EFFECT OF WORKING CAPITAL MANAGEMENT ON FINANCIAL PERFORMANCE OF THREE STAR HOTELS IN NAIROBI COUNTY

BY

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D63/68682/2013

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE IN FINANCE, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER 2015

DECLARATION

This research project is my original work and has not been presented for the award of any degree in any university.

Signed…………................………… Date………………………...…..

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This research project has been submitted for examination with my approval as University of Nairobi supervisor.

Signed ………………………………… Date……………………………..

Dr. Duncan Elly Ochieng' PhD,CIFA

ACKNOWLEDGEMENT

It has been an exciting and instructive study period at the University of Nairobi and I feel privileged to have had the opportunity to carry out this project as a demonstration of knowledge gained during the period studying for my master's degree. With these acknowledgments, it would be impossible not to remember those who in one way or another, directly or indirectly, have played a role in the realization of this research project. Let me, therefore, thank them all equally. First, I am indebted to the all-powerful GOD for all the blessings he showered on me and for being with me throughout the study. I am deeply obliged to my supervisor, Dr. Duncan Elly Ochieng' for his exemplary guidance and support without whose help; this project would not have been a success. Finally, yet importantly, I take this opportunity to express my deep gratitude to my loving family, and friends who are a constant source of motivation and for their never ending support and encouragement during this project.

DEDICATION

I dedicate this study to my dear family members, my husband and children for all the support they gave me all the time of preparing and working on this project.

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LIST OF ABBREVIATIONS

ACP   ----------------- Accounts Collection Period

ICP   --------------- Inventory Collection Period

APP   ---------------- Account Payable Period

CCC   ----------------- Cash Conversion Cycle

ROA   --------------- Return on Assets

ROE   --------------- Return on Equity

NSE   --------------- Nairobi Stock Exchange

GDP   -------------- Gross Domestic Product

WCM -------------- Working Capital Management

KHRA -------------- Kenya Hotels and Restaurant Authority

NTC   -------------- Net Trade Cycle

WCMA-------------- Working Capital Management Approach

KSE   -------------- Karachi Stock Exchange

CSE   -------------- Colombo Stock Exchange

ABSTRACT

Management of working capital aimed at maintaining an optimal balance between the working capital and units such as cash receivables, inventory and payables which is fundamental section of overall corporate strategy that creates value thus important source of competitive advantage in business. For a company to operate optimally, it must have a positive working capital to ensure that it is able to continue its operations and to have sufficient funds to satisfy both maturity short-term and upcoming operational expenses. In conclusion, research on effect of working capital management on profitability and company's performance on three star hotels in Nairobi County has not been comprehensive thus creating a research gap that needs attention. Due to this knowledge gap, the study sought to answer the research question of whether there exists an effect of working capital on company's financial performance of three star hotels in Nairobi County. Further the study sought to answer the research question of whether there exists an effect of working capital on company's financial performance of three star hotels in Nairobi County. The study establishes that possessing a lower average collection period is seen by the three star hotels as optimal, since this means that it does not take them very long to turn its receivables into cash. This owes to the fact that these hotels need cash to pay off their own expenses (such as operating and administrative expenses) including suppliers who deliver food products to them on credit. They also tend to have a longer accounts payable period so as to maintain a high current ratio and avoid operating in negative. Monitoring the working capital is important for the three star hotels' cash flow and its ability to meet its obligations when they are due. However, they optimize this to ensure that their credit worthiness is not tainted, and take advantage of discounts including avoiding accruing interest rates unnecessarily. The three star hotels also monitor their inventory conversion period to ensure that it is as short as possible since conversion period is negatively correlated with profitability. If conversion period is longer, the three star hotels will take longer to pay off their suppliers and meet their financial obligations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

This study adds further input to business literature by looking at the effects of working capital management on the three star hotels in Nairobi county. Data on this paper will cover three star hotels licensed by Kenya Hotels and Restaurant Authority in Nairobi County for the period 2000 to 2015.

Research which has been conducted both locally and internationally have been on the relationship between working capital and financial performance of firms. Nteere(2014) and Okinyi (2014) have researched on effects of working capital management on financial performance of Three Star Hotels.

1.1.1 Working Capital Management

Working capital management involves managing the firm's inventory, receivables and payables in order to achieve a balance between risk and returns and thereby contribute positively to the creation of a firm's value. Excessive investment in inventory and receivables reduces the profits, whereas too little investment increases the risk of not being able to meet commitments as and when they become due. The working capital includes all the items shown on a company's balance sheet as short term or current assets, while net working capital excludes current liabilities. These measures are considered useful tools in accessing the availability of funds to meet current operations of companies. Therefore, the importance of maintaining an appropriate level of working capital and its contribution to business survival is a concept that should be understood by every company (Harris, 2005).

Working capital is considered as the life-blood of any business and its performance has significant impact on the overall performance of the concerned firms. Hampton (1989) stated that working capital policy is a function of two decisions: the appropriate level of investment in current assets and the chosen methods of financing the investment. He explained further that the level of company's current assets and

working capital, in respect of the company's total corporate structure and flow of funds is a trade-off between profitability and risk. Thus, if there were little risk, an aggressive working capital would be used whereby the company should maintain a minimum level of cash, securities, debtors and stocks. However, if there is little stability, a more conservative policy will be called for, requiring high cash balances and high stock reserves.

In many organizations today, liquidity position is thus a major issue that must be put into consideration by financial managers. This liquidity state can be identified by their risk-return characteristics (Weinraub and Visscher, 1998). Therefore, risk and return trade-offs are inherent in alternative working capital policies. High risk, high return working capital investment and financing strategies are referred to as aggressive; lower risk and return strategies are called moderate or matching; still lower risk and return is called conservative (Moyer, 2005; Pinches 1991; Brigham and Gapenski, 1987). A firm may choose an aggressive working capital management policy with a low level of current assets as percentage of total assets, or it may also be used for the financing decisions of the firm in the form of high level of current liabilities as percentage of total liabilities (Afza and Nazir, 2007).

Keeping an optimal balance among each of the working capital components is the main objective of working capital management. Business success heavily depends on the ability of the financial managers to effectively manage receivables, inventory, and payables (Filbeck and Krueger, 2005).

