INFLUENCE OF WCM ON FINANCIAL PERFORMANCE OF PRIVATE HEALTH CARE INSTITUTIONS IN ISIOLO COUNTY, KENYA

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION DEGREE IN FINANCE OF MOUNT KENYA UNIVERSITY

April 2025

DECLARATION AND APPROVAL

Student Declaration

This proposal is my original work and has not been presented for a degree in any other University or for any other award.

Sign Date.09/07/2025

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Supervisor Approval

I hereby affirm that the applicant conducted the task outlined in this proposal under my guidance and supervision.

Sign Date.09/07/2025

CPA, Dr. Gilbert Nyaga Njagi

Mount Kenya University.

DEDICATION

I dedicate this project to Almighty God, the creator of the universe and those within. He has been the source of inspiration and the pillar of strength, hope and courage throughout this long journey.

I also dedicate this work to my parents specifically, my late loving and hard-working father. Indescribable of how much I still yearn for his presence and guidance. Thank you for making me understand my purpose in this life and step up where am needed the most. Wherever you are, am not done making you proud, yet.

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to all those who have contributed to the development of this research proposal. First, I am deeply thankful to my supervisor Dr Gilbert Nyaga, whose unwavering guidance, expertise, and continuous support have been invaluable throughout this process. I would also like to extend my appreciation to the library staff of Mount Kenya University for providing the necessary resources and facilities for this research endeavor. Finally, I am grateful to my friends and family for their encouragement and understanding during this demanding phase of my academic journey. This research proposal would not have been possible without the collective contributions and support of these individuals and institutions. Their belief in the significance of this study motivates me to pursue this research with dedication and enthusiasm.

ABSTRACT

The effective management of working capital is a cornerstone for business success. Within the retail sector, lapses in financial oversight can lead to challenges like rising bad debts and escalating inventory expenses, thereby negatively impacting a company's fiscal health. In Isiolo County, Kenya, inadequate working capital governance hasn't just diminished financial outcomes but also led to the shutdown of several private healthcare entities. This research aimed to investigate the impact of WCM on the financial stability of private healthcare institutions in Isiolo County. The investigation specifically analyzed the effects of cash governance, management of payables and receivables, and inventory control on financial results. The fundamental ideas underlying the analysis encompassed the Keynesian liquidity preference model, the cash conversion cycle framework, the transaction cost notion, and the stakeholder perspective. The research population included all private healthcare organizations in Isiolo County. A descriptive research design was utilized, incorporating feedback from 39 participants: 13 managers, 13 inventory supervisors, and 13 finance experts from six private healthcare organizations in the area. A thoroughly designed questionnaire was employed to collect primary data on each focal region. A preliminary investigation was undertaken to verify the precision and reliability of the data collection apparatus. The tool's dependability was evaluated using the Cronbach alpha coefficient, with a threshold benchmark of 0.7. The data analysis incorporated both descriptive statistics, such as Ms and SDs, and inferential methods, including correlation and regression analysis, to ascertain inter-variable correlations. A significance level of 0.05 (P-value) was utilized in the interpretation of data. Additionally, measures like model fitness (R^2), ANOVA results, and regression outputs were evaluated. Qualitative insights were systematically grouped thematically, while quantitative facts were conveyed through frequencies and percentages. The investigation's findings indicated that the majority of respondents were female, and most participants were aged between 31 and 40 years. The data indicates that undergraduates constituted the predominant group of respondents with the highest educational attainment. The analysis determined that WCM strategies, encompassing inventory control, cash management, and the management of payables and receivables, substantially influence financial performance. The accounts payable data provide statistically significant correlation coefficients, thereby justifying the rejection of all null hypotheses. The study indicated that the finance director in these hospitals should consistently convey payment terms to clients promptly to ensure adherence to those requirements. The report suggests that credit officers at these hospitals periodically assess the aging of accounts receivable to ensure ongoing follow-up on outstanding payments.

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ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
APP	Average Payable Period
BOD	Board of directors
DPO	Days of Payables Outstanding
EPS	Earnings per Share
FBOs	faith-based organizations
KMPDC	Kenya Medical Practitioners and Dentists Council
M	mean
SD	standard deviation
NACOSTI	National Commission for Science and Technology
NGOs	non-governmental organizations
NPAT	Net profit after tax
ROA	return on assets
ROE	Return on Equity
SDGs	Sustainable Development Goals
SMEs	small and medium-sized enterprises
SPSS	Statistical Package for Social Sciences
SSEs	Small scale enterprises
WCM	Working capital management

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The pivotal role of working capital in shaping a business's financial health is undeniable, necessitating meticulous oversight. Although earlier corporate finance studies predominantly zoomed in on long-term financial choices such as investments, organizational capital structures, dividend policies, and company valuations (Gajdosikova & Valaskova, 2022), present-day corporations often interweave strategies involving short-term working capital and payables. Overlooking liquidity management can cascade into severe complications, directly impinging on a firm's liquidity and earnings potential (Ismail & Ahmed, 2023). Hence, businesses must adeptly steer their working capital for enduring success and fiscal solidity.

Efficient WCM pivots on the day-to-day oversight of an enterprise's immediate assets (CA) and obligations (CL). While immediate assets encompass cash and readily convertible assets, immediate obligations refer to clearing dues within a fiscal year. Navigating these assets and debts astutely is paramount for an enterprise's profitability, more so amidst escalating financial strains (Fridson & Alvarez, 2022). WCM is instrumental in anchoring a firm's liquidity, earnings, and holistic performance. A company's financial vitality hinges on its adeptness in WCM, encompassing payables, receivables, inventory, and cash flow. Refining these operational aspects can bolster financial outcomes, influencing pivotal metrics such as market dominance, revenue growth, asset accumulation, and business expansion, thereby fortifying the firm's overall fiscal trajectory.

Japaridze (2023) described the Net Trade Cycle concept, underscoring percentage metrics associated with turnover and elucidating the sale duration, necessitating financing, which enriches a firm's financial governance. Lugnér and Krabbe (2020) described another pertinent framework, the risk trade-off paradigm, shedding light on the balancing act between liquidity, solvency, and earnings for enterprises. Mwhile, the resource-centric perspective accentuates the proficiency of corporate leaders in tactically leveraging the functional prowess of the firm's immediate assets (CA), as expounded by Adnan, Abdulhamid, & Sohail, 2018)

1.1.1 WCM Practices

Managing working capital effectively revolves around a set of core practices and strategies that businesses employ to oversee their working capital. By instituting robust WCM procedures, companies can deter financial pitfalls and elevate their overall efficiency (Mbaye, 2023). As highlighted by Boisjoly, Conine, and McDonald IV (2020), this involves the mechanisms companies use to fund their immediate assets. By deftly governing working capital, companies ensure they possess ample cash flow to address their routine expenditures and immediate liabilities, which, in turn, bolsters their profit margins (Asare et al., 2022).

For a balanced working capital stance, companies typically adopt a quartet of practices: cash handling, stock oversight, management of receivables, and management of payables. Cash handling zeroes in on striking a balance in cash reserves, navigating the dilemma between insufficient cash, which might thwart growth opportunities, and excessive cash, which might lead to unneeded carrying costs (Ismail, 2023). Orchestrating and forecasting cash movements is pivotal to gauge the ideal cash reserve (Asare et al., 2022).

Stock oversight incorporates measures and standards to track inventory volumes, gauge restocking moments, and fix optimal order sizes (Lessing, 2021). An overflow of stock can usher in

unwarranted expenses, spanning potential damage, becoming outdated, and warehousing costs. Management of receivables is paramount as receivables investments carry both perks and costs. Enterprises should strive to keep a receivables threshold that harmonizes both profitability and liquidity (Munene & Tibbs, 2018).

On the other hand, payables oversight revolves around juxtaposing the merits of vendor credit with its inherent costs. Skillful handling of payables fine-tunes cash disbursements, preserving both the immediate liquidity and the enduring profit prospects of the business (Viktorovna & Nickolaevna, 2019). Through the adept execution of these tactics, businesses can amplify their working capital governance and fiscal health.

1.1.2 Financial Performance

Financial performance serves as a measure to assess a company's monetary outcomes based on its operational strategies and policies. Key indicators spotlighting these outcomes include accounting earnings, ROI, value to shareholders, and ROA (Kopecká, 2018). ROA offers insight into a company's proficiency in using its assets to drive revenue, whereas profitability is a yardstick to gauge a firm's commendable performance. Moreover, profitability is instrumental in juxtaposing a firm against industry peers, determining its allure for potential investors, and critiquing the effectiveness of its leadership (Tetiana et al., 2018). At the heart of corporate financial stewardship is the challenge of harmoniously aligning solvency, liquidity, and profitability (Panigrahi, Raul, & Gijare, 2018). For the current exploration, the lens of financial performance will focus on metrics such as ROA, bottom-line profit, and sales volumes.

1.1.3 WCM Practices and Financial Performance

Effective management of working capital can significantly influence the trajectory of a company, steering it towards success or downfall (Nguyen, Pham, & Nguyen, 2020). For most businesses,

particularly those in manufacturing, a substantial portion of their resources is committed to working capital. Thus, allocating funds to working capital is analogous to investing in infrastructure and machinery and elevating investments in working capital ties down funds, preventing their utilization elsewhere in the business (Bhattacharya, 2021). Thus, it's commonly believed that optimal, lean management of current assets often promises superior returns.

In prominent economies like the US and the UK, one of the chief culprits behind business failures is inadequate financial management, especially regarding working capital practices (Bradley & Rubach, 2002). WCM and business performance was the subject of a research by Akgün and Memiş, Karataş (2021), which focused on the years after the EU financial crisis of 2008. In countries that follow code law standards, their study found that comprehensive working capital and company performance are negatively correlated using OLS regression. The current ratio and other liquidity indicators have a significant effect on ROA and other business performance measures in every EU member state. It was clear that ROA was crippled by the financial crisis. In addition, for high-performing nations and EU countries, statistics on financial inclusion showed a negative correlation between total working capital and business performance.

The link between efficient use of working capital and profitability was investigated in a separate Italian research effort by Sensini (2020), with a focus on SMEs in the agri-food industry. The study found that the length of the working capital cycle significantly correlates negatively with the firm's profitability, as determined by descriptive statistics. Profitability was also negatively correlated with the times it took to transfer over inventory, collect accounts receivable, and settle accounts payable. A negative association between borrowing and profitability was also highlighted by the study, which is rather interesting.

From 2013 to 2018, the performance of state enterprises in Turkey was examined in a research by Nastiti, Atahau, and Supramono (2019). Finding out how WCM affects a company's bottom line was the primary goal of the study. According to the results, profitability was significantly impacted by variables including accounts receivable length, inventory turnover interval, and degree of financial leverage. Profitability was unaffected by factors such as company size, fixed financial assets, or the cash conversion cycle. Further, Alhassan and Islam (2021) looked at the relationship between working capital techniques and the profitability and dividend distribution of a corporation. Their research, which looked at industrial companies listed on the Nigeria Stock Exchange between 2002 and 2006, found that more profits were made when the trading cycle was shorter and the debt ratio was lower. On the other hand, profitability suffered with a larger leverage ratio.

In Kenya, numerous private and public entities have faced managerial overhauls, with sectors spanning supermarkets, state enterprises, and various private businesses entering receivership. The inability to satisfy immediate financial commitments was often at the root of their problems (Onchangwa, 2019). Private healthcare institutions in Isiolo County, Kenya, were the focus of this inquiry because of the importance of WCM to their financial well-being.

1.1.4 Private Healthcare Institutions in Kenya

The Kenyan government is firmly committed to improving both the quality and accessibility of essential healthcare services. This dedication aligns with its broader aspirations outlined in Vision 2030, which emphasizes enhancing public services and achieving the SDGs (SDG 3). The health sector, under this vision, is entrusted with the task of fostering a robust and competent workforce to catalyze economic progression.

Commercial private hospitals, NGOs, and FBOs all make to Kenya's private health industry. While FBOs and some NGOs operate non-profit healthcare institutions, commercial private hospitals primarily function with a profit motive. To harmonize and amplify the contributions of these different segments, a sector-wide approach (SWAP) has been adopted, as articulated in the National Health Sector Strategic Plan II (NHSSSP II). This approach aims to cohesively unify public, not-for-profit, and for-profit healthcare entities in a collective effort to ensure health for all (Mutie, 2019).

