in balancing costs and advantages
of holding liquid cash in the firm. On costs, holding cash yields very low returns as the risk
involved is also very low. Thus, the main cost associated with holding cash represents the
opportunity cost of not taking advantage of available investment opportunities which could yield
high returns for the firm (Qureshi, Sheikh, & Khan, 2015). Other costs regard the loss in purchasing
power of cash due to macroeconomic factors such as inflation. With time, money loses value and
can purchase fewer commodities or services in the future. A tight cash flow in the firm further
helps manages to minimize wastage and control the flow of investors’ funds. However, Ismail
(2016) highlights some advantages of holding cash which may include control of transaction costs
incurred in raising funds when needed. Other reasons include the ease with which the firms meet
their responsibilities as they fall due which better still, improves their credit rating by suppliers
thus likely to influence the growth of the firm. Ghasemi and AbRazak (2016) opine that holding
cash can foster growth as the firm can use cash to fund their investments, in case financing options
are not unavailable or costly. The trade-off theory of liquidity is useful in in the present study as it
is used in anchoring the third objective; to ascertain the relationship between cash management practices and financial performance by registered property developers in Kenya

2.1.4 The Pecking Order Theory

The pecking order theory as propagated by Myers (1984) as cited by Waweru, and Ngugi, (2014) states that firms finance their needs in a hierarchical order, first by using internally available funds, followed by debt, and finally, external equity. According to the report by the South African reserve bank, this practice is more common in small firms practice and indicates the negative relationship between profitability and external borrowing by small firms. This hypothesis implies that there tends to be a negative relationship between profitability and external borrowing by small firms. In other words, assuming zero growth, firms with high profitability would generate higher levels of internal liquidity, reducing the need for borrowing. Older firms, it may then be hypothesized, would make less use of external finance and, instead, would rely on retained funds. According to Wire et al (2015), the pecking order theory of capital structure states that firms have a preferred hierarchy for financing decisions. The highest preference is to use internal financing (retained earnings and the effects of depreciation) before applying to any form of external funds (external financing). Internal funds incur no flotation costs and require no additional disclosure of proprietary financial information that could lead to more severe market discipline and a possible loss of competitive advantage. If a firm must use external funds, the preference is to use the following order of financing sources: debt, convertible securities, preferred stock, and common stock.

The main objective of the pecking order theory is to point out that asymmetric information and signaling problems exist between managers and less-informed outside investors. In this order, firms tend to exhaust their internal funds first, use safe debt second, and riskier external equity as a last resort. A financial hierarchy is apparent which exemplifies that when firms are facing financial deficits they tend to go further down the pecking order. The foundation of POT is that firms have no defined debt-to-value ratio. Management has a preference to choose internal financing before external financing. When a firm is forced to use external financing sources, managers select the least risky and demanding source first. When it is necessary to issue external sources, debt issuance is preferred to new equity. The fourth objective; to assess the relationship between creditors’ management practices and financial performance by registered property developers in Kenya was anchored on the theory of Pecking Order as the management of the registered property developers are assumed to finance their needs in a hierarchical order, first by using internally available funds, followed by debt and finally, external equity.
2.3 Conceptual Framework

### Debtors’ Management Practices
- Credit Policies
- Bad Debts Management
- Collection Period

### Inventory Management Practices
- Review Inventory Levels
- Inventory Budgeting
- Historical Information

### Cash Management Practices
- Cash Budgets
- Level of Receivables
- Cash Budgeting & Planning Framework

### Creditors’ Management Practices
- Reduced Prices & Discounts
- Accounts Payable Framework
- Records Maintenance

#### Financial Performance
- ROE

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**Figure 1: Conceptual Framework**

**2.3.1 Debtors’ Management Practices**

Sales on credit are an inevitable necessity in the business world today. No business can exist without selling the products on credit. Accounts receivables consist of the credit a business grants its customers when selling goods or services which take the form of either trade credit which the company extends to other companies or consumer credit, which the company extends to its ultimate consumers. The effectiveness of a company’s credit policies can have a significant impact on its total performance (Singh, 2011). According to Machiraju (2005), as cited by Gamze, et al., (2012) also argue that receivables arise out of delivery of goods or rendering of services on credit. Receivables represent claims against others for future receipt of money, goods, or services whose value depends upon the volume of credit sales and the policy for collecting such credits. The primary objective of investment in trade debtors is to increase profit by expanding sales to attract new customers and retain old customers. By constantly increasing its sales and profit the business carves out a bigger niche in the market and elevates its status among competitors. In determining an optimal credit extension policy, a company’s financial managers must consider several major controllable variables that can be used to alter the level of receivables which include credit standards, credit terms, and collection effort. An increase in the level of accounts receivables in a firm increases both the net working capital and the costs of holding and managing accounts receivables and both lead to a decrease in the value of the firm. Firms that pursue an increase in
their accounts receivables to an optimal level increase their profitability resulting from increased sales and market share. Shah (2012) found generally low standards. Approximately 95 percent of businesses that sold on credit tended to sell to anyone who wished to buy. Only 30 percent of respondents subscribed to a regular credit reporting service. Most had no credit checking procedures and guidelines, and only 52 percent enforced a late-payment charge. Thirty-four percent of businesses had no formal procedure for aging accounts receivable. Bad debts averaged 1.75 percent of sales, with a high of 10 percent in some concerns. A very high level of awareness and utilization of credit control systems in the UK, even in the smallest businesses.