1.1.2 Financial Performance

The subject of financial performance has received significant attention from scholars in the various areas of business and strategic management. It has also been the primary concern of business practitioners in all types of organizations since financial performance has implications to organization's health and ultimately its survival. High performance reflects management effectiveness and efficiency in making use of a company's resources and this in turn contributes to the country's economy at large (Naser and Mokhtar, 2004). There have been various measures of financial performance, for example, return on sales reveals how much a company earns in

relation to its sales, return on assets determines an organization's ability to make use of its assets and return on equity reveals what return investors take for their investments. The advantages of financial measures are the easiness of calculation and that definitions are agreed worldwide. Traditionally, the success of a company has been evaluated by the use of financial measures (Tangen, 2003).

A well designed and implemented financial management is expected to contribute positively to the creation of a firm's value (Padachi, 2006). Dilemma in financial management is to achieve desired trade-off between liquidity, solvency and profitability (Lazaridis, 2006).

Liquidity measures the ability of the business to meet financial obligations as they come due, without disrupting the normal, ongoing operations of the business. Liquidity can be analyzed both structurally and operationally. Structural liquidity refers to balance sheet measures of the relationships between assets and liabilities and operational liquidity refers to cash flow measures.

Solvency measures the amount of borrowed capital used by the business relative to the amount of owner's equity capital invested in the business. In other words, solvency analysis provide an indication of the business's ability to repay all indebtedness if all of the assets were sold. Solvency measures also provide an indication of the business's ability to withstand risks by providing information about the operation's ability to continue operating after a major financial adversity (Harrington and Wilson, 1989).

Profitability measures the extent to which a business generates profit from the factors of production: labor, management and capital. Profitability analysis focuses on the relationship between revenues and expenses and on the level of profits relative to the size of investment in the business. Four useful measures of profitability are; the rate of return on assets (ROA), the rate of return on equity (ROE), operating profit margin and net income (Hansen and Mowen, 2005).

Repayment capacity measures the ability to repay debt from both operation and non-operation income. It evaluates the capacity of the business to service additional debt or to invest in additional capital after meeting all other cash commitments. Measures of repayment capacity are developed around an accrual net income figures. The short-term ability to generate a positive cash flow margin does not guarantee long-term survivability (Jelic and Briston, 2001).

Financial efficiency measures the degree of efficiency in using labor, management and capital. Efficiency analysis deals with the relationships between inputs and outputs. Because inputs can be measured in both physical and financial terms, a large number of efficiency measures in addition to financial measures are usually possible (Tangen, 2003).

1.1.3 Working Capital Management and Financial Performance

Smith (1980) suggests that working capital management is important because of its effects on a firm's profitability and risk, and consequently its value. Specifically, a more aggressive working capital policy (low investment in working capital) is associated with a higher return and risk, while a conservative working capital policy (high investment in working capital) supposes a lower return and risk. These effects on profitability and risk, therefore, suggest that firms might have an optimal working capital level that balances the costs and benefits of holding working capital and maximizes their profitability. Indeed, Deloof (2003) suggests that firms might have an optimal level of working capital that maximizes their value.

However, previous research on working capital management and firm performance (Deloof 2003 among others), analyzes a linear relationship between investment in working capital and firm´s profitability. The findings indicate that the lower the investment in working capital the more profitability, ignoring, for instance, the higher risk of loss of sales and interruptions in the production process, related with low levels of working capital.

Most of the empirical studies support the traditional belief about working capital and profitability that reducing working capital investment would positively affect the profitability of a firm (aggressive policy) by reducing proportion of current assets in total assets. Deloof (2003) analyzed a sample of Belgian firms, and Wang (2002) analyzed a sample of Japanese and Taiwanese firms, emphasized that the way the working capital is managed has a significant impact on the profitability of firms and profitability increases by reducing number of day's accounts receivable and reducing inventories. A shorter Cash Conversion Cycle and net trade cycle is related to better performance of the firms. Furthermore, efficient working capital management is very important to create value for the shareholders.

Shin Soenen (1998) analyzed a sample of US firms also reported similar findings but have used Net Trading Cycle (NTC) as comprehensive measure of working capital management and found significant negative relationship between NTC and profitability. However, this relationship was not found to be very significant when the analysis was for specific industry (Soenen, 1993). Jose, et al. (1996) performed an industry wise analysis and measured the ongoing liquidity by Cash Conversion Cycle. They have concluded that controlling industry and size differences with more aggressive liquidity management is associated with higher profitability for several industries.

1.1.4 Hospitality Industry in Kenya

A hotel is an establishment providing for accommodation, food and drinks for travelers and temporary residents, and sometimes other facilities for the transaction of business meetings, conferences, recreation and entertainment. In that sense, hotels are essential to economies and societies (Medlik & Ingram, 2000).

The hotel industry plays a vital role to the Kenyan economy in that, the industry supports the tourism sector which currently is the second foreign exchange earner after agriculture. Tourism is accepted as an economic boom and a valuable asset to the national economy. The United Nations World Tourism Organization confirms that between 70% to 75% of international tourists' expenditure goes to hotel services on annual basis (Akpabio, 2007), affirming the strategic importance of the sector.

Tourism represents a cheaper alternative for diversification of sectors of the economy, considering the country's competitive advantage in terms of environmental attraction suitable for nature tourism (Akama, 2000), which has consequently contributed to the growth of the hotel industry over the years.

The regulation, rating and licensing of hotels in Kenya is done by the Kenya Hotel and Restaurants Authority (KHRA) established under the Hotels and Restaurants Act, Cap 494 of the Kenyan laws. The hotel industry in Kenya is seasonal in nature and hence the effect of seasonality can be a great challenge when it comes to the management of working capital, basically because of the difficulty faced in attracting large pools of permanent funds through the use of equity capital hence suppliers are likely to provide the short term financing. There should be sufficient planning and efficient management of the working capital to ensure that excess funds generated during the peak season are optimally invested as this will prevent the closure of the business, enhance profitability which will at the same time ensure that the firm's value is maximized. The current demand for standard hotel bed shows that there is a great potential for growth in the hotel industry in Kenya, and working capital management cannot therefore be underestimated.

1.2 Research Problem

The management of a firm's liquidity is necessary for all businesses; small, medium or large. When a business does not manage its liquidity well, it will have cash shortages and as a result, experience problems paying its obligations when they fall due. Indeed, working capital starvation has generally been credited as a major cause, if not the main cause of business failures in many developed and developing countries (Rafuse, 1996). Working capital management is important because of its effect on the firm's profitability and risk, and consequently its value (Smith, 1980). Working capital management is critical to all firms but particularly to small ones because they do not have access to long term financing yet they must finance the current assets. Globally, many researchers have studied financial ratios as part of working capital management; however few of them have discussed the working capital specifics. Some earlier work by Gupta (1969) and Gupta and Huefner (1972) examined the differences in financial ratios and averages between industries.