Given the exponential growth of the private health sector in recent decades, it has become an essential player in the Kenyan healthcare landscape. This sector caters to diverse populations and has seen an uptick in medical visits, especially in urban areas. Notably, the share of medical visits to private healthcare establishments in urban parts of Kenya increased significantly in the early 2010s, as did overall health expenditure relative to the country's GDP.

The financial valuation of the Kenyan private health sector showcased a notable surge from the early 2010s onwards. Such growth has captured the attention of domestic and international investors. A testament to this rising interest is the investment by the Abraaj Group in Avenue Hospital, a local healthcare institution. After the group's initial investment, Avenue Hospital broadened its network of outpatient centers significantly. This expansion trend isn't limited to Avenue Hospital; many private healthcare establishments are aggressively increasing their presence, especially in urban areas. For instance, hospitals like the Aga Khan University Hospital have established a sprawling network of outpatient centers across urban locales.

The burgeoning growth in the sector is further evidenced by the online health facilities register, eHealth Kenya, which lists numerous specialized and general practice clinics. Alongside physicians and dentists, other healthcare professionals, including clinical officers and nurse

practitioners, are also vying for a slice of the market. Given the intense competition and the influx of various healthcare providers, there is a compelling need for effective capital management to gain a competitive edge and enhance profitability.

In summary, as Kenya progresses towards its Vision 2030 goals, the private healthcare sector remains a critical pillar in ensuring comprehensive healthcare for its citizens. The rapid expansion and increasing competition in this sector underscore the importance of strategic investments, innovative practices, and effective marketing to meet the diverse needs of the Kenyan population

1.1.5 Private Health Care Institutions in Isiolo County

The core objective of the private health sector is wealth maximization for its owners. This necessitates striking a harmonious equilibrium between performance, liquidity, efficiency, and financial stability (Olayinka, 2022). Efficient management of both current assets and short-term liabilities is pivotal. This involves the strategic reduction of superfluous operational assets while leveraging short-term financing to its fullest potential. In places like Isiolo County, it becomes imperative for private healthcare institutions to embrace exemplary WCM strategies. Doing so not only bolsters their financial health but also ensures sustained growth and consistent service delivery.

With the decentralization of health services to individual counties, including Isiolo County, there have been evident administrative hurdles. These challenges range from recurring shortages in essential medical supplies like drugs and lab reagents to a lack of adequate medical professionals. Further complicating the scenario are instances of healthcare workers mobilizing strikes to advocate for better employment conditions. The socio-economic landscape of Isiolo, characterized by high poverty rates, modest per capita income, and significant occurrences of diseases like HIV and other communicable ailments, has ushered in a surge of private healthcare facilities over recent

years. These institutions aim to supplement the healthcare needs of the local populace (Abdi, 2020).

For these private health establishments in Isiolo County to maintain their relevance and operational viability, they must adopt robust WCM practices. The health of these organizations' finances is strongly related to how well they handle their working capital. Hence, a keen focus on maintaining liquidity, optimizing operational efficiency, and ensuring solvency is essential for them to navigate the multifaceted challenges and continue to serve the community effectively

1.2 Statement of the problem

In Kenya, key national documents like the Vision 2030 blueprint and the 2018 universal health coverage policy emphasize the importance of healthcare (MOH, 2018). However, governmental financial support only covers 60% of healthcare funding needs, leading to inefficiencies and compromised care quality. In regions like Isiolo County, healthcare providers often rely on alternative funding sources such as NGO partnerships, individual investors, and insurance collaborations (Dutta et al., 2018). Therefore, examining the impact of WCM on the financial health of private healthcare establishments in Isiolo County is crucial.

Existing literature underscores the relationship between WCM and an entity's financial health, with several studies focusing on various sectors and regions. For instance, Siedlecki, Pawel, Bem, and Szpulak (2021) explored WCM in Poland's healthcare sector, and Muhindo and Rwakihembo (2021) conducted a similar study in Uganda. Dalci and Ozyapici (2018) examined WCM in publicly listed European healthcare institutions, while Anton and Nucu (2021) analyzed its impact on Polish firms' profit margins, finding that WCM positively influences profitability up to a certain threshold before the relationship reverses. Sector-specific studies, such as those by Mbawuni,

Mbawuni, and Nimako (2016) in Ghana's petroleum industry and Jyoti and Uday (2016) in India's telecommunications sector, provide additional insights.

Researchers Wanjiku, Githui, and Omurwa (2021) looked at private hospitals in Nairobi County to see how financial management affected their profitability. In Kisii County, Ondari and Muturi (2018) and Mombasa County, Kombo and Wekesa (2017) performed comparable research. A conceptual and contextual vacuum has been created due to the significant absence of research in Isiolo County, Kenya. To address this knowledge vacuum, this research looked at the relationship between private healthcare facilities' financial health and WCM methods in Isiolo County. To what extent do WCM practices influence the future financial standing of Isiolo County's private healthcare providers? This is the central issue driving the study.

1.3 Purpose of the study

Isiolo County, Kenya's private healthcare facilities' financial performance as a function of WCM.

1.4 Specific Objectives

The study-specific objectives included;

i. To find out the effect of cash management on financial performance of private healthcare institutions in Isiolo County, Kenya.
ii. To examine the effect of accounts payables management on financial performance of private healthcare institutions in Isiolo County, Kenya.
iii. To establish the effect of account receivables management on financial performance of private healthcare institutions in Isiolo County, Kenya.
iv. To assess the effect of inventory management on financial performance of private health care institutions in Isiolo County, Kenya.

1.5 Research Questions

This study sought answers to the following research questions;

i. What is the effect of cash management on financial performance of private healthcare institutions in Isiolo County, Kenya?
ii. How is the financial performance of private healthcare institutions in Isiolo County, Kenya affected by accounts payables management?
iii. What is the effect of account receivables management on financial performance of private healthcare institutions in Isiolo County, Kenya?
iv. What is the effect of inventory management practices on financial performance of private healthcare institutions in Isiolo County, Kenya?

1.6 Significant of the study

This study has the potential to impact various stakeholders including, healthcare managers, investors, policymakers, and the local community.

1.6.1 Healthcare managers

This study has the ability to elucidate the critical function of efficient WCM strategies in enhancing the financial results of private healthcare organizations. This research has the potential to shed light on the ins and outs of efficient WCM, providing these institutions with a road map to improve their financial operations, increase their profit margins, and secure their long-term sustainability. Moreover, the leadership teams and decision-makers in private healthcare institutions stand to gain immensely from the insights derived from this research. Armed with a deeper understanding of working capital dynamics, they can formulate and implement more strategic decisions. This encompasses refining inventory management to match demand, enhancing procedures related to

accounts receivable and payable to reduce lead times and costs, and instituting robust cash flow management systems to ensure liquidity.

In essence, this study could serve as a foundational guide for healthcare institutions, illuminating the path towards operational excellence in financial management. By applying the recommendations and strategies derived from the research, these institutions can position themselves for sustained growth, financial resilience, and heightened service delivery in an increasingly competitive landscape

1.6.2 Potential investors

The outcomes of this research have the potential to significantly impact investment choices from diverse stakeholders, encompassing both the private and governmental arenas. Should the study unveil a compelling link between adept WCM and robust financial outcomes, it could catalyze heightened investor interest in the healthcare domain of Isiolo County.

Investors, always on the lookout for sectors displaying operational efficiency and promising returns, may view a positive correlation as a green light to channel more funds into the region's healthcare infrastructure. Such financial backing could lead to advancements in healthcare technologies, facilities, and services, ultimately benefiting the community at large.

Furthermore, from a governmental perspective, positive findings could be a testament to the efficacy of sound financial management practices in healthcare institutions. This could steer policy-making towards promoting and supporting such best practices, potentially via grants, training programs, or favorable regulatory frameworks. Such governmental endorsement and support would not only uplift the healthcare sector in Isiolo County but also set a precedent for other regions, advocating for the broader adoption of effective WCM strategies across the country.

1.6.3 Policymakers

The research has the potential to offer pivotal insights that could guide policymakers in crafting well-informed strategies and governance measures. These measures could bolster the expansion and fiscal resilience of private healthcare establishments in the area. By shedding light on the intricacies of WCM and its influence on financial health, the findings could steer the creation of a more nurturing and supportive ecosystem for healthcare enterprises within the region.

Furthermore, understanding the dynamics of working capital in the healthcare sector could empower policymakers to devise specific initiatives, such as targeted financial training programs, incentives, or subsidies. These could be aimed at enhancing the operational efficiencies of these institutions. Additionally, insights from the study could pave the way for public-private collaborations, fostering a synergy that uplifts the overall healthcare standards in the region. In essence, the study could serve as a roadmap, enabling a harmonious blend of policy direction and private sector aspirations, ultimately benefiting the broader community.

1.6.4 County government

Given the integral role of private healthcare entities in delivering medical services and fueling the regional economy, grasping the interplay between effective WCM and fiscal outcomes is paramount. Such understanding can influence not just the stability and growth of these institutions but also drive broader economic progress in Isiolo County. By ensuring that these healthcare providers are financially robust, it can lead to more investments, job opportunities, and improved medical facilities. Furthermore, as these institutions thrive, they can spur ancillary businesses and services, catalyzing a ripple effect of economic rejuvenation throughout the county.

1.6.5 Scholars and Researchers

Academics and researchers could use this study as a foundational reference for subsequent investigations. By delving into the nuances of WCM, especially within the purview of Kenya's private healthcare landscape, this study would enrich the scholarly repository in this domain. Moreover, by shedding light on this specific area, the research might pave the way for more in-depth explorations into the determinants of fiscal health, thus promoting a more holistic comprehension of the subject. As a result, new avenues for research could emerge, enhancing the academic discourse and offering fresh perspectives on longstanding questions.

1.7 Scope of the Study

This investigation was set to meticulously scrutinize the strategies related to WCM adopted by Isiolo County's private healthcare establishments. Inventory management, accounts receivable and payable, and cash flow optimization are important areas of concentration. To gauge the financial well-being, pertinent indicators like liquidity, profitability, and operational efficiency ratios will be deployed. This research was rooted in the context of Isiolo County, Kenya, giving special attention to the unique regional and local dynamics that could potentially shape the nuances of WCM and the overarching financial outcomes in such a distinct environment.

1.8 Study limitations

The investigation was poised to gather deeply confidential data regarding the fiscal outcomes of private healthcare entities. There was an expectation that participants may harbor reservations about divulging such sensitive information. In response to these concerns, the research process incorporated an informed consent form, reassuring participants of the strict confidentiality protocols that will be adhered to. The participants were made aware that the information was being

collected for purely academic purposes. The researchers sought approval from NACOSTI, the NACOSTI, to bolster the research's legitimacy. To further establish the study endeavor's credibility, a letter of affirmation was also provided by the directorate of postgraduate studies at Mount Kenya University.

Given the nature of the healthcare industry, it's foreseeable that the chosen respondents, due to their demanding roles, may find it challenging to allocate time for the questionnaire. To circumvent this obstacle, the research employed a method where questionnaires are distributed and then collected at a later date. By adopting the drop-and-pick approach, participants were granted a generous window of at least two weeks to provide thoughtful responses to the questions presented.

1.9 Delimitations

The research zeroed in on private healthcare facilities situated within Isiolo County, Kenya, exclusively. As such, the scope did not encompass public healthcare establishments or those private entities located in other Kenyan counties. The current ratio and the quick ratio were the foundational measurements for assessing financial success. Keep in mind that other aspects of performance, such as patient satisfaction and care quality, will not be included in this study.

1.10 Assumptions of the study

The study was based on the following basic assumptions that;

i. A key component of private healthcare facilities' financial performance in Isiolo County is their working capital, which stands for the financial resources accessible for day-to-day operations.

ii. There may be significant variation in WCM practices among different private healthcare institutions in Isiolo County, leading to differences in financial performance.

iii. Private healthcare institutions' internal WCM strategies will have a more significant influence on their financial success than external considerations, such macroeconomic circumstances.

iv. The findings from this research can provide insights not only for private healthcare institutions in Isiolo County but also potentially have implications for similar healthcare organizations in other regions with similar characteristics.