2.3.2 Inventory Management Practices

The word inventory has been defined in many ways. Inventories as stockpiles of raw materials, supplies, components, work in process, and finished goods that appear at numerous points throughout a firm’s production and logistics channels. Also, inventory is the stock of any item or resource used in an organization. An inventory system is the set of policies and controls that monitor levels of inventory and determine what levels should be maintained when stocks should be replenished, and how large orders should be. Finally, inventory or stock is the stored accumulation of materials resources in a transformation system (Wire et al., 2015). International Accounting Standards (IAS2) states that Inventories shall be measured or valued at a lower cost and net realizable value. The costs of inventories comprise all cost of purchase, cost of conversion, and cost incurred in bringing the inventories to their present location and condition. Inventory management should be undertaken to maximize the value of the firm. The firm should, therefore, consider costs, returns, and risk factors in establishing inventory policy. Inventories represent a significant investment for many organizations. The manager would not normally have control over inventory management alone but instead, other functional departments usually share decision-making authority regarding inventory. Smith (2011) in his study on inventory management observed that business firms are confronted with the dilemma of attempting simultaneously to meet ever-increasing demands for improved customer service; maintain stable production operations and keep the investment in inventory at a reasonable level. Cash is crucial in every business in terms of enhancing its survival and prosperity. The term cash refers to the most liquid of assets, including demand deposits, money market accounts, and currency holdings. The key elements of cash management are cash forecasting, balance management, administration of cash receipts and disbursements, and internal control (i.e. bank reconciliation). Good cash management can have a major impact on overall working capital management. It is objectively used to manage and determine the optimal level of cash required for the business operation and invested in marketable securities, which is suitable for the nature of the business operation cycle (Oganga, 2015). In the management of inventory, the firm is always faced with the problem of meeting two conflicting needs: - maintaining a large size of inventory for efficient and smooth production and sales operations and maintaining a minimum level of inventory to maximize profitability. Both excessive and inadequate inventories are not desirable. The dangers of excessive inventories are that stockholding costs are too high and as a result, the firm’s profitability is reduced. According to Mohammad (2011), managers can create value for shareholders utilizing decreasing inventory levels. However, maintaining an inadequate level of inventory is also dangerous because ordering costs are too high. It may also lead to stock-out costs.
2.3.3 Cash Management Practices

Managing cash is becoming ever more sophisticated in the global and electronic age of the 1990s as financial managers try to squeeze the last dollar of profit out of their cash management practices. According to Ebrahim et al. (2012), cash is much more than just one element of working capital. As the medium of exchange and store of value, cash provides the linkage between all financial aspects of the firm. More specifically, it links short and long-term financing decisions with one another, with decisions involving investment both in fixed assets and working capital. Cash management is one of the key roles in any organization of any size description. Ebrahim and Datin (2012) observe that cash and marketable securities are the most liquid of the company’s assets. Cash is the sum of currency a company has on hand and the funds on deposit in bank checking accounts. Cash is the medium of exchange that permits management to carry on the various functions of the business organizations. From economic theory, several writers have theorized in support of Keynes’ that the motives for holding cash are mere, transactional, precautionary and speculative. According to Keynes (1973), companies hold cash to bridge the interval between the time of incurring the business cost and that of the receipt of the sale proceeds. In other words, companies hold a certain amount of cash to meet the regular expenses of their activity. Therefore, the higher the firm’s ability to schedule its cash flows (depending on their predictability) the weaker the “transactions-motive” for holding cash will be. The transaction motive illustrates the cash holding of firms and therefore more applicable to registered property developers (Iluta & Svetlana, 2013). Cash management also involves the management of cash flow into and out of the firm; cash flow within the firm; and cash balances held by the firm at a point in time. Firms should evolve practices regarding cash planning, managing the cash flows, optimum cash level, and investing surplus cash. An ideal cash management system depends on the firm's product, organization structure, competition, culture, and options available (Muhammad & Syed, 2011).