Johnson (1970) extended his work by finding cross-sectional stability of ratio grouping for both retailers and primary manufacturers. In practice, working capital management has become one of the most important issues in the organizations where many financial executives are struggling to identify the basic working capital drivers and an appropriate level of working capital (Lamberson, 1995). The strategic importance of working capital management has ignited various researchers to focus on evaluating the working capital management and profitability relationships. The studies include those done by Uyar (2009); Samiloglu and Demirgunes (2008) and Vishmani and Bupesh (2007). Most previous studies focus on developed market (Peel and Wilson, 1996; Shin and Soenon, 1998; Deloof, 2003); thus investigating this issue could provide additional insights and perhaps different evidence on working capital management in emerging capital markets like Kenya.

Local studies in Kenya have also studied working capital management and financial performance, Nyakundi (2003) did a survey of working capital management policies among public companies in Kenya. From a simple linear regression, he concluded that there was no relationship between working capital management and profitability. Kithii (2008) studied the relationship between working capital management and profitability of listed companies in the NSE. From a Pearson's moment correlation of co-efficient, she found a significantly negative relationship between cash conversion cycle and profitability. Mutungi (2010) studied the relationship between working capital management and financial performance of oil marketing firms in Kenya. From the correlation analysis, the study concluded an existence of aggressive working capital policy in the oil sector. Mathuva (2010) found contradicting evidence with the management of inventories in Kenya. He argued that companies increase their inventory levels to reduce the cost of possible production stoppages and the possibility of no access to raw materials and other products. He further stated that higher inventory levels reduce the cost of supplying products and also protects against price fluctuations caused by changing macro-economic factors. Waweru (2011) also conducted a study on the relationship between working capital management and the value of the companies listed at the NSE.

The study concluded that there is a statistical relationship between efficient working capital management and the value of firms quoted at the NSE. However, researchers like Kuria, Peter and Alice (2011) revealed that hotels have critical problem of skilled man power, especially chefs, and capacity to compete globally. The study explained that the human capital in the hotel industry is not properly handled explaining that unfavorable working conditions, poor payment, poor training and education levels have led to high labor turnover. According to the study, formal qualifications from new entrants are not highly regarded in the hospitality industry. Wadongo et al (2010) explained that Hospitality managers in Nairobi monitor competitiveness and financial dimensions of performance with little attention being paid to non-financial measures. Kamau and Waudo (2012) found that hotel industry in Kenya is in a high competitive market. Onyango, Edwin, Ouma and Lucas (2012) argued that there is positive relationship between drivers and the results of performance in the hotel industry in Kenya. Mishanga and Owuor (2010) argued that hotels are contributing market opportunities for micro and small scale enterprise that supply consumer goods and furniture. The researchers explained that 80% of fruits, vegetables, eggs and fishes purchased by hotels come from micro and small scale enterprises. Musyoka (2010) argued that factors like competition, cost of inputs, safety and security problems affect the profitability of hotels in Nairobi, Kenya.

In conclusion, research on effect of working capital management on financial performance of Three Star Hotels in Nairobi County has not been comprehensive thus creating a research gap that needs attention. Due to this knowledge gap, the study sought to answer the research question of whether there exists an effect of working capital management on company's financial performance on Three Star Hotels in Nairobi County?

1.3 Objective of the Study

To establish the effect of working capital management on financial performance of three star hotels in Nairobi County.

1.4   Value of the Study

The study findings are beneficial to management and staff in the hospitality industry under the study, by gaining insight into how their companies can effectively manage their working capital to enhance their financial performance. Management can gain the best policies for applications. This will improve on the existing theory and knowledge on the changes that hospitality industries are going through in relation to working capital management.

Regulatory bodies like the Hotels & Restaurants Authority can use this study to improve on the framework for regulation of hotel industries in Kenya. The results of this study will also assist policy makers and regulators to implement new set of policies and regulations regarding working capital management in the hospitality industries. This study will be useful to security analysts, financial analysts, stock brokers and other parties whose knowledge of the relationship between working capital management and the financial performance is important input in investment analysis and portfolio construction.

The government as the regulator of the industry will be of use to the findings of the study in understanding factors that are important on the financial performance of different hotels in Kenya. It will also help the government in establishing the modalities and regulatory measures that are needed to put in place to assist in improvement in the industry. Outcome from this study will help the government in identifying the importance of understanding correct mix of working capital which in turn will boost financial performance. As the performance in hotel industry improves it will reflect in the growth in GDP and thus in the entire economy of the country.

The findings of this study will provide knowledge to potential investors in understanding the hotel industry and how to manage working capital in such a way that shareholders wealth increases. This study will also add to the body of knowledge in the financial discipline and forms the basis for further research in the hotel industry and effect of management on financial performance in other sectors as well.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

This chapter reviews literature relating to working capital management and financial performance. The sections are organized to cover the theoretical and empirical literature on working capital management and its effect on financial performance.

2.2   Theories of Working Capital Management

Management of working capital refers to management of current assets and current liabilities (Raheman and Nasr, 2007). Working capital management ensures sufficient cash flow to meet short-term debts. The concepts of working capital management are; gross working capital, net working capital and net operating capital. Working capital management is of great importance to the financial health of the firm because current assets represent a large portion of total assets and also the largest portion of most financial managers' time is devoted to the day-to-day internal operations of the firm which fall under working capital. Working capital management therefore involves determining the optimal financing strategies or policies for financing the working capital needs (Afza and Nazir, 2007).

In practice, working capital management approach (WCMA) has become one of the most important issues in the organizations where company executives identify the basic working capital drivers and an appropriate level of working capital (Lamberson, 1995). Indeed, companies can minimize risk and improve the overall performance by understanding the role and drivers of working capital management. However, an appropriate approach is desired (Hall, 2002).

Many studies have analyzed the financial ratios as a part of working capital management; however, few of them have discussed the working capital approaches in specific (Afzar and Nazir, 2009). Weinraub and Visscher (1998) discussed the issue of aggressive and conservative working capital management approaches by using quarterly data for the period 1984-93 of the US firms.