1.11 Operational definition of key terms

Account payable	debts incurred by a company as a result of purchases of products and services
Account receivable	the sum that consumers owe a business for the products or services the business has provided.
Liquidity management	how well-off a person is financially is one indicator of how best to spend their income
Inventory	The commodities used by the company in making the finished product
Performance	The commodities used by the company in making the finished product
WCM	the process of overseeing cash, accounts receivable, inventory, and receivables.
Working capital:	The difference between current assets and current liabilities.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

A thorough evaluation of the empirical literature follows the presentation of the study's theoretical underpinnings in this chapter. It concludes with a summary of all evaluated material, a synthesis of previous research, a list of unexplored regions, and the study's conceptual framework.

2.2 Empirical Literature Review

This segment delves into the interrelationship between the research variables, emphasizing the literature exploration related to financial performance and WCM practices.

2.2.1 Cash Management and Financial Performance

The impact of the currency conversion cycle on the financial results of Puntland's food and beverage shops was studied by Bari, Muturi, and Samantar (2019). The study's descriptive methodology brought attention to the merchants' widespread liquidity problems and the irregular cash flows throughout their many locations. Predominantly, many retailers demonstrated a weak liquidity position due to external factors like fluctuations in market demand for food and beverages in the region. However, internal issues like inadequate management oversight, where merchants overlooked the importance of systematic tracking and efficient financial administration, also contributed. While the study predominantly used qualitative analysis, it left a methodological void. The present research intends to bridge this by incorporating qualitative and quantitative analyses. Eton et al. (2019) set out to analyze the Lira district's businesses to see out how cash management affected their financial success. Through the use of both open-ended and closed-ended surveys, cross-sectional data was collected. It is believed that the business owners who participated in the study had excellent skills in managing their company's inventory and accounts receivable, as well

as in producing enough cash to meet their immediate financial responsibilities. The research did find, however, that owing to poor revenue and expense projections, these methods may not be viable in the long run. Cash management does not significantly impact financial success, according to the research.

Onyando's (2018) research centred on the nexus between cash management practices and financial outcomes among SMEs in Nakuru. The primary indicators were cash planning, reconciliation practices, cash positioning, and credit management. The results underlined the significance of prompt reconciliation, regular cash consolidations, and the role of internal audits. The study established that variables like debtor collection days and inventory holding had an inverse relation with profitability. In contrast to the study focused on SMEs in Nakuru, the current inquiry zooms in on private healthcare institutions in Isiolo County, using ROA as the performance metric.

Nyabwanga et al. (2016) discerned that many SMEs needed to prioritize WCM, leading to dwindling financial outcomes, evident from the declining net profit margins. Their research, however, needed to establish inter-variable connections. In comparison, this research plans to build a comprehensive model, laying out clear relationships between the variables.

In their analysis of the GCC, Maduga and Ogbomnaya (2018) highlighted the connection between working capital and the financial performance of corporations. Their findings endorsed the significant role of cash management in enhancing Performance. While their study was set in the context of the Gulf Cooperative Council, the current research narrows down to the dynamics within private healthcare establishments in Isiolo County.

In their study of private Thai hospitals, Wongthatsanekorn (2015) looked at how factors including inventory management, debtor management, and the cash conversion cycle affected profitability ratios. Key findings spotlighted the inverse relationships between payable accounts and asset

turnover and between receivable accounts and total asset turnover. The research suggested efficiency gains by minimizing the payable account periods. While Wongthatsanekorn examined the financial dynamics within Thai private hospitals, the current research aims to understand the WCM intricacies of private healthcare facilities in Kenya.

2.2.2 Accounts Payable and Financial Performance

Altawalbeh (2020) examined how managing creditor relationships impacts the performance of industrial firms listed on the ASE in Jordan. This study's information was sourced directly from the publicly accessible annual reports online. The research hypotheses underwent validation using panel data methodologies combined with eight distinct multiple regression models.

Kumaraswamy (2016) explored the influence of average payment durations on the financial outcomes of several Nigerian enterprises, specifically within the manufacturing sector. The analysis used regression models to interpret results from comprehensive financial data acquired from these enterprises. The research demonstrated a correlation between important metrics such as return on capital employed and profits per share and the average payment term of a company. It came to the conclusion that manufacturing firms' financial outcomes may be improved with appropriate payment period supervision. Adroit payable account management and the mitigation of supply interruptions caused by unsettled supplier bills should be prioritized by industry leaders and managers in light of the results.

Wongthatsanekorn's (2015) research, based in Thailand, underscored an inverse relationship between the time companies defer payments and their asset turnover rate. The findings indicated that firms can potentially amplify their profit margins by curtailing the duration of payment deferrals. Mwhile, Saba (2015) embarked on a study that analyzed the profitability metrics of corporations listed in Nigeria, pinpointing areas of research opportunity and gaps.

This present research narrows its focus on understanding financial performance dynamics within private healthcare institutions, setting it apart from the broader studies previously mentioned.

2.2.3 Account Receivable and Financial Performance

Dan (2020) looked into the relationship between publicly traded industrial companies in Nigeria and their performance as it pertained to accounts receivable management. The research found a strong relationship between the ROA of these Nigerian businesses and the length of accounts receivable when using ROA as a regression coefficient and ROA as a measure of company performance. This analysis demonstrated how accounts receivable procedures affect the liquidity of manufacturing companies in Nigeria. In an effort to fill in some of the blanks, this study focuses on the private healthcare facilities in Isiolo County and how they handle accounts receivable.

Mutiso and Mwangi (2019) research employed a descriptive methodology, blending quantitative and qualitative data collection. They sourced primary data through surveys from SMEs in Ruiru and Thika. Their findings revealed nuanced relationships between credit practices and profitability. In comparison, the current study aims to delve into the financial performance dimensions of private healthcare institutions using secondary data.

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Onyando's (2018) research centred on the nexus between cash management practices and financial outcomes among SMEs in Nakuru. The primary indicators were cash planning, reconciliation practices, cash positioning, and credit management. The results underlined the significance of prompt reconciliation, regular cash consolidations, and the role of internal audits. The study established that variables like debtor collection days and inventory holding had an inverse relation with profitability. In contrast to the study focused on SMEs in Nakuru, the current inquiry zooms in on private healthcare institutions in Isiolo County, using ROA as the performance metric.

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The relationship between AR management and Embu County's financial success was the focus of Munene and Tibbs's (2018) research. A water utility company's accounts receivable policies were shown to be correlated with financial success measures using extensive statistical analysis. On the other hand, private healthcare is the focus of the present investigation.

More (2018) sought to assess the intersection of credit risk management and profitability levels within Tanzanian SMEs, driven by theories of asymmetric information and liquidity trade-offs. His research showed challenges faced by SMEs regarding credit sales and the costs they incur in debtor management. This study added a layer of understanding to the existing theories by highlighting the complications of post-contractual asymmetric information.

Businesses in Kenya that received venture capital funding from the government were the focus of the study by Kilonzo, Memba, and Njeru (2017). They found that these firms' financial success was positively correlated with accounts receivable management after conducting thorough research. They identified that accounts receivable explained 25.7% of the variability in financial performance. However, their approach had a methodological void since they sourced primary and secondary data from venture capital enterprises. This research aims to fill that gap by harnessing secondary data from private healthcare institutions' financial records.

In their 2017 research, Aman and Ayuma looked at the connections between AR management and financial performance in Mogadishu, Somalia. Research methods such as regression and descriptive analysis revealed that accounts receivable had a substantial impact on a company's bottom line. Their focus was on remittance firms in Mogadishu. Our research, in contrast, emphasizes the pivotal role of private healthcare institutions, highlighting the contextual nuances.

2.2.4 Inventory Management and Financial Performance

The connection between inventory management and financial performance was investigated by Althaqafi (2020). Data collection and analysis techniques were diverse. The findings underscored the importance of inventory management in influencing a manufacturing entity's success, particularly in the Saudi Arabian context. Recognizing potential differences in operational contexts, this study aims to bridge the regional and sectoral divide by focusing on the financial performance of private healthcare institutions in Kenya.

Factors that impede inventory control were highlighted by Torky's (2020) study. According to the numbers, there is a direct correlation between good inventory management and financial success. Effective inventory management is associated with higher profits, whereas poor management is associated with lower profits. Using a case study technique, the study revealed a methodological gap that was filled by using a causal research design.

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In Kenya's well-known retail supermarket industry, Mwaura (2017) investigated the budgetary effects of inventory turnover. Sales, inventory levels, profitability measures, and data from other

financial markets were analyzed in the study, which used a cross-sectional descriptive research strategy. A strong positive correlation between inventory turnover and the financial performance of Kenyan supermarkets was shown by correlational analysis. Although the research provided useful insights, it was mostly focused on the retail industry and relied on primary data sources.The average collection duration was shown to have a significant negative correlation with the profitability of the chosen enterprises in the research by Maduba and Ogbonaya (2016), which examined a range of factors including inventory, cash, and payables management. WCM may have a negative relationship with performance performance, according to the study. Specifically, this study looks at private healthcare facilities in Isiolo County, Kenya, while their emphasis was on enterprises established in the Gulf Cooperative Council.

For companies trading on the Thailand Securities Exchange, Wongthatsanekorn (2015) analyzed the effects of several measures of working capital. The research used both systematic and longitudinal analytic methodologies to decipher the influence of WCM on company performance. Important results demonstrated specific relationships, such as the negative relationship between total asset turnover and accounts payable, depending on variables like firm size and economic indicators. This study seeks to reimagine inventory management evaluation by shifting the focus from the 'inventory conversion time' to the 'days of inventory outstanding' as a measure, instead of using measures like the cash conversion cycle, which revealed no connections with total asset turnover.

2.3 Theoretical Literature

This study was guided by four theories namely; The Operating Cycle Theory, resource base theory, and Cash Conversion Cycle Theory

2.3.1 The Operating Cycle Theory

The operational cycle hypothesis, put out by Richard and Langulin (1980), maintains that the efficiency of a firm's working capital is the most important factor in determining its sustainability and efficiency. According to this school of thought, the two most important aspects of managing working capital are accounts receivable and inventory. For optimal business operations, managers should establish optimal levels of receivables and inventory. The idea aims to address the flawed use of current or acid-test ratios as measures of solvency (Dong & Su, 2010). The operational cycle theory identifies inventories and accounts receivable as liquidity management metrics. The average time it takes to collect on an entity's average receivable investment and turn it into cash is its most important representational item (Mutugi, 2010). Alterations to credit and collection policies have the greatest impact on the total amount of accounts receivable that are still unpaid (Anandasayanan, 2014). As the thinking goes, the odds of getting a bigger are higher. The number of times a business converts its stock of raw materials, WIP, and finished goods into revenue is known as inventory turnover, and it is a measure of the liquidity of an investment cycle. When a business offers its customers more flexible credit terms—terms that can be changed occasionally without impacting the firm's operations—it benefits both the business and its valuable debtors (Alshubiri, 2011). The theory's main flaw is that it doesn't take into consideration the opportunity cost of projects the business might have invested in that would have yielded greater returns and helped it reach its optimal inventory and AR levels. Based on panel data analysis of a subset of Nigerian publicly traded businesses, Alphonse (2009) investigated the relationship between effective management of working capital and corporate profitability. The operational cycle hypothesis was used in the investigation. It found that in order to optimize earnings, a company has to make sure that all the important people involved in managing the company's working capital

are doing their jobs well. Kipkemboi, Kiru, and Koima (2018) examined the effect of cash conversion and inventory cycles on the financial performance of listed commercial and service segment firms at the Nairobi Securities Exchange in Kenya. They used operating cycle theory and secondary data from audited financial statements spanning ten years. Twelve different businesses made up the study's population. In order for a company to function at its most efficient and successful level, researchers found that all working capital items have to be handled effectively. It is essential for any company to keep its working capital at an optimal level, according to Mugo (2014), who used the operational cycle theory to study the connection between WCM and the financial performance of energy and petroleum businesses listed at the Nairobi Securities Exchange. The effect of the cash conversion cycle on working capital was investigated by Khan, Ayaz, Waseem, Osama, Abbasi, and Ijaz (2016) via the profitability of Pakistan's cement sector. The study's authors used operating cycle theory to draw a negative correlation between working capital and the cash conversion cycle. Theoretically, this study rests on a foundation of inventory management theory, which allowed the researcher to assess the optimal levels of working capital and how they impacted the financial performance of private healthcare facilities in Isiolo County.