2.3.4 Creditors’ Management Practices

A firm always wish to tie up as little cash as possible in disbursement. The idea in these systems is to have no more than the minimum amount necessary to pay bills on deposit in the Bank. The most significant source of short-term finance is the trade credit and that which is relatively easy to obtain; that it varies with the amount granted; and that trade credit is an informal, spontaneous source of finance. It does not require any negotiations and form an agreement. It does not have restrictions which are usually part of negotiated sources of finance. Credit terms are the conditions under which the school allows students to have fee arrears. The conditions include the due date and the cash incentives. (Discounts) given (Kung’u, 2015). Management of accounts payables is an important aspect of ensuring efficient management of working capital. A firm needs to ensure that it has a good working relationship with its suppliers so that there can be constant supplies of inventories. Firms should avoid delays in paying for their supplies because of the disadvantages attached to such delays that include lost cash discounts and reduced trust by the suppliers. Utilizing the relationship with the creditor is a sound objective that should be highlighted as important as having the optimal level of inventories. Accounts payable should be maximally used by firms. Sound management of suppliers’ credit requires current up-to-date information on account and aging of payables to ensure proper payments. Proper management of creditors enables a firm to
maintain a good relationship with the suppliers. This ensures that the firm has a continuous provision of trade credit which is a cheap source of finance (Kabethi, 2013). Delaying payments to suppliers allows a firm to assess the quality of purchased products and can be an inexpensive and flexible source of financing the firm. On the other hand, late payment of invoices can be very costly if the firm is offered a discount for early payment. An increase in the number of days payable by 1 day was associated with increased profitability. However, more profitable firms wait longer to pay their bills. This means that they withhold their payment to their suppliers to take the advantage of cash available for their working needs. Delaying payments to suppliers is in line with the working capital management rule that firms should strive to lag their payments to creditors as much as possible, taking care not to spoil their business relationships with them (Bhunia, & Das, 2015).

2.3.5 Financial Performance

Financial performance is at the heart of the managerial function of an organization’. Analysis of corporate performance is mainly concerned with the development of a modeling methodology to help in the diagnosis of past performance and thus provide a framework for evaluating the effect of changes in operating parameters as a guide for future planning. The performance of an organization is measured by the choice of the management form of wealth to be held. If the performance of an organization is good there will be little or no disagreement between the management and the shareholders (Mauwa, 2017). Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business to generate revenues and expand its operations. Financial performance can be measured in many different ways, but all these ways should be aggregated. Revenue from operations, operating income, or cash flow from operations can be used as well as total unit sales. Financial ratios from financial statements are a good source of data to measure financial performance: Return on Assets (ROA) measures the profitability of the firms and calculated as Return on assets=operating income/total, Return on Equity (ROE) is used to calculate a firm’s profitability by revealing how much profit a firm generates with money invested by shareholders and its formula is Return on equity=net profit attributed to shareholders/total shareholders. Financial performance can also be measured in terms of net earnings which are divided into two parts, that is, retained earnings and dividends. The retained earnings of the business may be reinvested and treated as a source of long-term funds. The dividend should be distributed to the shareholders to maximize their wealth as they have invested their money in the expectation of being made better off financially (Mauwa, 2017).

RESEARCH METHODOLOGY

3.1 Research Methodology

A descriptive research design was applied in the study. The target population comprised of seventy six (76) registered property developers in Kenya by Kenya Property Developers Association (KPDA).that constituted the units of analysis. The unit of observation comprised of one finance manager from each of the firm making a total of 76 respondents. The study employed a census approach where all the firms were involved in the study. The study relied on both primary and secondary data that was collected using semi structured questionnaire and a secondary data collection sheet respectively. The questionnaire were structured in a five-point Likert scale where
respondents were requested to rate their level of agreement with statements on each variable. The scale range from 1-5 where 5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree and 1- Strongly Disagree. Secondary data was extracted from audited financial reports of the respective firms from 2016 to 2020. The study employed both descriptive and inferential statistics in analyzing the data. Descriptive statistics were comprised of means, standard deviation and percentages while inferential statistics comprised of both correlation and regression analysis. Both MS Excel and SPSS were used in generating the statistics. The study adopted a multivariate model for assessing the relationship between the study variables. The model is illustrated below:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

Where;

\[ Y = \text{Financial Performance by registered property developers}, \beta_0 = \text{Constant}, X_1 = \text{Debtor Management Practices}, X_2 = \text{Inventory Management Practices}, X_3 = \text{Cash Management Practices}, X_4 = \text{Creditors Management Practices}, \beta_1 \text{ to } \beta_4, \text{ are the coefficients of the variables to be determined by the model, } \epsilon = \text{the estimated error of the regression model.} \]

**FINDINGS OF THE STUDY**

4.1 Results

A total of 76 questionnaires were administered to finance officers in the selected firms. 65 questionnaires were fully filled and returned. This presented a response rate of 85.5%. The response rate was considered appropriate and adequate for analysis. The appropriateness level was anchored on Mugenda and Mugenda (2013) assertions who noted that a response rate of 70% and above is very good for analysis. The high response rate was attributed to giving the respondents sufficient time in responding to the questionnaires and applying a drop and pick data collection technique.