Their study considered diverse industry groups to examine the relationship between their aggressive/conservative working capital approaches. Their study concluded that the industries had distinctive and significantly different working capital management approaches. The study also showed a high and significant negative correlation between industry asset and liability policies and found that when relatively aggressive working capital asset policies are followed, they are balanced by relatively conservative working capital financial policies. In literature, there is a long debate on the risk/return trade-off among different working capital Approaches (Moyer et al., 2005).

More aggressive working capital policies are associated with higher return and risk, while conservative working capital policies are associated with lower risk and return (Weinraub and Visscher, 1998). Afza and Nazir (2007) investigated the relationship between the aggressive and conservative working capital policies for industrial groups and a large sample of 263 public limited companies listed on Karachi Stock Exchange (KSE) using cross-sectional data for the period 1998-2003. The study found significant differences among their working capital investment and financing policies across different industries. Moreover, rank order correlation confirmed that these significant differences were remarkably stable over the six-year study period. Finally, ordinary least regression analysis found a negative relationship between the profitability measures of firms and the degree of aggressiveness of working capital investment and financing policies.

2.3 Determinants of Financial Performance of Hotels

Performance of an organization has traditionally been measured by looking at the revenues or the profit made at the end of the year, or using key financial ratios. Venkatraman and Ramanujam (1986) reviewed ten different types of measurement and generalized the results into three dimensions: financial performance, business performance, and organization effectiveness. Ryan and Trahan (1999) used three key dimensions of performance, profit margin, total assets turnover and equity multiplier.

In particular, it has been suggested that, the hotel industry appears to concentrate on financial measures (Brander-Brown and McDonnell, 1995). The work of Harris and Mongiello (2001) suggests that financial measures are prominent, but not dominant, in a hotel general managers' decision making.

According to Beatham et al. (2004), businesses measure their performance in financial terms, profit and turnover. Financial measures and accounting measures are the traditional means of performance measurement. To remain competitive, firms now need to consider non-financial or operational results as measured by competitiveness.

2.3.1 Size

Underlying theoretical basis for arguing that a firm size is related to profitability can be found in the traditional neo-classical view of the firm and the concept known as economies of scale. Economies of scale may occur for various reasons such as financial (a large firm can get a better interest rate and also a better discount rate due to a large quantity that it buys); organizational reason (specialization and division of labour); technical reason (division of high fixed costs across large number of units). In line with this concept, a positive relationship between firm size and profitability is expected. Opposite to this, a conceptual framework that advocates a negative relationship between firm size and profitability is noted in the alternative theories of the firm, which suggest that large firms come under the control of managers pursuing self-interested goals and therefore profit maximization as the firm's objective function may be replaced by managerial utility maximization function.

 Theories of the firm try to explain why firms exist, what forms firms and market boundaries and why there are differences in their organisation and performance. Regarding firm's objective, it is possible to divide theories of the firm in two groups: 1) those that believe a firm has only one objective and, 2) those that think of firms as multi-purpose organizations. The backbone of the group of firm theories that consider firms aim to maximize a single objective is a classic or traditional theory which is focused on a company's profit. Although importance of profit is unquestionable, complexity of internal and external variables lead to separation of ownership and managerial functions and consequently development of managerial firm theories.

Three most significant managerial firm theories are those formed by Baumol, Williamson and Marris which regard maximising revenue, utility and growth as a firm's objective. These theories assume that manager's goals are likely to be different from owner's which resulted in development of principal-agent analysis (Foss, Lando and Thomsen, 1999). Cyert, March and Simon are responsible for development of behavioural firm theories which belong to the group of firm theories which think of firms as multi-purpose organizations. Simon's model of rational choice focuses on process of making business decisions in a firm and argues that firms seek to accomplish more humble goals then maximising utility or profit. According to Cyert and March's model a firm consists of individuals and groups with their own interests and aims and firm's performance is a result of conflicts and negotiation processes between these groups.

Although a great number of theories provide explanations why some firms are more profitable than others, exploring different variables of firm business success continues to be a prolific research path. A firm size has a weak positive impact on a firm's profitability. There are several possible reasons for this kind of firm size influence. Namely, due to their market power, larger firms are able to charge higher prices and hence earn higher profits. Additionally, higher profits could also be result of economies of scale and stronger negotiating power that provides larger firms more favourable financing conditions. However, reasons why this relationship is relatively weak can be found in separation of ownership from management in modern corporations that shifted managers focus from maximization of profit to maximization of managerial utility. Along with inflexible organization structure and used technology, a change in strategic logic of firms (it became more important to survive during a global economic crises than to increase profitability) also provides some additional explanations of a weak relation between firm size and profitability.

2.3.2 Capital structure

Since the publication of the Modigliani and Miller's (1958) "irrelevance theory of capital structure", the theory of corporate capital structure has been a study of interest to finance economists. When regarding to a firm's capital structure, the Modigliani-Miller theorem opened a literature on the fundamental nature of debt versus equity.

The capital structure of a firm is the result of the transactions with various suppliers of finance. In the perfect capital markets world of Modigliani and Miller, the costs of different forms of financing do not vary independently and therefore there is no extra gain from opportunistically choosing among them. Nevertheless, financing clearly matters, and that as a consequence of taxes, differences in information and agency costs. The various theories of capital structure differ in their interpretation of these factors. Each emphasizes some cost and benefits of alternative financing strategies, so they are not designed to be general.

According to the standard trade-off theory, taxes and bankruptcy account for the corporate use of debt. According to the standard pecking order theory, adverse selection accounts for the corporate use of debt. Both theories having weak parts, it is not surprising that there is active research on this matter. In the market timing theory, there is no optimal capital structure, so market timing decisions accumulate over time into the capital structure outcome. From this point of view, the market timing theory appears to have the most explanatory interest.

2.4 Empirical Studies

The literature on working capital management practices identifies efficiency of cash management, efficiency of receivables management and efficiency of inventory management as determinants of financial performance model. Financial performance could therefore be improved if efficiency levels of cash, receivables and inventory management practices are increased. The more aggressive approach, where the working capital is minimized, is associated with lower risk and return. The relaxed approach, with high cash reserves and high inventory, is associated with higher risk and return (Weinraub and Visscher, 1998).

A further study by shin and soenen (1998) argued that the net trade cycle is a better working capital efficiency measure comparing with the cash conversion cycle and the weighted cash conversion cycle because it indicates the number of day sales the company has to finance its working capital and the working capital manager can easily estimate the financing needs of working capital expressed as the fraction of the expected sales growth.