2.3.2 Resource-based Theory

Equipment, patents, names in the industry, personnel' skill sets, and funds are all examples of a company's resources. On their own, less resources provide better results. Coordination and collaboration between groups of resources is essential for any kind of productive endeavor. The capacity of a group of resources to carry out an endeavor is also considered a capability. Given this, it follows that resources are what allow a particular business to accomplish its objectives. (According to Grant, 2001). To the best of their knowledge and ability, managers are tasked with overseeing the management, abuse, or even theft of both short-term and long-term resources. To

make sure the firm's objectives are accomplished by the agreed-upon date, managers are also required to work with both internal and external partners. Essential to the company's ability to run its day-to-day business and pay its bills for the time being are its resources. The capacity of individual company managers to effectively manage the company's short-term assets (inventory, cash, payables, accruals, prepayments, and receivables) is explained here by resource-based theory (Alvarez & Busenitz, 2011).

Managers should be equipped with personal resources that help them spot new opportunities, pool resources appropriately, pay suppliers and creditors on time, and collect payments from customers who paid with credit. This will allow them to manage working capital effectively and efficiently, which will boost the firm's profitability. Research by Aminu and Zainudin (2015), titled "A Review of Anatomy of WCM Theories and Relevant Linkage to Working Capital Components: A Theoretical Building Approach," has shown that this theory is crucial for understanding these components. A resource-based theory was used by Caldera and Ward (2011) to explain how manufacturing SMEs were able to successfully adopt and use IT systems and technologies. The researchers came to the conclusion that an organization's internal context, namely its skills, is the primary determinant of the success of its information systems and IT deployment in the long run. Physical and financial resources significantly impact a firm's ROA, while intangible assets, capabilities, and human resources have a smaller and less clear impact, according to research by Angelo (2018) in A Resource-Based Perspective to Assess Firms' Profitability in the Food Industry: Evidence from the Italian Cheese Industry. Data envelope analysis was used by Kahveci (2019) to investigate the relationship between company performance and resource-based theory. The primary goal of this article was to examine the relationship between a company's financial success and its resources, such as its employees, assets, materials, and capabilities, and how these

factors translate into increased returns or value for the business. I found that the enterprises might have been more efficient using data from 19 textile companies listed on the Istanbul Stock Exchange (ISE). Thus, one of the key conclusions of the article was that, according to the assumptions made, not a single company had a competitive edge in terms of resource-based value. The majority of businesses also suffer from scale inefficiencies, according to the findings. Research and development resources and capabilities do not impact company performance, according to Feng, Pan, Huang, and Chen (2017), who examined the impact of firm resources and capabilities on the performance of the IC design sector in Taiwan. A company's success is directly proportional to the quality of its marketing, operations, human resources, and management. Company performance is unaffected by physical capital resources or management. Using an experimental design using publicly traded companies in Malaysia, Omar Masood, Bora Aktan, Seref Turen, Kiran Javaria, and Mohamed Sayed Abou ElSeoud(2017) investigated the relative importance of various resources on company success. According to Problems and Perspectives in Management, whereas intangible resources significantly and positively affect business performance, all tangible resources do not. Good performance is achieved by the correct and sufficient deployment of intangible resources, as shown by the outcomes.Managers are required to optimize returns on the management of cash, inventories, payables, and receivables, which are crucial to the organization's operations. This theory explains their function in this process and how it relates to the research. In order to accomplish all of its goals while staying within its working capital constraints, a company needs resources (Omar, 2017). In order to pay all of the firm's internal and external expenditures and fulfill all of its commitments when they come due, cash is required. It is critical for a business to have raw materials, WIP, or completed items on hand so that they can meet client demand and maintain a positive reputation in the eyes of their customers.

When a company needs additional money to buy merchandise, accounts payable are a lifeline. So, they have no choice but to purchase on credit, which is crucial if the business can find suppliers willing to sell to them on credit and pay them later. Debtors, on the other side, play a crucial role as the company's consumers; without them, the very survival of the enterprise is called into doubt (Kim, 2017).2.3.3 Cash Conversion Cycle Theory

This idea, put out by Gitman (1974), establishes a connection between working capital components and the cash flow of the business. The amount of cash needed for every level of sales may be calculated using the principle. The stock period, accounts receivable period, and accounts payable period are added together, minus accounts payable period, to get the cash conversion cycle. The primary emphasis is on the duration between the acquisition of raw materials and finished products and the realization of cash flow from sales of processed items; it provides the total number of days that operational activities need financing (Buchman & Udo, 2011).

This theory combines the income statement with the statement of financial position to provide an assessment based on time, making it a flexible evaluation of perpetual liquidity management (Mwangi, 2013). Since Cash Conversion Cycles (CCCs) differ from industry to industry, it is essential to analyze CCCs of individual entities. However, in order for a business to assess its CCC performance and identify areas for development, it is necessary to use industry standards (Hutchinson, 2007). Because they show the latencies between the spending of raw materials and the receipt of processed products sales, the CCC criteria are used as a complete instrument to assess working capital (Trigeorgies, 2013). Achieving the firm's long-term goals is accelerated by always keeping an eye on its existing assets and short-term financial responsibilities (Salim & Yadav, 2012). The main problem with this idea is that it doesn't take into account the opportunity cost of a company not investing enough in order to reduce its liquidity risk. Whether shorter or longer

currency conversion cycles are preferable is an important question that this theory seeks to answer (Gentry et al., 1990). It is useful for figuring out the company's liquidity and cash flow as well. To find out how the cash conversion cycle relates to financial success, Mutuku (2011) looked at companies listed on the NSE. He discovered that the cash conversion cycle has a negative correlation with the financial performance of companies traded on the Nairobi Securities Exchange. Specifically, he found that companies with shorter cycles had a better chance of outperforming those with longer ones. So, to boost their bottom line, businesses should cut their cash cycles as much as feasible.

At NSE, Mohammed (2013) looked at how the cash conversion cycle affected company profits. He discovered that the duration of the cash conversion cycle had a significant negative impact on the profitability of the organization. A shorter cash conversion cycle is associated with a higher probability of profitability for a corporation. The Cash Conversion Cycle and the Profitability of Firms were investigated by Panigrahi (2013). Using data from the top five Indian cement businesses over a ten-year period (2001–2010), this study examines cement manufacturing companies listed on the Indian Stock Exchange. The chosen businesses have a negative cash conversion cycle and poor average returns on assets and equity, according to the results. The cash conversion cycle was shown to have a positive correlation with ROA and ROE after regression analysis and after data was corrected for heteroskedasticity to reduce the impact of outliers. Pretend for a moment that the company can meet all of its financial commitments to suppliers and other financial institutions if it can sell all of its merchandise within the allotted time and collect all of its receivables on schedule. Cash Conversion Cycle Management in the Financial Performance of Nigerian Companies Manufacturing Building Materials/Chemicals and Paint was investigated by Ikechukwu and Nwakaego (2016). The study's data came from healthcare firms

in Nigeria's annual reports. The main analytical technique used to test the hypothesis was the multiple ordinary least squares approach. According to the research, yearly inventory and accounts receivable ratios have a substantial and beneficial effect on the financial success of businesses. The accounts payable ratio and the cash conversion cycle, on the other hand, have a small but favorable impact on the financial performance of organizations.

In a case study of Russian enterprises that had used 720 companies for 10 years, Garania and Petrova (2018) examined liquidity, cash conversion cycle, and financial performance. The researchers discovered that Russian enterprises had a negative correlation between cash conversion cycle and return on net operating assets. Organizations should aim for a zero cash conversion cycle, defined as the time it takes to turn investments in inventory and other resources into cash flows, according to the research. This will help them achieve a higher rate of return over the long term and extend the period that the firm is in operation. An essential component of this study, this theory allowed researchers to connect the dots between private healthcare institutions' WCM and financial performance in Isiolo County, Kenya, with regard to the time it takes for their cash to be received to pay their commitments when they are due.

2.4 Conceptual Framework.

Using Figure 1 as an example, the conceptual framework describes the interrelationships between healthcare financial performance (the dependent variable) and cash management, accounts payable management, and inventory management (the independent variables).

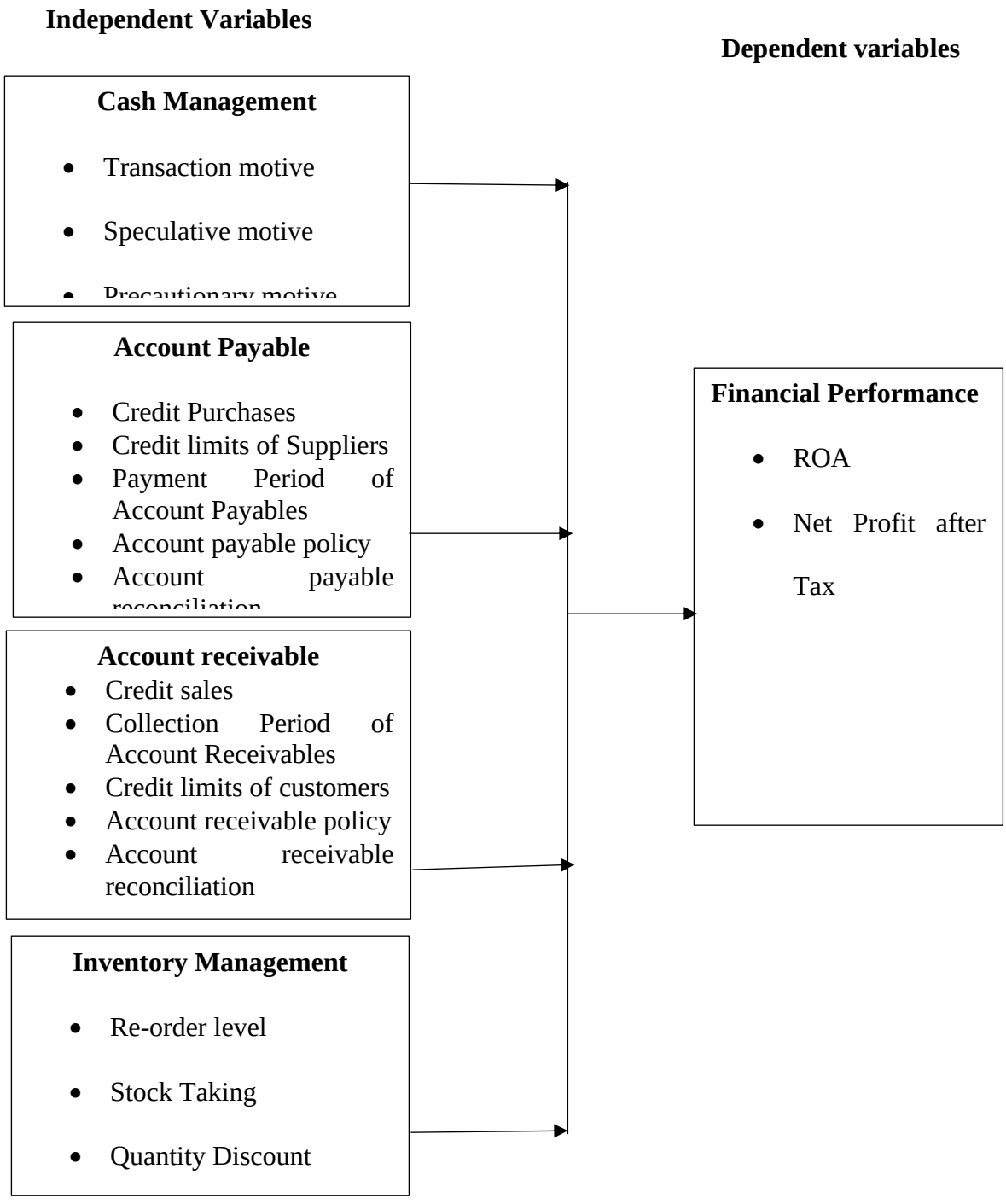
Independent Variables
Dependent variables
Cash Management
Transaction motive
Speculative motive
Precautionary motive
Account Payable
Credit Purchases
Credit limits of Suppliers
Payment Period of Account Payables
Account payable policy
Account payable reconciliation
Account receivable
Credit sales
Collection Period of Account Receivables
Credit limits of customers
Account receivable policy
Account receivable reconciliation
Inventory Management
Re-order level
Stock Taking
Quantity Discount
Financial Performance
ROA
Net Profit after Tax

Figure 1: Conceptual Framework

Source: Researcher (2024)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The study design, population of interest, sampling strategy, sample size, data gathering tools, data gathering process, data processing, and presentation are all covered in this chapter. Ethical factors that must be considered are also laid forth in the chapter.