4.2 Descriptive Statistics

4.2.1 Debtors’ Management Practices

The study’s first objective sought to establish the relationship between debtors’ management practices and financial performance by registered property developers in Kenya. The researcher provided respondents with statements on debtors’ management practices and were supposed to indicate their levels of agreement. According to the results outlined in table 1, respondents agreed with the statements that their firms have formulated credit policy that guides extension of credits to our customers(mean=3.97), that the level of adherence of the credit policies determines the degree of repayment by the customers(mean=4.16) and that implementation of credit policies ensures that only customers who meet set specifications access credit(mean=3.86). Respondents further agreed with the statements that their firm have formulated means of reviewing bad debts and measure to counter future ones(mean=3.68), that the firm have established a means of negotiating with customers with bad debts(mean=3.54) and that the firm has established strict credit collection policy(mean=4.01). Respondents were however neutral on the fact that the level of adherence to the collection policies determines the repayment rate(mean=3.34) and that having a precise debtor management practice contributes to the performance of the firm(mean=3.45). An average response mean of 3.75 and average standard deviation of 0.99 shows that all respondent agreed with the statements on debtors management practices. The results concurs with Waweru,
and Ngugi (2014) who argued that putting in place a sound credit policy ensures proper debt collection procedures and is pivotal in improving efficiency in receivables management hence the performance of firms.

Table 1: Descriptive Statistics on Debtors’ Management Practices

<table>
<thead>
<tr>
<th>Debtors’ Management Practices</th>
<th>Mean</th>
<th>Std.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our firm have formulated credit policy that guides extension of credits to our customers</td>
<td>3.97</td>
<td>1.01</td>
</tr>
<tr>
<td>The level of adherence of the credit policies determines the degree of repayment by the customers</td>
<td>4.16</td>
<td>0.64</td>
</tr>
<tr>
<td>Implementation of credit policies ensures that only customers who meet set specifications access credit</td>
<td>3.86</td>
<td>1.04</td>
</tr>
<tr>
<td>Our firm have formulated means of reviewing bad debts and measure to counter future ones</td>
<td>3.68</td>
<td>0.92</td>
</tr>
<tr>
<td>The firm have established a means of negotiating with customers with bad debts</td>
<td>3.54</td>
<td>1.44</td>
</tr>
<tr>
<td>The firm has established strict credit collection policy</td>
<td>4.01</td>
<td>0.36</td>
</tr>
<tr>
<td>The level of adherence to the collection policies determines the repayment rate</td>
<td>3.34</td>
<td>1.33</td>
</tr>
<tr>
<td>Having a precise debtor management practice contributes to the performance of the firm</td>
<td>3.45</td>
<td>1.18</td>
</tr>
<tr>
<td>Average</td>
<td>3.75</td>
<td>0.99</td>
</tr>
</tbody>
</table>

4.2.2 Inventory Management Practices

The study’s second objective sought to evaluate the relationship between inventory management practices and financial performance by registered property developers in Kenya. The researcher provided respondents with statements on inventory management practices and were supposed to indicate their levels of agreement. According to the results outlined in table 2, respondents agreed with the statements that their firm routinely reviews the levels of inventory (mean=4.01), that having an inventory budgeting in the firm ensures the right expenditure is incurred with the right activity (mean=3.81) and that inventory budgeting aims at ensuring priority inventories are in line with the operations of the firm (mean=4.11). Respondents were further in agreement with statements that the firm relies on past inventories in forecasting current and future inventories (mean=3.97), that the degree to which the firm manages its inventories determines the performance
level (mean=3.83) and that the firm sets up the minimum level of inventory (mean=3.97). Respondents were however neutral on the statement that for efficiencies, their firm have an automotive inventory system (mean=3.44). The average response mean of 3.88 implies that all respondents agreed with the statements on inventory management practices. The results tallies with Smith (2011) who observed that firms are confronted with the dilemma of attempting simultaneously to meet ever-increasing demands for improved customer service; maintain stable production operations and keep the investment in inventory at a reasonable level.