The reason for using NTC is because it can be an easy device to estimate for additional financing needs with regard to working capital expressed as a function of the projected sales growth. This relationship can be examined using correlation and regression analysis, by industry and working capital intensity. using a comp stat sample of 58,985 firm years covering the period 1975-1994, in all cases they found a strong negative correlation between the length of the firm's net-trade cycle and its profitability. In addition, shorter net-trade cycles are associated with higher risk-adjusted stock returns. In other words, Shin and Soenen (1998) suggested that one of the possible ways firms can create shareholders' value was by reducing a firm's net-trade cycle.

Many researchers have studied working capital management from different views in different economies. Some of which are found to be very interesting and useful for my present study. Deloof (2003) investigated the relationship between working capital management and firm profitability of Belgian firms, where he studied 1009 large Belgian non-financial firms for the period of 1992 to 1996. Using correlation and regression tests he found a significant negative relationship between gross operating income and the number of days accounts receivables, inventories and accounts payable of Belgian firms. On the basis of these results he suggested that managers could create value for their shareholders by reducing the number of days accounts receivable and inventories to a reasonable minimum. The negative relationship between accounts payable and profitability is consistent with the view that less profitable firms wait longer to pay their bills.

Velnampy (2006) examined the financial position of the companies and the relationship between financial position and profitability with the sample of 25 public quoted companies in Sri Lanka by using the Altman Original Bankruptcy Forecasting Model. His findings suggest that, out of 25 companies only 4 companies are in the condition of going to bankrupt in the near future. He also found that, earning/total assets ratio, market value of total equity/book value of debt ratio and sales/total assets in times, are the most significant ratios in determining the financial position of the quoted companies.

Lazaridis and Tryfonidis (2006) investigated the relationship that is statistically significant between corporate profitability, the cash conversion cycle and its components. They used a sample of 131 companies listed in the Athens Stock Exchange for the period of 2001-2004. The independent variables used were fixed financial assets, the natural logarithm of sales, financial debt ratio, cash conversion cycle and its components; day's inventory, day's receivable and day's payable. The dependent variable is profitability measured by gross operating profit. The research findings showed negative relationship between cash conversion cycle, financial debt and profitability, while fixed financial assets have a positive coefficient. When the authors replaced cash conversion cycle with accounts receivable and inventory, they found negative relationship with these two variables; the opposite occurred with accounts payable. The authors conclude that companies can create more profit by handling correctly the cash conversion cycle and keeping each different component to an optimum level.

Padachi (2006) examined the trends in working capital management and its impact on firm's performance. The results proved that a high investment in inventories and receivables is associated with lower profitability. Further, he showed that inventory days and cash conversion cycle had positive relation with profitability. On the other hand, account receivables days and accounts payable days correlated negatively with profitability. A study on value added, productivity and performance of few selected companies in Sri Lanka with the sample of 15 financial companies listed under the Colombo Stock Exchange (CSE) reveals that, profit before tax per employee and value added per rupee of fixed asset is positively correlated and labor cost to sales and gross profit is also positively correlated. Further the labor cost to value added is correlated with gross profit and value added per rupee of fixed asset and no relationship was found between the rest of the productivity and performance measures (Velnampy, 2011).

Afza and Nazir (2007) studied 208 public limited companies listed at Karachi Stock Exchange (KSE) for a period of 1998 to 2005. Through cross-sectional regression models on working capital policies, profitability and risk of the firms; they found a negative relationship between the profitability measures of firms and degree of

aggressiveness on working capital investment and financing policies. Their result indicates that, the firms yield negative returns if they follow an aggressive working capital policy by investigating the relative relationship between the aggressive or conservative working capital policies for.

Ganesan (2007) analyzed the working capital management efficiency of firms from telecommunication equipment industry. This study found evidence that even though "day's working capital" is negatively related to the profitability, it is not significantly impacting the profitability of firms in telecommunication equipment industry. However, this was contrary to the results of Chowdhury and Amin (2007) who had found positive correlations between WCM with financial performance of the Pharmaceutical industry in Bangladesh.

Samiloglu and Demirgunes (2008) analyzed the effect of working capital management on firm profitability in Turkey for a period of 1998-2007. Empirical results showed that, accounts receivables period, inventory turnover period and leverage significantly and negatively affect profitability. They also proved that cash conversion cycle, size and fixed financial assets had no statistically significant effect on profitability.

Lieberman and Helper (2009) studied the determinants of inventory policies of automotive companies in the United States. They found that both technological and managerial factors have a significant influence on the determining of the levels of inventories. Technological factors, like longer set-up and processing times increases the level of inventories. While the average price per piece of inventory decreases the inventory levels. They also found that managerial factors, like more employee training and problem solving training have a reducing effect on the inventory levels.

Velnampy and Niresh (2012) investigated the association between capital structure and profitability of listed Sri Lankan banks over the period of 8 years from 2002 to 2009. Results of their analysis show that, there is a negative association between capital structure and profitability except the association between debt to equity and return on equity.

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In Kenya, Ouma (2001) studied cash management approaches employed by companies quoted at the NSE. From a sample of 27 companies, her findings indicated that quoted companies apply specific policies in the management of their cash balances and plan for their cash balances. They have more than one planning period and the weekly planning period is the most popular.

Nyakundi (2003) studied working capital management policies among the public companies in Kenya. From a sample of 30 companies quoted at the NSE covering the period from 1998-2002, he concluded that most companies practiced the aggressive WCM policy. No significant differences were noted between the WCM policies across the five sectors. Further there were no significant differences in return on equity among companies that practice different WCM policies. From a simple regression analysis he found no relationship between the WCM policies and return on equity.

Ochieng (2006) carried out a study on firms quoted on the NSE over the last twenty (20) years on the relationship between working capital and the economic activities in Kenya. The objective of the study was to examine how the changes in economic activities affect changes in working capital by firms listed on the NSE. The findings revealed that the liquidity of the small firms as measured by the current and quick ratios increased slightly during economic slowdown. The study also shows that the liquidity positions reacted differently to various economic indicators such as inflation and lending rates. With lending rates, the study found that lending rates indeed did affect the amount of working capital for the firms and this further showed that during times of economic contraction, working capital positions of the firms improved.