3.2 Research Methodology

The research strategy used in this study was a hybrid of quantitative and qualitative techniques, combining numerical and non-numerical data. Since researchers can solve the shortcomings of each method, it factored into the study's selection. To put quantitative results into perspective and provide light on unexpected or conflicting outcomes, qualitative data is invaluable.

3.3 Research Design

According to Kothari (2014), a research design is a blueprint that researchers follow while conducting their studies. The present study used a descriptive research strategy with the intention of describing the phenomena or population under examination. Instead of exploring the reasons behind the research subject, descriptive research focuses primarily on understanding "what" is being studied (Saunders, Lewis & Thornhill, 2019). The choice of the descriptive research design was influenced by its ability to efficiently collect substantial data from a large population through the use of questionnaires, making it both economical and effective (Saunders, Lewis & Thornhill, 2023). Additionally, this design allowed the researcher to analyze multiple variables simultaneously, facilitating the description of various conditions and factors (Erik & Marko, 2011).

The research design of this study included the creation of tables, percentage distributions, and frequency distributions. This allowed the researchers to establish relationships between financial performance, the dependent variable, and independent variables like inventory management, accounts receivable, accounts payable, and cash management.

3.4 Target Population

Scientists often study large groups of people or things, or both, together referred to as a population (Mugenda & Mugenda, 2012). Conversely, research tries to collect data and make conclusions from a specified group of persons who are known as the target population. To put it more simply, it is the whole collection of units from which the research draws conclusions (Kothari & Garg, 2014). Researchers may more easily distinguish between two separate goals when they focus on a specific subset of the population (Dahabreh and Hernan, 2019). Thirteen private healthcare institutions that were already members of the KMPDC in 2024 (KMPDC report, 2024) made up the study's target group. In total, thirteen private healthcare facilities in Isiolo County were included for the research; they included medical superintendents, administrators, and accountants (Table 1).

Table 1: Target Population Distribution

Category of Hospital	Category of Respondent	Number of Respondents
level 4	Medical Superintendents	3
	Administrators	6
	Accountants,	18
level 3	Medical Superintendents	10
	Administrators	10
	Accountants,	20
	Total	**67**

Source: Human Resource in the respective facility (2024)

3.5 Sampling Technique

In order to choose people that are representative of the larger group they are a part of, researchers use a sampling methodology (Sharma, 2017). According to Nguyen et al. (2021), stratified random sampling is used to get a good representation of a population when it's not uniform and may be separated into several categories. Stratified random sampling, a method of probability sampling that ensures a thorough sample procedure by dividing the overall population into homogenous groups, was used in this investigation. Participants' roles inside the healthcare organization served as a dividing line in the present research. There was a fair distribution of participants in the activity. Stratified random sampling guarantees a representative sample is taken from a generally homogenous population and provides more exact estimates of overall population characteristics (Mweshi and Sakyi, 2020). To ensure that all products had an equal chance of being chosen and to reduce prejudice, this strategy was used.

3.6 Sample Size

The 67 participants who worked in the 13 private healthcare facilities in Isolo County were surveyed using a census approach as the unit of analysis in this research. According to Kothari (2003), a census is a comprehensive count of all the things or people that are being studied.

3.7 Research Instruments

Multiple sources of information were considered in this investigation. Using a secondary data collecting sheet, we examined the audited records of six private healthcare facilities in Isiolo County for the years 2020 to 2022 to extract NPAT and yearly cash collection numbers. The study's factors informed the development of a semi-structured questionnaire, which was used to collect primary data. The purpose of a questionnaire is to collect information from respondents by Ms of a predetermined set of questions and possible answers (Mukherjee, 2019). All of the

variables, both independent and dependent, were measured using this semi-structured questionnaire.

3.8 Validity and Reliability of the Data Collection Instruments

3.8.1 Validity

According to Nguyen et al. (2021), validity is when conclusions derived from study are relevant and accurate. The researcher conducted a pilot study using a questionnaire to evaluate the reliability and validity of the research instrument. Kirua Mission Hospital and Grace Park Nursing, both located in Meru County, were the sites of the pilot research. Four participants, or 10% of the total sample size, were selected at random from the two healthcare facilities; these participants included the manager and accountant of the respective institutions. Keep in mind that the data gathered from the pilot study wasn't used for the main study. Supervisors also looked over the questionnaire to make sure the questions were clear.

The goal of this procedure was to guarantee that questions were asked using sentences that were suitable for the target audience and that the terminology used were acceptable as well. In order to ascertain the validity of the instrument, we sought the opinion of the university supervisor. Based on their feedback, we made necessary adjustments and improvements to the research tool.

3.8.2 Reliability

The reliability of a research instrument was described by Taherdoost (2016) as the consistency and dependability of its outcomes. It boils down to an evaluation tool's capacity to provide consistent results over time, which accurately represent the population as a whole. If the findings are consistent when the study is repeated using the same technique, then the instrument is dependable for research. Using Cronbach's alpha coefficient (α), the dependability of the research instrument was determined in this study.This metric evaluates the internal consistency of an instrument,

quantifying how closely related the responses are within the tool. As indicated by Bell & Bryman (2015), an alpha value equal to or exceeding 0.70 is generally viewed as indicative of satisfactory reliability.

3.9. Data Collection Procedure

A letter of introduction from the School of Post Graduate Studies and a permission letter from the university's Ethical Review Committee were obtained by the investigator in order to get access to the public secondary schools. In accordance with legal requirements, the investigator also prepared a letter of introduction for the field and obtained permission from the National Commission for Science, Technology, and Innovation. We were able to get a letter from the Isiolo County Commissioner. The researcher was also requested to get a letter of permission from the County Director of Health of Isiolo County in order to access the healthcare establishments.

The research gathered primary data by utilizing questionnaires, which were distributed to all the six private healthcare institutions included in the sample. The questionnaires targeted the institution's manager, storekeeper, and accountant from each selected institution. These questionnaires were divided into two sections. The initial part captured demographic information such as gender, work experience, and the highest level of education of the respondents. The second part contained questions aligned with the study's objectives. The Likert 5-Point Scale was applied, where respondents rated statements on a scale of 1 to 5, representing "Strongly Disagree," "Disagree," "Moderate," "Agree," and "Strongly Agree," respectively.

3.10. Data Analysis

In order to make data input easier, all of the collected surveys were given a unique identifier for each item. In order to analyze the data collected from these surveys, researchers used SPSS, version 28. Purely quantitative outcomes seemed to be in the cards for this study. In order to

make sense of this data, we used descriptive statistics to analyze the answers to closed-ended questions, such as Ms and frequencies. In addition, the study's main variables were examined for connections and relationships using inferential statistics, particularly linear regression analysis.

The following represents the research model:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \epsilon$$

Herein: Y represents Financial Performance α symbolizes the Constant Term β1 through β4 denote the Regression Coefficients for respective predictors X1 signifies Cash Management X2 stands for Accounts Payables Management X3 represents Accounts Receivables Management X4 indicates Inventory Management ϵ encapsulates the Model's Error term.

3.11 Ethical Consideration

To safeguard individual and collective dignity, promote social fairness, and enable everyone to reach his or her full potential, the Kenyan Constitution guarantees and recognizes a variety of human rights. The Bill recognizes the right to free speech. Every Kenyan has the right to access information according to the Constitution. Individuals' right to privacy, including that which pertains to their communications, is guaranteed by the same Constitution (Republic of Kenya, 2010).

3.11.1 Participants' Right to Informed Consent

This study dealt with delicate topics. To ensure that all participants could speak freely and honestly, the researcher never put them in a position where they felt uncomfortable. The researcher respected their emotional condition if they refused to provide specific private data and enabled them to freely disclose information otherwise. So, by letting them volunteer information whenever they liked, the researcher briefed the participants on the steps to take during data collection.

Consequently, before to participating in the investigation, the contributors read, comprehended, and signed an agreement form.

3.11.2 Participants' Right to Confidentiality and Privacy

The researcher assured the subjects that their information would be kept completely confidential. We ensured that the information was used only for the specified purposes of the research and that no unauthorized individuals would ever get their hands on it. Since the participants' identities and residences were not shown on the data collecting tools, they were allowed to provide honest and unfiltered responses. To ensure the privacy of the data, an encryption system was created that is only known by the researcher.

3.11.3 Anonymity

Instead of having participants sign data collecting forms, the researcher requested them to offer general information. Participants were classified by this investigator using private coding. There was no disclosure of participants' identities or any other information on the researcher-participant interactions in either written or spoken form. Because of this, the researcher was able to greatly reduce the likelihood of individuals providing biased responses.

3.11.4 Storage of Data Collected

To prevent unwanted parties from gaining access, all participant statistics were managed and maintained with the utmost secrecy. There were physical and digital copies kept. No one was informed of the researcher's data collection process for any reason. All CDs, interview schedules, and questionnaires were securely preserved before and after data processing.

3.11.5 Right to Voluntary Participation

At any point throughout the study, participants were informed that they might opt out of taking part if they so desired. They were asked to provide information when it was convenient for them, without feeling pressured or rushed.

3.11.6 Freedom from Coercion

It was expected that the participants would peruse the consensus form, make sure they understood it, and then readily sign it to indicate their participation. The goal of these precautions was to make sure that volunteering to participate in the study wouldn't make anybody feel bad.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the outcomes derived from the data collection technique. The elements examined encompass response rate, reliability outcomes, and demographic data, and diagnostic test results, questionnaire findings on financial performance, cash management, account payable, account receivables and inventory management. The outcomes of the correlation and multiple regression analyses are then provided.

4.2 Response Rate

With regard to the response rate, 58 out of the 67 individuals who were intended to fill out the surveys actually did so. Because of this, we were able to get an adequate response rate of 86.6% (Leavy, 2020). These results provide credence to the idea that the study's response rate was adequate, which in turn strengthens the study's ability to generalize. The analysis and conclusions offered in this thesis were also based on this. A response rate of 50% or above is considered enough for the research, according to Mugenda and Mugenda (2003), who back up the study's conclusions.

Table 2: Response Rate

	Respondents	Frequency	Percent
Valid	Response	58	86.6
	Non response	9	13.4
	Total	**67**	**100.0**

Source: Researcher (2025)

4.3 Reliability of the Instruments

In order to determine the dependability, Cronbach's Alpha was used. According to Somekh and Lewin (2020), Cronbach's Alpha is a trustworthy measure of data generalization since it gives an estimate that is devoid of bias. The researchers in this study set out to determine how reliable the information acquired at Meru County's Kirua Mission Hospital and Grace Park Nursing Home really was. Of the total sample size of 67 people, 7 people (or 10% of the total) participated in the survey. Table 3 displays the results of the reliability test, which should provide a Cronbach Alpha score greater than 0.7.

Table 3: Reliability Tests

	Variables	Number of items	Cronbach Alpha Values
Valid	Cash management	7	0.932
	Account payable	7	0.789
	Account receivable	7	0.805
	Inventory management	8	0.779
	Financial performance	5	0.872
	Overall Reliability		**0.354**

Source: Researcher (2025)

The Cronbach alpha values for all of the variables in Table 3, which include financial performance, accounts receivable, accounts payable, inventory management, and cash management, were more than 0.7. Each of the assessed constructs had a Cronbach Alpha value more than 0.7, suggesting sufficient reliability for the next analytical step.

4.4 Respondents' Demographics

The purpose of the research was to collect demographic information from the participants, such as

their gender, age, and level of education. Table 4 revealed the findings of the respondents' attributes.