**Table 2: Descriptive Statistics on Inventory Management Practices**

<table>
<thead>
<tr>
<th>Inventory Management Practices</th>
<th>Mean</th>
<th>Std.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our firm routinely reviews the levels of inventory</td>
<td>4.01</td>
<td>1.03</td>
</tr>
<tr>
<td>For efficiencies, our firm have an automotive inventory system</td>
<td>3.44</td>
<td>1.17</td>
</tr>
<tr>
<td>The firm have set up the minimum level of inventory</td>
<td>3.97</td>
<td>0.76</td>
</tr>
<tr>
<td>Having an inventory budgeting in the firm ensures the right expenditure is incurred with the right activity</td>
<td>3.81</td>
<td>1.03</td>
</tr>
<tr>
<td>Inventory budgeting aims at ensuring priority inventories are in line with the operations of the firm</td>
<td>4.11</td>
<td>0.59</td>
</tr>
<tr>
<td>The firm relies on past inventories in forecasting current and future inventories</td>
<td>3.97</td>
<td>0.84</td>
</tr>
<tr>
<td>The degree to which the firm manages its inventories determines the performance level</td>
<td>3.83</td>
<td>0.96</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.88</strong></td>
<td><strong>0.91</strong></td>
</tr>
</tbody>
</table>

### 4.2.3 Cash Management Practices

The study’s third objective sought to ascertain the relationship between cash management practices and financial performance by registered property developers in Kenya. The researcher provided respondents with statements on cash management practices and were supposed to indicate their levels of agreement. According to the results outlined in table 3, respondents agreed with the statement that their firm prepares cash budgets routinely (mean=4.19), that the budgets ensures availability of cash to run operations in the firm (mean=4.23) and that there is a weekly review of receivables in our firm (mean=3.98). Consequently, respondents were in agreement with the statements that the review of receivables ensure that the firm has a projection of what to expect as payments from customers(mean=4.16), that having receivables reviews gives our firm an opportunity to remind customers on when their payments are due(mean=4.27), that the firm has an established cash budgeting and planning framework(mean=4.01) and that the extent to which our firm manages cash flow determines the financial position of the firm(mean=3.85). All
respondents on average agreed with the statements on cash management practices as shown by average response mean of 4.1 and average standard deviation of 0.72. The results concurs with Muhammad and Syed (2011) who noted that cash management involves the management of cash flow into and out of the firm; cash flow within the firm; and cash balances held by the firm at a point in time.

Table 3: Descriptive Statistics on Cash Management Practices

<table>
<thead>
<tr>
<th>Cash Management Practices</th>
<th>Mean</th>
<th>Std.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our firm prepares cash budgets routinely</td>
<td>4.19</td>
<td>0.63</td>
</tr>
<tr>
<td>The budgets ensures availability of cash to run operations in the firm</td>
<td>4.23</td>
<td>0.51</td>
</tr>
<tr>
<td>There is a weekly review of receivables in our firm</td>
<td>3.98</td>
<td>1</td>
</tr>
<tr>
<td>The review of receivables ensure that the firm has a projection of what to expect as payments from customers</td>
<td>4.16</td>
<td>0.8</td>
</tr>
<tr>
<td>Having receivables reviews gives our firm an opportunity to remind customers on when their payments are due</td>
<td>4.27</td>
<td>0.41</td>
</tr>
<tr>
<td>Our firm has an established cash budgeting and planning framework</td>
<td>4.01</td>
<td>0.65</td>
</tr>
<tr>
<td>The extent to which our firm manages cash flow determines the financial position of the firm</td>
<td>3.85</td>
<td>1.02</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>4.1</strong></td>
<td><strong>0.72</strong></td>
</tr>
</tbody>
</table>

4.2.4 Creditors’ Management Practices

The study’s fourth objective sought to assess the relationship between creditors’ management practices and financial performance by registered property developers in Kenya. The researcher provided respondents with statements on creditors’ management practices and were supposed to indicate their levels of agreement. According to the results outlined in table 4, respondents agreed with the statements that their firm have established credit extension policies to their clients and customers (mean=4.23), that their firm have established discount extension policies to their clients and customers (mean=4.21), that there is a well formulated framework for accounts payables (mean=3.79) and that the framework ensures existence of simplified repayments to the creditors (mean=3.93). Remarkably, respondents agreed with the statements that having a credit payable framework ensures that the firm makes its payments in the right time and manner (mean=4.02), that their firm maintains accurate records on all transactions with creditors (mean=4.33), that the records forms the basis of reference and decision making on creditors’ matters (mean=3.93) and that the extent to which the firm manages creditors determines the levels of performance of the firm (mean=3.82). On average, all respondents agreed with the statement on creditors’ management practices as shown by average response mean of 4.03 and average standard deviation
The results are in tandem with Dobie (2015) who noted that a prudent accounts payables framework considers maintenance of proper records and reconciliations, optimal settlement policy, timing of settlements and pays attention to transaction costs involved.