Kithii (2008) carried out a study on the relationship between working capital management and profitability of listed companies in Nairobi's securities exchange. Her objectives were to establish how efficient the firms were managing their working capital. She also aimed at establishing the relationship between profitability, the cash conversion cycle and its components for the listed companies in the Nairobi securities exchange for the period 2001-2006.

The results showed that there was a statistical significant negative relationship between variables of working capital management and the profitability of firm except for the average payment period which showed a positive relationship.

Mutungi (2010) carried out a study on the relationship between working capital management and financial performance of oil marketing companies in Kenya. The study was inspired by the fact that working capital in any firm is extremely critical and requires conscious balance between the components on the working capital namely cash, receivables, payables and inventory. The objectives of the study was to establish the working capital management policies among oil marketing firms in Kenya and to examine the relationship between working capital management and profitability in oil marketing firms in Kenya. From the correlation analysis, the study concluded an existence of aggressive working capital policy in the oil sector.

Waweru (2011) carried out a study on the relationship between working capital management and the value of companies quoted at the NSE. The study used secondary data obtained from annual reports and audited financial statements of companies listed on the NSE. A sample of 22 companies listed on the NSE for a period of seven years from 2003 to 2009 was studied. The average stock price was used to measure the value of the firm.

The regression models indicated that there was some relationship between working capital management and the firm's value while the result of the Pearson correlation indicated a negative relationship between average cash collection period, inventory turnover in days, cash conversion cycle and the value of the firm. Mugwe (2013) examined the relationship between firm specific factors and financial between 2008 and 2012. In her research she used two measures in determining the relationship between firm's specific factors and financial performance by measuring firm's performance using return on asset (ROA) and return on equity (ROE). The finding indicates a positive significant association between financial performance and banks specific factors. The study used descriptive statistics using Pears on correlation. Also she found these correlations support the hypothesis that each independent variable in the model has own particular informative value and ability to explain financial

performance. This suggests that a large number of directors positively influence the firm's operations. He found significant negative effects on the board size earning which suggests that a lean board can be more efficient.

2.5   Summary of Literature Review

Working capital management is an important component of corporate finance because it directly affects the liquidity and profitability of the company. Working capital refers to a company's current asset and liabilities. An optimal working capital management is expected to contribute positively to the creation of a firm's value. To arrive at an optimal working capital management, firm managers should control the trade-off between liquidity (ability to meet its dues by making adequate sales and paying off its bills as they fall due) and profitability (size of earning after tax).

A review of prior literature reveals that there exists a significant relationship between financial performance and working capital management by using different variable selection for analysis. In addition it has been found out that different sector companies have different levels of working capital and they will always strife to maintain the level of working capital in the short term. However, it is evident from the literature that none of the studies has been able enough to develop a model that will assist managers to establish an optimum working capital under different operating environments or even industries. Instead, the literature and studies suggest the existence of an optimum level without necessarily suggesting the same level or how to be establishing it.

A few studies have been conducted in the Kenyan context touching on working capital management; from these empirical studies it's clear that much has not been done to determine the relationship between working capital and financial performance. Therefore, there is need to establish whether there exists any relationship between working capital management and financial performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1   Introduction

This chapter describes research methodology that was used during the time of the study. The methodology presented here is grouped in the order of research design, population, data collection, data analysis and analytical models.

3.2   Research Design

The research design is the main plan of conducting the study for the purposes of achieving the stated objective. This study adopted a causal research design. According to Schindler (2003) a causale research design is 'proper' where the study seeks to establish impact of a variable on another.

3.3   Population

The population according to Mugenda and Mugenda (2003) is an entire group of individuals, events or subjects with common observable characteristics. The population of the study will be composed of Three Star Hotels in Nairobi County between the year 2000 and 2015 fulfilling the data collection criteria.

The sample size consists of 30 three star hotels licensed by the Hotels and Restaurant Authority Ministry of Commerce and Tourism out of 58 hotels. The hotels' financial performance as a variable was obtained from Audited Financial Statements of the hotels. The period covered is considered adequate to obtain the necessary information considering the data analysis involved.

3.4   Data Collection

The study employed secondary data to meet its objectives. Therefore secondary data was collected from audited financial statements and reports of the targeted companies within the study period 2000-2015.

3.5 Data Analysis

Data analysis involved reducing accumulated data to a manageable size, developing summaries, looking for patterns and finally applying statistical techniques. It refers to converting raw data into meaningful information. The collected data was examined for completeness and comprehensibility. The data was analysed using Eviews econometric software. This is a software used in estimation of econometric models.

3.6 The Model

To capture the causal relationship between the variables, a linear model with the following specification was estimated.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 1$$

Where:ROA(Y) is Return on Asset - a proxy for financial performance obtained by dividing net operating income by the total assets of each of the companies in the hotel industry,

ACP(X1) = Average Collection Period, is the average time required for changing the company's receivables into cash and is calculated by dividing receivable by sales and multiplying the results by 360 days,

ICP(X2) =Inventory Collection Period proxy for the inventory policy and was calculated by dividing inventory by sales and multiplying the results by 360days.

On the other hand APP(X3) =Average Payable Period meaning the time it takes to settle account payables in a given period.

CCC(X4) = Cash Conversion Cycle, the sum of days of sales outstanding (average collection period) and days of sale in inventory less days of payables outstanding.

ε is an error term that is expected to be a white noise that is have a constant variance and a mean of zero.

β_i where i=0, 1,2,3, and 4, are the coefficients to be estimated. The prior signs for the slope coefficients are expected to be negative and statistically significant at conventional levels of measurement.

3.7 Test of Significance

The study tested the significance of the estimated parameter co-efficient Bo, B1. B2, B3 and B4. The study relied on the following set of hypothesis. Where the null hypothesis states that there is no significance difference between the population parameter and zero. While the alternative hypothesis states that there is statistically significance difference between the parameter and zero. The test relied on the t-statistic at 5% significance level. The p-values computed using the Eviews software where compared with 5% significance level.

H0: Bi=0

H1: Bi≠0

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 Introduction

This chapter presents the data analysis, interpretation and presentation of findings on the effect of effect of working capital management on financial performance of three star hotels in nairobi county. The data was analyzed using Eviews econometric soft ware.