Table 4: Respondents' Demographic Information

Demographic information		Frequency (n)	Percentage (%)
Gender of the Respondent	Male	25	43.1
	Female	33	56.9
	Total	58	100
Age	21-30 Years	11	19.0
	31-40 Years	34	58.6
	41 – 50 years	13	22.0
	Over 50 years	00	00.0
	Total	58	100
Level of Education	Bachelor	23	39.7
	Masters	07	12.1
	Others	28	48.2
	Total	58	100

Source: Reserchер (2025)

Table 4 shows that 56.9% of responders were female and 43.1% male. This gender pattern suggests women are more involved in medicine or respond better. This gender gap may alter study participants' perceptions, experiences, and preferences; thus, it should be considered while interpreting the results. The bulk of respondents (58.6%) are between 31 and 40, indicating that the study targeted early to mid-career professionals. This group often participates in professional or community development. The paucity of over-50 respondents may imply either inadequate

representation of older persons in the targeted area or a lower response rate due to restricted access or disinterest in the survey. Since nearly half of respondents were in the "Others" group, 48.2% may have earned technical training or diplomas. The Bachelor's degree rate was 39.7%, while the Master's rate was 12.1%. This shows that while many respondents had higher education, advanced graduate-level education was rare. Understanding respondents' knowledge, skills, and opinions on the topic requires understanding their educational background.

4.5 Effect of WCM on Financial Performance

The researchers in this study set out to determine how private healthcare facilities in Isiolo County, Kenya, fared financially as a result of their WCM strategies. To do this, we analyzed each working capital item descriptively.

4.5.1 Cash management and Financial Performance

Respondents were asked to rate several aspects of the private healthcare facilities they were associated with in Isiolo County in order to assess the impact of cash management on the financial performance of these institutions. Figure 2 and Table 4 show the data that was analyzed from respondents who agreed or disagreed about how cash management affects their hospitals' financial performance.

Does cash Management Improve Financial Performance?

The purpose of this survey was to find out how people at different hospitals feel about the potential of cash management to boost their bottom line. Figure 2 shows that all 58 participants (100%) said yes, indicating that effective cash management is crucial for hospitals to enhance their financial performance.

Does cash management improve financial performance?

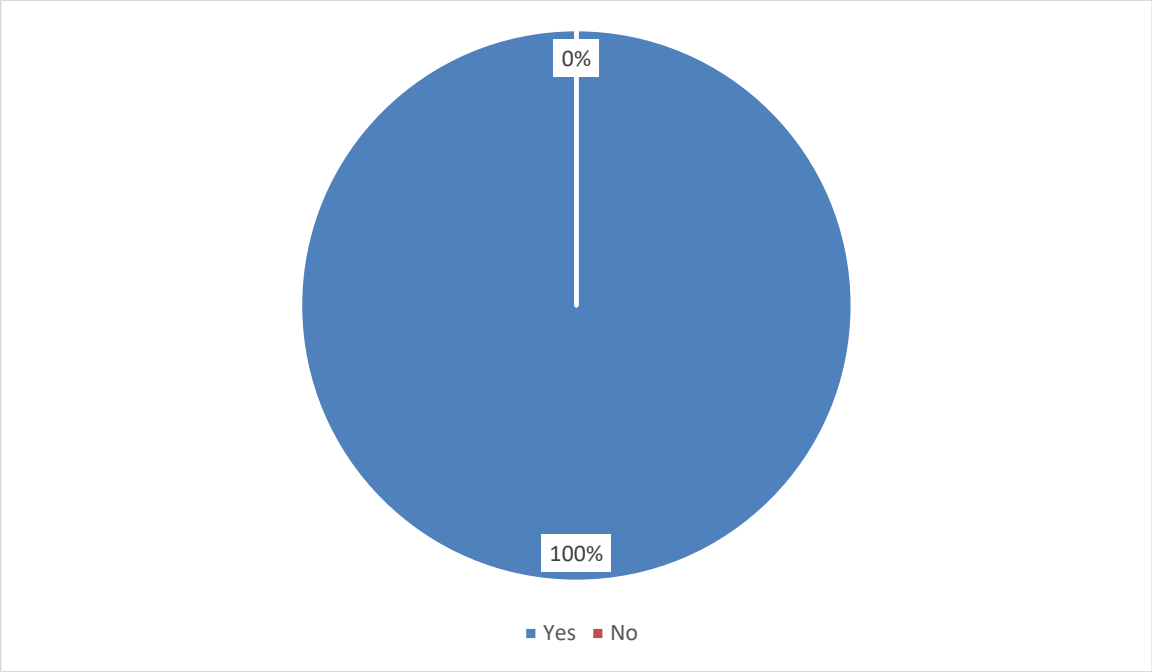

Figure 2: cash management and financial performance

Source: Researcher (2025)

Extent of Cash Management Effect on Financial Performance

As indicated in table 5, [n=23, (39.7%)] of the respondents indicated very large extent, [n=23, (39.7%)] indicated large extent, and [n=12, (20.6%)] indicated some extent, indicating that proper cash management in hospitals can help enhance financial performance. Finding out how much of an effect cash management has on their hospital's bottom line was the primary goal of this research.

The Impact of Cash Management on Financial Results (Table 5)

		Frequency	Percent
Valid	Not at all	00	0.00
	Little extent	00	0.00
	Some extent	12	20.6
	Large extent	23	39.7
	Very large extent	23	39.7
	Total	58	100.0

Source: Researcher (2025)

Cash Management's Impact on Profitability

Table 6 displays the results of the researcher's tests on several aspects of cash management and their impact on the financial performance of private healthcare facilities in Isiolo County.

Table 6: Effect of Cash Management on Financial Performance

	N	Min	Max	M	SDiation
This hospital accepts a variety of payment methods.	58	1	5	4.61	.988
Patients will appreciate the variety of payment options offered by this medical facility.	58	1	5	4.12	1.229
Our hospital follows all necessary banking protocols.	58	1	5	4.35	.789 .
Cash budgets are strictly enforced by the hospital's management.	58	1	5	4.61	.494
This hospital has a prompt submission of imprest policy.	58	1	5	4.32	0.789
Valid N (listwise)	58				
Aggregate Score				4.32	0.858

The majority of respondents agreed that cash management affected financial success, as shown in Table 6 (M=4.32, SD=0.858). In addition, the component of cash management that garnered the highest rating was "Managers in this hospital adhere to cash budgets" [M=4.61, SD.=0.494]. This indicates that strict adherence to the hospital budget may improve financial performance.

Afrifa and Tingbani (2018) examined the connection between SME efficiency and WCM; their findings are in line with ours. The research looked at 802 SMEs listed on the Alternate Investment Market in the UK from 2004–2013 using panel data regression analysis. The study's findings highlighted the significance of cash flow to the profitability and general well-being of SMEs. According to the results, WCM has a major negative impact on the bottom lines of SMEs. The research also shows that SMEs with unconstrained cash flow might boost their performance by cutting down on working capital investment or boosting it.

In their 2018 study, Osadune and Ibenta examined a subset of Nigerian businesses operating between the years 2001 and 2014. At a significance level of 10%, the empirical analysis of the inquiry was conducted using the following tests: unit root, ordinary least squares (OLS), co-integration, and Granger causality. The research showed that liquidity and financial success of corporations are positively correlated. But there was no link between the liquidity of the companies and their financial performance. Improved company value and stock liquidity in India were investigated by Jawed and Kotha (2018). The results showed that stock liquidity and company value are directly related, with the former resulting from better operational success.

4.5.2 Accounts Payables and Financial Performance

Respondents were asked to rate several aspects of the private healthcare institutions they were a part of in order to determine how payable accounts impacted the financial performance of these institutions in Isiolo County. Table 7 and Figure 3 display the results of the analysis, which show how the participants rated the effect of accounts payable on their hospitals' financial performance.

How Impactful Are Accounts Payable on Bottom Line Results?

Figure 3 shows that out of a total of 103 respondents, the vast majority (n=48, or 77.6%) said that accounts payable do impact financial performance at level four hospitals in Isiolo County. On the

other hand, 22.4% said they were unsure.

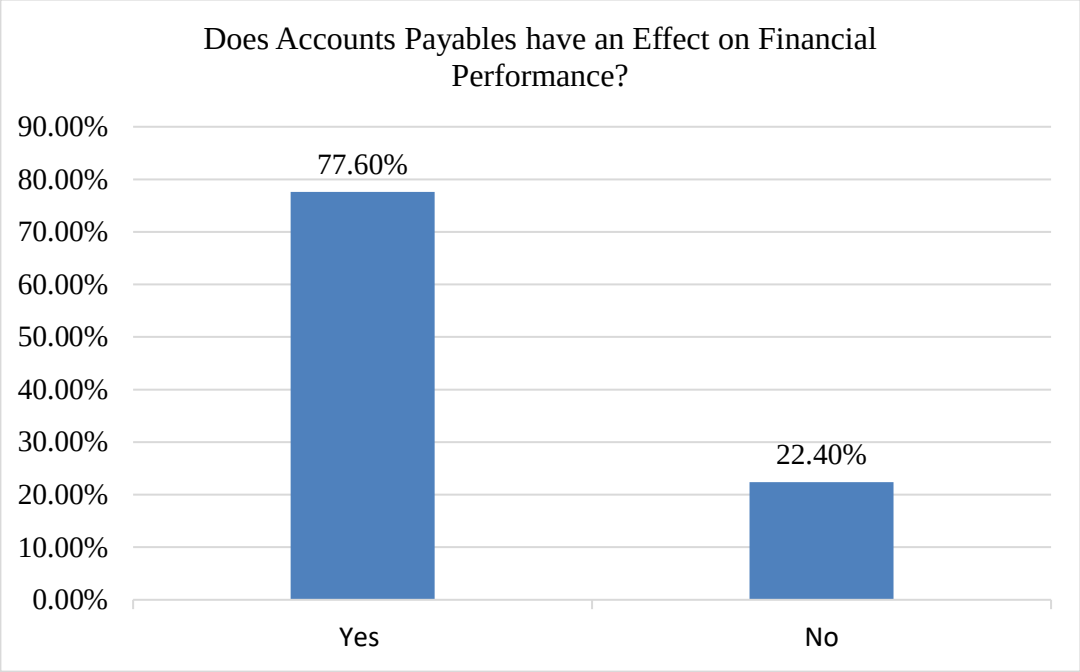

Figure 3: Does Accounts Payables have an Effect on Financial Performance?

Source: Researcher (2025)

The Impact of Accounts Payable on Bottom-Line Results

The purpose of the research was to determine how accounts payable affected the hospital's bottom line. As illustrated in Table 7, [n=4, (9.8%)] of respondents indicated a large extent, [n=5, (12.2%)] indicated some extent, while [n=24, (58.5%)] indicated a little extent. This suggests that effective management of accounts payable can enhance financial performance in hospitals.

Table 7: Extent of Accounts Payable Effect on Financial Performance

		Frequency	**Percent**
Valid	Not at all	0	0.00
	Very little extent	11	19.5
	Little extent	34	58.5
	Some extent	7	12.2

Large extent	6	9.8
Very large extent	0	0.00
Total	**58**	**100.0**

Source: Reserchер (2025)

The researcher examined the effect of accounts payables on the financial performance of private healthcare institutions in Isiolo County, with various aspects of accounts payables tested, as presented in the table 8.

Table 8: Accounts Payable and Financial Performance

	N	Min	Max	M	SDiation
There is reasonable credit limit to all creditors in this hospital	58	1	5	3.89	1.205
Managers in this hospital track invoices	58	1	5	4.32	0.907
There is reconciling of accounts in this hospital	58	1	5	4.22	0.881
Patients in this hospital adhere to payments terms	58	1	5	4.64	0.994
Managers are keen on data review on creditors	58	1	5	4.21	0.881
There is proper follow up on payment in our hospital.	58	1	5	4.51	0.875
Valid N (listwise)	58				
Aggregate score				4.30	0.957

Source: Researcher (2025)

Results in the table indicated that, on average (M = 4.30, SD = 0.957), the participants concurred those accounts payable influence financial success. Furthermore, the dimension of accounts payables that received a good rating (M=4.64, SD.=0.994) was “Patients in this hospital adhere to

payment terms," indicating that the clientele of these hospitals are reliable consumers, which has enhanced the facility's financial performance. Respondents expressed high agreement that hospitals effectively follow up on payments (M=4.51, SD=0.875), and with a M of 4.32 and a SD of 0.907, they concurred that hospital management adequately monitor bills. The hospitals provide a reasonable credit limit to patients (M=3.89, SD=1.205). During account reconciliation, respondents concurred with the statement (M=4.22, SD=0.881) and indicated that managers are diligent in analyzing creditor data (M=4.21, SD=0.881).