**Table 4: Descriptive Statistics on Creditors’ Management Practices**

<table>
<thead>
<tr>
<th>Creditors’ Management Practices</th>
<th>Mean</th>
<th>Std.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our firm have established credit extension policies to our clients and customers</td>
<td>4.23</td>
<td>0.44</td>
</tr>
<tr>
<td>Our firm have established discount extension policies to our clients and customers</td>
<td>4.21</td>
<td>0.41</td>
</tr>
<tr>
<td>There is a well formulated framework for accounts payables</td>
<td>3.79</td>
<td>0.96</td>
</tr>
<tr>
<td>The framework ensures existence of simplified repayments to the creditors</td>
<td>3.93</td>
<td>0.92</td>
</tr>
<tr>
<td>Having a credit payable framework ensures that the firm makes its payments in the right time and manner</td>
<td>4.02</td>
<td>0.77</td>
</tr>
<tr>
<td>Our firm maintains accurate records on all transactions with creditors</td>
<td>4.33</td>
<td>0.42</td>
</tr>
<tr>
<td>The records forms the basis of reference and decision making on creditors’ matters</td>
<td>3.93</td>
<td>1.11</td>
</tr>
<tr>
<td>The extent to which the firm manages creditors determines the levels of performance of the firm</td>
<td>3.82</td>
<td>0.89</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>4.03</strong></td>
<td><strong>0.74</strong></td>
</tr>
</tbody>
</table>

### 4.2.5 Financial Performance

The study sought to assess the level of financial performances as a result of having working capital management practices. The researcher first provided respondents with statements on financial performance and were supposed to indicate their levels of agreement. According to the results outlined in table 5, respondents agreed with the statements the firm has recorded increased returns on investment and profits as shown by average response mean of 4.12 and 4.22 respectively, that the firm is in a position to remain afloat with cash (mean= 3.67) and that losses resulting from ineffective working capital management has reduced (mean=3.97). Respondents however were neutral on the fact that their firms had witnesses a reduction in the amount of bad debts (mean=3.43) and that there is reduction in the amount of debts the firm owes to creditors (mean=3.41). On average however, all respondents agreed with the statements on financial performance as shown by average response mean of 3.8 and average standard deviation of 0.92.

The results concurs with Waithaka (2012) who noted that management of working capital is vital as it directly affects the liquidity, profitability, and growth of an organization and is significant to
the financial well-being of firms as the products financed in working capital are often great in proportion to the entire assets employed.

Table 5: Descriptive Statistics on Financial Performance

<table>
<thead>
<tr>
<th>Financial Performance</th>
<th>Mean</th>
<th>Std.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The firm has recorded increased returns on investment</td>
<td>4.12</td>
<td>0.72</td>
</tr>
<tr>
<td>The level of profits in the firm has increased</td>
<td>4.22</td>
<td>0.57</td>
</tr>
<tr>
<td>There is reduction in the amount of bad debts from the firm</td>
<td>3.43</td>
<td>1.15</td>
</tr>
<tr>
<td>The firm is in a position to remain afloat with cash</td>
<td>3.67</td>
<td>1.04</td>
</tr>
<tr>
<td>There is reduction in the amount of debts the firm owes to creditors</td>
<td>3.41</td>
<td>1.19</td>
</tr>
<tr>
<td>Losses resulting from ineffective working capital management has reduced</td>
<td>3.97</td>
<td>0.82</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.8</strong></td>
<td><strong>0.92</strong></td>
</tr>
</tbody>
</table>

4.3 Inferential Statistics

4.3.1 Correlation Results

According to the results, there exists a positive and significant correlation between debtor’s management practices and financial performance of registered property developers in Kenya as shown by a correlation value of 0.457 and p-value of 0.000. The results implies that enhancing debtor’s management practices results to increased levels of financial performance of the firms. The results are in tandem with Waweru, and Ngugi (2014) who argued that putting in place a sound credit policy ensures proper debt collection procedures and is pivotal in improving efficiency in receivables management hence the performance of firms. The results also shows that there exists a positive and significant correlation between inventory management practices and financial performance of registered property developers in Kenya as shown by a correlation value of 0.326 and p-value of 0.000. The results implies that enhancing inventory management practices results to increased levels of financial performance of the firms. The results are in tandem with Smith (2011) who observed that business firms are confronted with the dilemma of attempting simultaneously to meet ever-increasing demands for improved customer service; maintain stable production operations and keep the investment in inventory at a reasonable level.