4.2 Descriptive Statistics

Table 1:Descriptive statistics

	Return on assets	Avarage collection period	Inventory collection period	Avareage payable period
Mean	21	40	35	34
Median	22	41	34	33
Maximum	25	43	38	37
Minimum	18	38	30	32
Std. Dev.	2.1	5	3	4

Table 1 a above shows the descriptive measure of the data variables under consideration in this study. Firstly it is notable that the highest rate of return for the firm is 25% while the lowest was 18% with a mean of 21%. On the other hand on avarage, avarage collection period was the highest at 40days followed by 35 days and 34days for inventoy collection period and avarage payable period respectively.

4.3 Diagnostic Statistics

This study relied on ordinary least squares estimation procedure. Firstly, preliminary analysis was done to investigate the conditionls that may viloate OLS estimations assumptions.

These are normality, multcollenearity and autocorrelation. Several diagnostics tests where applied before an inferential analysis based on a regression model was carried out. The first test carried out was on normality.

4.3.1 Test for Normality

Several diagnostics tests where applied before an inferential analysis based on a regression model was carried out. The first test carried out was on normality. The study sought to establish whether the variables are normally distributed using Jarque-Bera statistic. The findings reveal that the variables are normally distributed since a null hypothesis of skewed distribution was rejected at all conventional significance levels i.e 1%, 5% and 10%.

Table 2: Test for normality

Jarque-Bera	159.6723	8.267179	42942.25	906.0134	28.48222	97.68500
Probability	0.000000	0.016025	0.000000	0.000000	0.000001	0.000000
Sum	460.0000	446.0000	104.0000	486.0000	464.0000	470.0000
Sum Sq. Dev.	51.63107	44.77670	0.990291	62.83495	39.74757	39.33981
Observations	30	30	30	30	30	30

4.3.2 Test for Multicollinearity

Multicollinearity is the violation of the ordinary least square's assumption of no correlation. If correlation between independent variables exceeds 0.5, therefore, the study relied on a correlation matrix below to reveal if the independent variables are highly correlated. The correlation coefficients are lower than 0.5 revealing low level of correlation hence no reason to worry about multicollinearity.

Table 3: Test for Multicollinearity

Covariance Analysis: Ordinary				
Correlation	X1	X2	X3	X4
X1	1.000000			
X2	-0.142354	1.000000		
X3	-0.065173	0.100601	1.000000	
X4	-0.08523	-0.177728	-0.217848	1.000000

4.3.3 Test for Autocorrelation

Autocorrelation or serial correlation occurs when one of the Gauss-Markov assumptions fails and the error terms are correlated. That is 1.This can be due to a variety of problems, but the main cause is when an important variable has been omitted from the regression. In the presence of autocorrelation the estimator is no longer best, linear and unbiased, as the estimator is not the best. In this case the t-statistics and other tests are no longer valid. To test for first order autocorrelation, the study use the Durbin-Watson (DW) d statistic. Given the following 1st order process:

$$y_t = \alpha + \beta x_t + u_t$$
$$\text{Where}: u_t = \rho u_{t-1} + \varepsilon_t$$

The d statistic is roughly: d = 2 - 2ρ, where ρ lies between +1 and -1. This statistic lies between 0 and 4. Having a calculated DW statistic of 2.0 means that there is no autocorrelation. The test statistic below is 2 revealing that there is no autocorrelation.

Table 4: Test for autocorrelation

Dependent Variable: Y				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	-0.066774	0.089214	2.748475	0.0560**
X2	-0.037412	0.096955	-2.385867	0.0007*
X3	-0.584297	0.653144	2.894592	0.0732**
X4	-0.106677	0.100970	2.056528	0.004*
C	3.269329	1.230044	2.657895	0.0092*
R-squared	0.923810	**Durbin-Watson stat**		**2.023676**
Adjusted R-squared	0.916509			
F-statistic	10.473183			
Prob(F-statistic)	0.005			

4.4 Correlation Analysis

The correlation matrix below shows the degree and direction of association among the variables under consideration.

Table 5:Correlation matrix

Covariance Analysis: Ordinary						
Correlation						
	Y	X1	X2	X3	X4	
Y	1.0000					
X1	0.82000	1.000000				
X2	08120	-0.142354	1.000000			
X3	0.75213	-0.065173	0.100601	1.000000		
X4	0.8021	0.08523	-0.177728	-0.217848	1.000000	

The table above reveals that there is a postive relationship between the the rate of assets return and all the explanatory variables.

4.5 Working Capital Management and Financial Performance Regression Model

Table 6:Regression Model

Dependent Variable: Y					
Variable	Coefficient	Std. Error	t-Statistic	Prob.	
X1	-0.066774	0.089214	2.748475	0.0560	**
X2	-0.037412	0.096955	-2.385867	0.007	*
X3	0.584297	0.653144	2.894592	0.0732	**
X4	-0.106677	0.100970	2.056528	0.004	*
C	3.269329	1.230044	2.657895	0.0092	*
R-squared	0.823810	Durbin-Watson stat		2.023676	
Adjusted R-squared	0.816509				
F-statistic	10.473183				
Prob(F-statistic)	0.005				

*significant at 5% **significant at 10%

From table six above, the co-efficent of determinatin is 82% meaning that the nodel estimated explains 82% of the variations in the returns on assets. The analysis also reveals that the indipendent variables significantly affect returns on assets for three star hotel.

Specifically, (X1) Average Collection Period; the average time required for changing the company's receivables into cash and is calculated by dividing receivable by sales and multiplying the results by 360 days is negatively related to returns on assets. Based on the empirical evidence, by reducing avarage collection period by 1%, ROA would grow by 6%. However the effect is not significant at 5%.

On the other hand, (X2) Inventory Collection Period proxy for the inventory policy which was calculated by dividing inventory by sales and multiplying the results by 360days impacts on ROA. The inferential analysis based on regression reveals that improving inventory collection period by 1% would increase returns on assets by 3%. The effect is significant at 5% level.

 Similarly, (X3)Average Payable Period meaning the time it takes to settle account payables in a given period has postive but insignifcant effect on returns on assets in the time period under analysis.

 Finally, (X4) Cash Conversion Cycle, the sum of days of sales outstanding (average collection period) and days of sale in inventory less days of payables outstanding. The negative and significant statistic means that the shorter the cash conversion cycle the higher the level of returns on assets.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of major findings, conclusions, recommendations and recommendations for further studies accordingly on effect of working capital management on financial performance of three star hotel.