Kerem and Sargon (2021) examined the effect of accounts payable management on working capital and profitability; our analysis is in line with their findings. Several Indian cement businesses' annual reports spanning 2001–2010 provided the data used in the research. Working capital-to-profitability, current assets to total assets, payable to sales, payable to turnover, average collection period, and payable to sales were some of the ratios that showed how well receivables management was working. The ANOVA statistical method was used for this analysis. The dependent variables on which the study was based were WCM and profitability. According to the research, the cement company has effective accounts payable management, which has a major impact on working capital and profitability.

Also, between 2000 and 2013, Oranefo and Egbunike (2023) looked at 16 NSE-listed manufacturing businesses to see how accounts payable correlated with company performance. Secondary data was provided by statistics and magazines at the NSE. Accounts payable and performance are positively correlated, according to multiple regression analysis. The paper suggests that in order to provide simpler and faster access to trade financing, financial leaders and stewards should develop broad connections with suppliers. In his 2020 study, Khaled looked at how household and industrial manufacturing businesses in Nigeria fared financially as a result of

accounts payable management. An significant and positive correlation among the profitability measures was found in the twelve years of data from the firms' annual reports, which cover the years 2000– 2011.

Moreover, the research conducted by Wulansari and Maryanti (2023) indicates that the financial outcomes of Nigerian enterprises engaged in food and beverage processing are influenced by the accounts payable ratio. Gathered data from the annual reports of companies licensed in Nigeria securities markets throughout a 12-year span from 2000 to 2011. Multistep regression. The analysis revealed that the accounts payable ratio adversely impacted the profitability ratio significantly.

4.5.3 Accounts Receivables and Financial Performance

In order to assess how accounts receivable impacted the financial performance of private healthcare institutions in Isiolo County, we polled respondents on several aspects of their respective institutions. Table 9 displays the results of the survey asking participants to rate the impact of accounts receivable on their hospitals' bottom lines.

Table 9: Extent of Accounts Receivables Effect on Financial Performance

		Frequency	Percent
Valid	Not at all	0	0.00
	little extent	12	19.5
	some extent	28	48.5
	Large extent	18	31.7
	Very large extent	0	0.00
	Total	**58**	**100.0**

Source: Researcher (2025)

The inquiry aimed to evaluate the impact of accounts receivable on financial performance within

the hospital. As illustrated in Table 9, 31.7% of respondents (n=18) indicated a significant extent, 48.5% (n=28) indicated a large extent, and 19.5% (n=12) indicated a minimal extent. This suggests that prioritizing accounts receivable in hospitals may enhance financial performance.

The researcher evaluated the effect of account receivables on the financial performance of private healthcare institutions in Isiolo County by examining various aspects of accounts receivables, as illustrated in Table 10.

Table 10: Account Receivables and Financial Performance

	N	Min	Max	M	SDiation
The hospital gives a credit period to its debtors	58	1	5	4.13	0.981
In this hospital there is tracking of payments	58	1	5	3.97	0.890
There is good rate of compliance of insurance claims	58	1	5	4.61	0.916
In this hospital there is a good follow up on un paid dues	58	1	5	4.58	0.893
In this hospital there is good tracking of invoices	58	1	5	4.48	1.002
There is a record of credit history of pre-owned treatment	58	1	5	4.06	0.816
Valid N (listwise)	58				
Aggregate Score				4.31	0.916

Source: Researcher (2025)

Findings in Table 10 revealed an aggregate M score of 4.31 (SD = 0.916) suggests a generally strong agreement among respondents regarding the effectiveness of the hospital's systems and procedures related to account recievables.in particular respondents agreed that the hospital gives a credit period to its debtors (M=4.13, SD = 0.981), indicating that most respondents agreed that the hospital offers flexible credit terms to its debtors. The SD reflects a moderate variation in

responses, suggesting that while the practice is common, there may be differences in perception based on departmental or experiential factors.

Furthermore, the tracking of payments received a M score of (M=3.97, SD = 0.890), which, although slightly lower than other indicators, still demonstrates a relatively strong agreement. The item on compliance with insurance claims received the highest M score at 4.61 (SD = 0.916), underscoring a high level of confidence in the hospital's ability to adhere to insurance protocols. Similarly, the hospital's follow-up on unpaid dues was rated very highly, with a M of 4.58 (SD = 0.893), reflecting robust systems and commitment in recovering outstanding balances. Likewise, tracking of invoices scored a M of 4.48 (SD = 1.002), reinforcing the perception that the hospital maintains detailed and reliable invoicing procedures. The slightly higher SD may reflect some inconsistency in how invoice tracking is experienced across departments.

Adam and Caroline (2018) investigated the connection between AR management and the financial success of SMEs in Mogadishu, Somalia; their results are consistent with our own. In order to collect numerical data, the study used a survey research approach. Using a combination of random and non-probability sampling approaches, 81 businesses were found out of a target population of 102 small to medium-sized firms. To find the correlation coefficients and Pearson correlations, the data was examined using descriptive and inferential statistics. According to the research, SMEs in Mogadishu may improve their financial health by increasing their accounts receivable.The current inquiry addressed this issue by analyzing accounts receivable based on the average collection period, as the prior study did not specify the metrics employed to analyze accounts receivable.

Ashrafi and Pakdel (2019) examined the effect of accounts receivable on Embu Water and Sanitation Ltd.'s financial performance. Three theories—the operational drive, the currency

conversion cycle, and transaction cost—elucidated the research. The accounting and finance divisions of the company provided the secondary data that was culled from the firm's financial filings. Tables and figures display the results of the data analysis, which included both descriptive and inferential statistics. Stocks were shown to be favorably affected by the median gathering duration and current ratio, which improved the debtor's payback term and improved the company's financial performance, according to the investigation.

4.5.4 Inventory Management on Financial Performance

In order to assess how inventory management impacts the financial performance of private healthcare facilities in Isiolo County, we polled respondents on several aspects of these institutions. Participants' yes/no answers about the effect of inventory management on financial performance in their hospitals are shown in Figure 4 and Table 11, which include the studied data. Finding out how respondents felt about inventory management's ability to boost their hospital's bottom line was the primary goal of this survey. Increasing hospitals' financial success is dependent on efficient and effective inventory management, as shown in Figure 4 (n=52, 90.2% of participants confirmed).

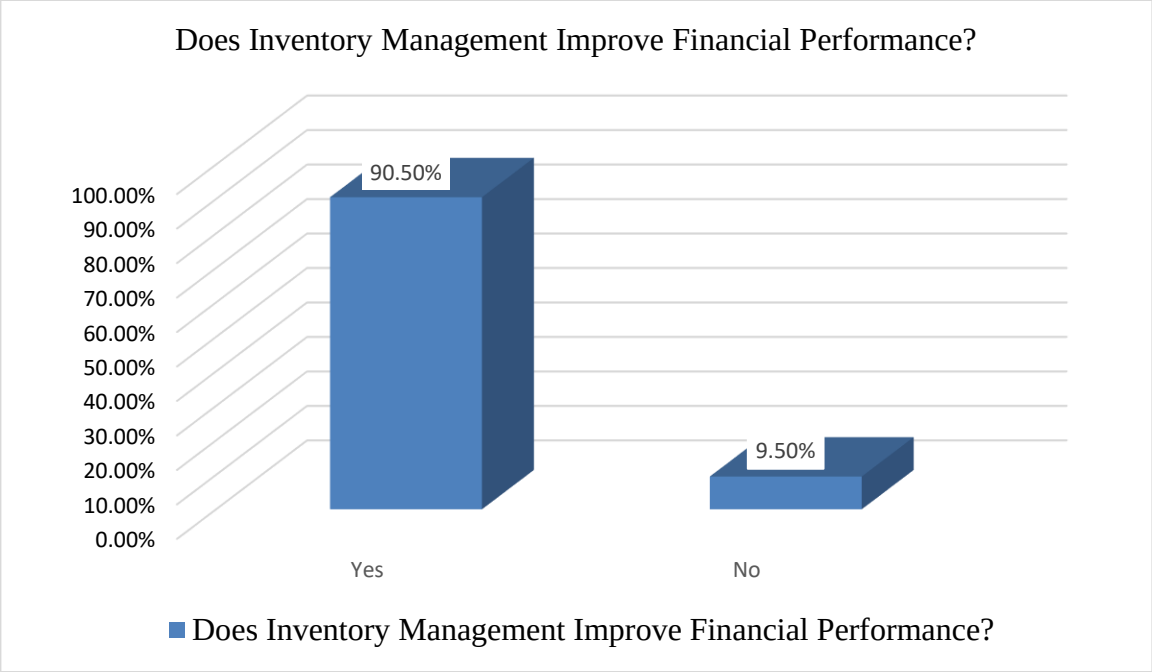

Figure 4: Does Inventory Management Have Effect on Financial Performance?

Measurement of the impact of inventory management on bottom-line results

As indicated in table 4.5, the research aimed to analyze the degree to which inventory management impacts financial performance in their institution. [n=30, (51.2%)] of the respondent indicated very large extent, [n=17, (29.3%)] indicated large extent while [n=11, (19.5%)] indicated some extent Ming that focusing on inventory management in the hospitals can help improve financial performance.

Table 11: Extent of Inventory Management Effect on Financial Performance

		Frequency	Percent
Valid	Not at all	0	0.00
	little extent	0	0.00
	some extent	11	19.5

Large extent	17	29.3
Very large extent	30	51.2
Total	**58**	**100.0**

Source: Researcher (2025)

The researcher examined several elements of inventory management to determine its influence on the financial performance of private healthcare facilities in Isiolo County. The results are shown in Table 12.

Table 12: Inventory Management and Financial Performance

	N	Min	Max	M	SDiation
There is accuracy tracking of stock levels in this hospital	58	1	5	4.52	0.873
There is compliance with regulatory requirements on inventory management	58	1	5	4.07	0.739
In this hospital stock control is done using bin cards	58	1	5	3.90	0.960
There is proper storage of hospital supplies in this hospital	58	1	5	4.55	0.893
In this hospital we carry out a physical count of hospital supplies	58	1	5	4.36	0.816
Valid N (listwise)	58				
Aggregate Score				4.28	0.856

Source: Researcher (2025)

Findings in Table 12 indicate that participants demonstrated significant consensus on the precise monitoring of inventory levels inside the hospital (M=4.52, SD = 0.873). This signifies that stock monitoring systems are efficiently executed, improving inventory transparency and minimizing inconsistencies. Respondents strongly agreed on the statement that there is appropriate storage of

medical supplies (M=4.55, SD = 0.893). The assertion concerning the physical inventory of hospital supplies got a M score of 4.36 (SD = 0.816), signifying agreement, albeit close to the threshold for high agreement. Participants expressed concurrence with regulatory mandates for inventory management, attaining a M=4.07, SD = 0.739). The use of bin cards for inventory management was rated in the "agree" range, with a M score of 3.90 (SD = 0.960).

The cumulative M score was 4.28 (SD = 0.856), signifying a placement in the "agree" category, approaching the "strongly agree" level. The results demonstrate an effective inventory management system within the hospital, particularly excelling in stock monitoring and storage efficiency. The results demonstrate a need for continual standardization and reinforcement of best practices, especially with the uniform use of bin cards and compliance with regulatory regulations. This finding aligns with Ionescu et al. (2018), who sought to identify factors associated with the evaluation of sold item inventories and to evaluate the influence of stock valuation methods employed in Romania on the financial conditions and performance of enterprises. The principal study hypothesis asserts that asset valuation alternatives exhibit variability effect on the economic entity's fiscal status and financial outcomes. This analysis evaluates the influence of stock valuation algorithms on financial health and their efficacy as a Ms of monitoring and comparing these metrics. A theoretical inquiry and empirical research demonstrated that the facility's financial condition and performance are influenced differently by stock accounting options.