The results further shows that there exists a positive and significant correlation between cash management practices and financial performance of registered property developers in Kenya as shown by a correlation value of 0.492 and p-value of 0.000. The results implies that enhancing cash management practices results to increased levels of financial performance of the firms. The results concurs with Muhammad and Syed (2011) who noted that cash management involves the management of cash flow into and out of the firm; cash flow within the firm; and cash balances
held by the firm at a point in time. The results finally shows that there exists a positive and significant correlation between creditor’s management practices and financial performance of registered property developers in Kenya as shown by a correlation value of 0.437 and p-value of 0.000. The results implies that enhancing creditor’s management practices results to increased levels of financial performance of the firms. The results concurs with Dobie (2015) who noted that a prudent accounts payables framework considers maintenance of proper records and reconciliations, optimal settlement policy, timing of settlements and pays attention to transaction costs involved.

Table 6: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors’ Management Practices</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory Management Practices</td>
<td>Pearson Correlation</td>
<td>0.121</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.081</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Management Practices</td>
<td>Pearson Correlation</td>
<td>0.141</td>
<td>0.022*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.421</td>
<td>0.214</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors’ Management Practices</td>
<td>Pearson Correlation</td>
<td>0.099</td>
<td>0.189</td>
<td>0.132**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.324</td>
<td>0.123</td>
<td>0.198</td>
<td></td>
</tr>
<tr>
<td>Financial Performance</td>
<td>Pearson Correlation</td>
<td>.457*</td>
<td>.326*</td>
<td>.492*</td>
<td>.437*</td>
</tr>
</tbody>
</table>
Multiple Regression Analysis

The main aim of conducting a multiple regression analysis was to assess the degree of relationship between the independent and dependent variables. The multiple regression analysis comprises of three outputs: Model Summary, ANOVA and Model Coefficient. The model summary shows the extent to which the combined independent variables relates with the dependent variable and the percentage accounted by the independent variables on the dependent variables. Model summary results presented in table 7 shows that there exists a high relationship between independent variables (debtors’ management practices, inventory management practices, cash management practices and creditors’ management practices) and the dependent variable of the study (financial performance by registered property developers in Kenya). This is shown by R value of =0.856. The R-squared value (coefficient of determination) was 0.732 implying that 73.2% of variations in the levels of financial performance of the firms is accounted by debtors’ management practices, inventory management practices, cash management practices and creditors’ management practices.

Table 7: Model Summary

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted Square</th>
<th>R</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>.856a</td>
<td>0.732</td>
<td>0.702</td>
<td>1.0142671</td>
<td></td>
</tr>
</tbody>
</table>

ANOVA assesses whether the model linking the independent variable with the dependent variable was statistically significant in assessing the relationship. The results presented in table 8 shows that the sig value was below 0.05 implying that the model linking working capital management practices and financial performance was statistically significant thus a good fit for the study.
Table 8: ANOVA (Model Significance)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>77.128</td>
<td>4</td>
<td>19.282</td>
<td>10.7775</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>109.135</td>
<td>61</td>
<td>1.7891</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>186.263</td>
<td>64</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The model coefficient shows how the dependent variable changes as a result of a unit change in one of the independent variable. The results presented in table 9 shows that debtors’ management practices positively and significantly relates with the financial performance of registered property developers in Kenya as shown by a beta value of 0.432 and sig value of 0.000<0.05. The results implies that a unit increase in the levels of debtors’ management practices results to 0.432 units increase in the levels of financial performance of registered property developers in Kenya. The results matches with Kangangi, (2020) who established that debtors management practices bears a positive and statistically significant effect on the growth of firms. The results also shows that inventory management practices positively and significantly relates with the financial performance of registered property developers in Kenya as shown by a beta value of 0.376 and sig value of 0.002<0.05. The results implies that a unit increase in the levels of inventory management practices results to 0.376 units increase in the levels of financial performance of registered property developers in Kenya. The results tallies with Smith (2011) who observed that business firms are confronted with the dilemma of attempting simultaneously to meet ever-increasing demands for improved customer service; maintain stable production operations and keep the investment in inventory at a reasonable level.