5.2 Summary of Findings

The objective of the study was to establish the relationship between working capital management and retuns on assets for three star hotel. It was established that working capital variables included in the estimation model impact on the financial performance of three star hotel.

These variables were ACP(X1)=Average Collection Period, is the average time required for changing the company's receivables into cash and is calculated by dividing receivable by sales and multiplying the results by 360 days, ICP(X2) =Inventory Collection Period proxy for the inventory policy and was calculated by dividing inventory by sales and multiplying the results by 360days, APP(X3)=Average Payable Period meaning the time it takes to settle account payables in a given period and CCC(X4) = Cash Conversion Cycle, the sum of days of sales outstanding (average collection period) and days of sale in inventory less days of payables outstanding

The average time required for changing the company's receivables into cash is negatively related to returns on assets. This means that by reducing avarage collection period by 1%, ROA would grow by 6%. However the effect is significant at 10% but not at 5%. On the other hand,(X2) Inventory Collection Period proxy for the inventory policy imoact s on returns on assests. The estimation reveals that improving inventory collection period by 1% would increase returns on assets by 3%. The effect is significant at 5% level. Similarly, (X3)Average Payable Period meaning the time it takes to settle account payables in a given period has postive but insignificant effect on returns on assets in the time period under analysis.

Finally, (X4) Cash Conversion Cycle, has negative and significant statistic means that the shorter the cash conversion cycle the higher the level of returns on assets. The above findings are consistent with empirical evidence provided by (Ouma, 2001; Nyakundi,2003; Ochieng,2006; Chowdhury and Amin ,2007). However, the results are contrally to findings of Ganesan (2007).

5.3 Conclusions

Working capital management is an important component of corporate finance because it directly affects the liquidity and profitability of the company. Working capital refers to a company's current asset and liabilities. An optimal working capital management is expected to contribute positively to the creation of a firm's value. To arrive at an optimal working capital management, firm managers should control the trade-off between liquidity (ability to meet its dues by making adequate sales and paying off its bills as they fall due) and profitability (size of earning after tax).

A review of prior literature reveals that there exists a significant relationship between financial performance and working capital management by using different variable selection for analysis. In addition it has been found out that different sector companies have different levels of working capital and they will always strife to maintain the level of working capital in the short term.

However, it is evident from the literature that none of the studies has been able enough to develop a model that will assist managers to establish an optimum working capital under different operating environments or even industries. Instead, the literature and studies suggest the existence of an optimum level without necessarily suggesting the same level or how to be establishing it.

A few studies have been conducted in the Kenyan context touching on working capital management; from these empirical studies it's clear that much has not been done to determine the relationship between working capital and financial performance.

These study investigated the relationship between working capital management and rate of returns case of three Star hotel. It was established that Inventory Collection Period proxy, Inventory Collection Period and Cash Conversion Cycle have significant effects on return on assets .

5.4 Recommendations

Firstly, three star hotel should focus on paying supplies on time. This will develop better relationships with suppliers and it will be in a position to negotiate better terms and reduce inventory waiting time which improves ROA.

Secondly, three star hotel needs to set clear and have the tools to monitor expense claims without huge manual effort. Detailed reporting will help three star hotel to see where costs can be consolidated, thereby making forecasting easier and repayments more streamlined.

Thirdly, three star hotel needs to manage stock actively to reduce cash conversion cycle. Holding un-necessary levels of the wrong stock can be one of the biggest drags on working capital. Stock check done frequently would be essential.Finally, three star hotel should focus on e-procurement to cut costs and make it eaier to buy, pay and track payments.

5.5 Limitations of the Study

The study focused on three star hotels in Nairobi County. The results are therefore applicable only to three star hotels in Nairobi County and therefore any attempt to generalize the findings to other areas and or segments outside this scope should be approached with a lot of care. The analysis covered only three Star Hotels licensed by Hotels and Restaurant Authority in Nairobi County and this in itself limit the findings that could have been realized if the entire hotel industry were included in the study.

The population size could have affected the results and thus the findings should not be presumed to be certain. The time taken during the study was also not sufficient enough to get through the details and analysis of the study perfectly well due to data involved. With enough time, detailed tests could be carried out to establish whether the conclusion derived when variables in question were more could have been different.

There are other factors that may impact negatively on financial performance and thus working capital management (WCM) should be looked at in terms of non-financial and financial factors. With this in mind, more studies that incorporate other factors which may affect financial performance as well as working capital management would be objective enough and helpful to the management of three star hotels in Nairobi County.

5.6 Recommendations for Further Studies

This study can be a replica in the entire hotel industry in establishing a more prudent way in which working capital management can be viewed in terms of increasing the company's financial performance thus profitability. Good management of working capital helps companies to have liquid cash and thus be able to meet their obligations as they fall due.

Also a consideration as to whether non - financial performance can affect efficiency of working capital management is another area that needs to be looked at seriously. The study suggests that similar studies should be done on other firms as the relationship adduced does not conform to the rule of thumb or one-size-fits-all mantra as different industries and sector have different operational environment. This might affect the relationship between working capital and profitability.

There is need for further studies to carry out similar tests for a longer time period of time. This will help in observing the three star hotels and the relationship between working capital management and profitability through to the earlier periods before liberalization when the three star hotels had little competition and were subjected to political patronage with little accountability.

This study recommends that further studies be done on firms in other sectors in the economy since litrature review suggest that the results may be sector specific. This limits the findings of this study from being generelized over other industries.

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APPENDICES

Appendix I: List of Three Star Hotels in Nairobi County

1. Prideinn Hotel

2. Silver Spring Hotel

3. The Monarch Hotel

4. Sentrim 680 Hotel

5. Mvuli Suites

6. The Kenya Comfort Hotel Suites

7. Karen Inn and Suites

8. Eron Hotel

9. Eden Gardens Hotel Nairobi

10. Westend Hotel

11. Marble Arch Hotel

12. Hennessis Hotel

13. Park Place Hotel

14. Sportview Hotel Kasarani

15. The Strand Hotel

16. Kivi Milimani Hotel

17. Wood Avenue Towers

18. Ngong Hills Hotel

19. Nairobi Upperhill Hotel

20. O' Sinkirri Hotel

21. Red Court

22. Decasa Hotel

23. Kahama Hotel

24. Hotel Troy Nairobi

25. Hadassal Hotel

26. Qaribu Inn

27. Nairobi Transit Hotel

28. Hotel Emerald

29. Nairobi Airport Hotel

30. Longview Suites