The results further shows that cash management practices positively and significantly relates with the financial performance of registered property developers in Kenya as shown by a beta value of 0.566 and sig value of 0.000<0.05. The results implies that a unit increase in the levels cash management practices results to 0.566 units increase in the levels of financial performance of registered property developers in Kenya. The results concurs with Muhammad and Syed (2011) who noted that cash management involves the management of cash flow into and out of the firm; cash flow within the firm; and cash balances held by the firm at a point in time. The results finally revealed that creditors’ management practices positively and significantly relates with the financial performance of registered property developers in Kenya as shown by a beta value of 0.401 and sig value of 0.000<0.05. The results implies that a unit increase in the levels creditors’ management practices results to 0.401 units increase in the levels of financial performance of registered property developers in Kenya. The results concur with Dobie (2015) who established that a prudent accounts payables framework considers maintenance of proper records and reconciliations, optimal settlement policy, timing of settlements and pays attention to transaction costs involved.
Table 10: Model Coefficients

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.034</td>
<td>0.165</td>
</tr>
<tr>
<td>Debtors’ Management Practices</td>
<td>0.423</td>
<td>0.111</td>
</tr>
<tr>
<td>Inventory Management Practices</td>
<td>0.376</td>
<td>0.12</td>
</tr>
<tr>
<td>Cash Management Practices</td>
<td>0.566</td>
<td>0.104</td>
</tr>
<tr>
<td>Creditors’ Management Practices</td>
<td>0.401</td>
<td>0.134</td>
</tr>
</tbody>
</table>

The optimal regression model becomes:

Financial Performance of Registered Property Developers = 1.034 + 0.566(Cash Management Practices) + 0.423(Debtors’ Management Practices) + 0.401(Creditors’ Management Practices) + 0.376(Inventory Management Practices)

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The study findings led to conclusion that debtors’ management practices positively and a significantly relates with financial performance of property developers in Kenya. Additionally, debtors’ management practices such as formulating credit policy that guides extension of credits to our customers, implementation of credit policies to ensure that only customers who meet set specifications access credit, formulating means of reviewing bad debts and means of negotiating with customers with bad debts, and establishing strict credit collection policies positively and significantly relates with financial performance of property developers in Kenya. The study findings also led to conclusion that inventory management practices positively and a significantly relates with financial performance of property developers in Kenya. Additionally, inventory management practices such as routinely reviewing the levels of inventory, having an automotive inventory system, setting up the minimum level of inventory, having an inventory budgeting in the firm which ensures the right expenditure is incurred with the right activity, ensuring priority inventories are in line with the operations of the firm and relying on past inventories in forecasting current and future inventories positively and significantly relates with financial performance of property developers in Kenya.

The study findings further led to conclusion that cash management practices positively and a significantly relates with financial performance of property developers in Kenya. Additionally, cash management practices such as preparing cash budgets routinely, ensuring availability of cash to run operations in the firm through budgeting, having a weekly review of receivables, ensuring there is a projection of what to expect as payments from customers through review, and having an
established cash budgeting and planning framework positively and significantly relates with financial performance of property developers in Kenya. The study findings finally led to conclusion that creditors’ management practices positively and a significantly relates with financial performance of property developers in Kenya. Additionally, creditors’ management practices such as establishing credit extension policies to clients and customers, establishing discount extension policies to our clients and customers, having a well formulated framework for accounts payables which ensures existence of simplified repayments to the creditors, maintaining accurate records on all transactions with creditors and using the records as the basis of reference and decision making on creditors’ matters positively and significantly relates with financial performance of property developers in Kenya.

5.2 Recommendations for the Study

The study provides recommendations to property developers in Kenya to enhance their debtors’ management practices since the practices leads to enhanced financial performance of the firms. The firms can achieve this through practices such as formulating credit policy that guides extension of credits to our customers, implementation of credit policies to ensure that only customers who meet set specifications access credit, formulating means of reviewing bad debts and means of negotiating with customers with bad debts, and establishing strict credit collection policies. The study also provides recommendations to property developers in Kenya to enhance their inventory management practices since the practices leads to enhanced financial performance of the firms. The firms can achieve this through practices such as routinely reviewing the levels of inventory, having an automotive inventory system, setting up the minimum level of inventory, having an inventory budgeting in the firm which ensures the right expenditure is incurred with the right activity, ensuring priority inventories are in line with the operations of the firm and relying on past inventories in forecasting current and future inventories.

The study further provides recommendations to property developers in Kenya to enhance their cash management practices since the practices leads to enhanced financial performance of the firms. The firms can achieve this through practices such as preparing cash budgets routinely, ensuring availability of cash to run operations in the firm through budgeting, having a weekly review of receivables, ensuring there is a projection of what to expect as payments from customers through review, and having an established cash budgeting and planning framework. The study finally provides recommendations to property developers in Kenya to enhance their cash management practices since the practices leads to enhanced financial performance of the firms. The firms can achieve this through practices such as establishing credit extension policies to clients and customers, establishing discount extension policies to our clients and customers, having a well formulated framework for accounts payables which ensures existence of simplified repayments to the creditors, maintaining accurate records on all transactions with creditors and using the records as the basis of reference and decision making on creditors’ matters.
REFERENCES