Additionally, Alrjoub and Akram (2017) sought to clarify the impact of different inventory categories on company performance, including raw material stock, in-process supplies, finished goods, and total inventory. They pointed out that other factors, like capital cost, which has not been studied before, also influence this relationship. The data collected from 48 businesses between 2010 and 2016 supports the idea that capital has a very little role in the link between

inventory kinds and firm success. This suggests that stock management, taking inventory types into account, impacts the long-term effectiveness of the organization. Firms should optimize inventory management in reaction to any changes in their business environment and think about capital costs when selecting inventory kinds, according to the paper. Although there are a number of varied implications stemming from the correlation between capital expenditures and inventory kinds, the correlation between inventory management and company success is inconsistent.

4.5.5 Financial Performance

Table 13 shows the results of the researcher's analysis of the financial performance of private healthcare facilities in Isiolo County and how WCM techniques affected that performance.

Table 13: Financial Performance

Statements	N	Min	Max	M	SDiation
There is enhanced quality of health care service in this hospital	58	1	5	3.82	0.985
There is customer satisfaction in this hospital	58	1	5	4.57	0.939
There is good liquidity in my hospital	58	1	5	4.31	0.960
In this hospital there are less pending bills	58	1	5	4.09	0.893
There is reasonable profit margin in this hospital	58	1	5	4.02	0.816
Valid N (listwise)	58				
M Score				4.16	0.917

Source: Researcher (2025)

The data from Table 13 revealed that respondents expressed strong agreement regarding customer satisfaction with the services provided by the hospital (M=4.57, SD=0.939). This indicates that patients and service users exhibit great satisfaction with the provided services, serving as a robust

indicator of service efficacy, responsiveness, and perhaps, patient-centered care methodologies. The respondents perceived the hospital's liquidity positively (M=4.31, SD=0.960). This indicates that respondents perceive the hospital as capable of fulfilling its short-term financial commitments, a crucial element of operational sustainability and fiscal health.

The opinion that fewer legislation are pending was corroborated (M=4.09, SD=0.893), reflecting widespread consensus. Participants concurred that the hospital had attained a satisfactory profit margin (M of 4.02, SD = 0.816). Furthermore, participants concurred that the quality of healthcare services had improved (M=3.82, SD=0.985). A greater SD indicates divergent opinions among respondents for the quality component. The overall M score was 4.16 (SD = 0.917), signifying a predominantly favorable opinion of the hospital's financial and service delivery efficacy.

4.6 Diagnostic Test

The study carried out various diagnostic tests such as normality, linearity and multicollinearity.

4.6.1 Normality Test

To ensure the findings in Table 15 were accurate, the research used a normalcy test.

Table 14: Normality Test

		Cash Management	Inventory management	Accounts receivables	Account payables	Financial performance
N		58	58	58	58	58
Normal Parametersa[b]	M	14.2149	14.2436	14.4741	14.1063	14.9799
	Std. Deviation	2.99458	3.10834	2.86827	3.26057	3.87108
Most Extreme Differences	Absolute	.103	.079	.120	.079	.100
	Positive	.103	.079	.120	.059	.100

	Negative	-.103	-.055	-.078	-.079	-.072
Kolmogorov-Smirnov Z		1.917	1.458	2.243	1.473	1.874
Asymp. Sig. (2-tailed)	.	.262	.127	.085	.068	.320

Source: Researcher (2025)

Cash management, inventory management, accounts receivable, accounts payable, and financial performance all had Asymp/Significance values of 0.262, 0.127, 0.085, 0.068, and 0.320, respectively, according to Table 14. Results were considered normal as the significance level was higher than 0.05. The data show that the responses were evenly distributed among the respondents, without any instances of excessive support or disagreement. Parametric techniques may be applied with non-normally distributed data, according to Elliot and Woodward (2007).

4.6.2 Linearity Test

The effect of WCM on financial performance was evaluated using a linearity test in the study. Table 15 displays the results.

Table 15: Linearity Test

			Sum of Squares	Df	M Square	F	Sig.
Financial Performance *Cash management	Between Groups	(Combined)	383.383	14	27.385	1.893	.026
		Linearity	2.566	1	2.566	.177	.584
		Deviation from Linearity	380.817	13	29.294	2.025	.081
	Within Groups		4831.476	27	14.465		
	Total		5214.860	58			
Inventory management	Between Groups	(Combined)	330.538	16	20.659	1.404	.137
		Linearity	6.022	1	6.022	.409	.523
		Deviation from Linearity	324.516	15	21.634	1.471	.114

	Within Groups		4884.322	25	14.712		
	Total		5214.860	58			
		(Combined)	186.628	15	12.442	.824	.651
	Between Groups	Linearity	2.001	1	2.001	.133	.716
Account receivables		Deviation from Linearity	184.627	14	13.188	.874	.588
	Within Groups		5012.346	26	15.097		
	Total		5198.974	58			
		(Combined)	424.550	17	24.974	1.726	.037
	Between Groups	Linearity	83.292	1	83.292	5.757	.017
Account payables		Deviation from Linearity	341.258	16	21.329	1.474	.107
	Within Groups		4774.424	24	14.468		
	Total		5198.974	58			

Source: Resercher (2025)

Table 15 shows that the following values were significant: 0.081 for cash management, 0.114 for inventory management, 0.588 for accounts receivable, and 0.107 for accounts payable. An ANOVA test of linearity was used to evaluate the linearity. This test takes into account both the linear and nonlinear components of a pair of variables. Nonlinearity is considered significant if the F significance value for the nonlinear component is less than 0.05 (Zhang et al., 2011). This analysis was performed to determine the linearity. All of the study variables showed a significance level below 0.05, which is the cause of the linearity. WCM and financial success are found to be linearly related, according to the findings.

4.6.3 Multicollinearity

The research used multicollinearity analysis to isolate the unique features of each WCM variable

and how they interacted with one another. Displayed in Table 16 are the results.

Table 16: Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Cash Management	.845	2.325
Inventory Management	.903	1.407
Account Receivables	.766	3.172
Account Payables	.921	1.049

Source: Researcher (2025)

The following are the results from the various departments: cash management (0.845 tolerance value and 2.325 VIF), inventory management (0.903 tolerance value and 1.407 VIF), accounts receivable (0.766 tolerance value and 3.172 VIF), and accounts payable (0.921 tolerance value and 1.049 VIF). Tolerance values greater than 0.2 and VIF values less than 5 show that the religious practice-related variables were independent. This further increased the degree of contact by implying that they were separate individuals.

4.7 Correlation Analysis

A correlation research was carried out to determine the effect of WCM on financial performance after the variables' data had been descriptively analyzed successfully. Cash management, accounts payable, accounts receivable, and inventory management are the WCM variables that were shown to have a bivariate connection with the financial performance of private healthcare institutions in Isiolo County, Kenya, as shown in Table 17.

Table 17: Correlations Coefficient

	Cash Managemen	Account s	Accounts Receivable	Inventory Managemen	Financial Performanc

		t	Payables	s	t	e
Cash Management	Pearson Correlation	1				
	Sig. (2-Tailed)					
	N	58				
Accounts Payables	Pearson Correlation	0.000	1			
	Sig. (2-Tailed)	0.583				
	N	58	58			
Accounts Receivables	Pearson Correlation	0.312*	0.394	1		
	Sig. (2-Tailed)	0.010	0.011			
	N	58	58	58		
Inventory Management	Pearson Correlation	0.860	0.174	0.191	1	
	Sig. (2-Tailed)	0.000	0.000	0.001		
	N	58	58	58	58	
Financial Performance	Pearson Correlation	0.820	0.620	0.890	0.629	1
	Sig. (2-Tailed)	0.000	0.000	0.001	0.000	

N	58	58	58	58	58

*. Correlation is Significant at the 0.05 Level (2-Tailed).

Source: Researcher (2025)

The results show that cash management has a high positive correlation value of 0.820, which is statistically significant ($p<0.05$), according to Table 17. Consequently, private healthcare institutions in Isiolo County rely heavily on cash management measures to determine their financial performance. This suggests that private healthcare facilities in Isiolo County have a good correlation between cash management practices and their financial success. The findings of this study are in line with those of Koech et al. (2021), who looked at the cash management strategies used by insurance companies and found that they increased transparency, which led to better financial outcomes.

A strong positive correlation value of 0.620 is shown by accounts payable, which is statistically significant ($p<0.05$). What this Ms is that private healthcare facilities in Isiolo County have a positive correlation between accounts payable processes and their financial success. Kerem and Sargon (2021) examined the effect of accounts receivable management on working capital and profitability; their findings are consistent with ours. Working capital-to-profitability, current asset-to-total asset, receivables-to-sales, receivables-to-turnover, average collection period, and receivables-to-sales ratios were some of the metrics used to evaluate the effectiveness of receivables management. The ANOVA statistical method was used for this purpose. According to the data, the cement business has very good accounts receivable management, which has a major influence on working capital and profitability.

A substantial positive correlation value of 0.890 is shown by accounts receivable, which is statistically significant ($p<0.05$). This found a positive correlation between accounts receivable procedures and the financial success of private healthcare facilities in Isiolo County. Somalia,

Adam, and Caroline (2018) looked at how SME financial results were impacted by accounts receivable management, therefore their findings are in accordance with ours. Accounts receivable have a beneficial effect on the financial health of SMEs in Mogadishu, according to the research. The research also found that inventory management is strongly correlated with 0.626, which is statistically significant ($p<0.05$). In sum, our data suggests that private healthcare facilities in Isiolo County benefit monetarily from using inventory management strategies. These results are in line with those of Ionescu et al. (2018), who set out to determine what variables are involved in the evaluation of sold-item inventories and how stock valuation methodologies used in Romania affect firms' financial situations and performance.

4.8 Multiple Regression Analysis

Financial success of private healthcare facilities in Isiolo County, Kenya, as a function of variables related to WCM strategies (cash management, accounts receivable, accounts payable, inventory management). Financial performance was the dependent variable, and this research set out to determine how other independent factors, such as cash management, inventory management, accounts payable, and receivables, affected it. Multiple linear regression analysis was used to investigate and clarify the interdependent connections among the variables.

Using linear regression, we examined the collected data for associations between the collected factors and financial outcomes. Managing cash flow, inventory, accounts receivable, and payable were the four independent variables that were regressed against financial performance.

Table 18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968[a]	0.937	0.930	0.50587

a. Predictors: (Constant), cash management, account payable, account receivables, inventory management

WCM (encompassing cash management, inventory management, accounts receivable, and accounts payable) is significantly correlated with the financial performance of private healthcare facilities in Isiolo County, Kenya, according to Table 18 (R=0.968, P=0.000). Results show that private healthcare facilities in Isiolo County, Kenya, see a 96.8% improvement in financial performance when WCM (which includes inventory management, accounts receivable, and accounts payable) is successful.

Table 19: ANOVA[a]

Model		**Sum of Squares**	**df**	**M Square**	**F**	**Sig.**
1	Regression	0.790	4	0.198	132.940	.000[b]
	Residual	15.866	53	0.256		
	Total	16.657	57			

a. Dependent Variable: financial performance

b. Predictors: (Constant), cash management, account payable, account receivables, inventory management

According to the validity model, the model is valid (F=132.940, P=000), suggesting that it can be applied to predictions.

Table 20: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.300	0.473		3.950	0.000

Cash management	0.270	0.073	-0.158	1.234	0.000
Inventory management	0.590	0.013	0.104	0.818	0.000
Account receivable	0.564	0.077	0.032	0.235	0.000
Account payable	0.207	0.083	0.091	0.659	0.000

a. Dependent Variable: Financial Performance

Source: Researcher (2025)

We find a significant difference in cash management methods (β=0.270, P=0.000), inventory management procedures (β=0.590, P=0.000), accounts receivable (β=0.564, P=0.000), and accounts payable (β=0.207, P=0.000) at a 95% confidence level. It can be inferred that there is a 27.0% (β=0.270) improvement in financial performance for every unit increase in cash management practices, a 59.0% (β=0.590) improvement in inventory management, a 56.4% (β=0.564) improvement in accounts receivable, and a 20.7% (β=0.207) improvement in accounts payable. Financial performance stays at 330.0% (β=3.300) when all independent variables (cash management, inventory management, accounts receivable, accounts payable) are kept constant.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 introduction

This section provides a synopsis of the studies that looked at how different approaches to managing working capital affected the bottom lines of private healthcare facilities in Isiolo County, Kenya. Included in this section are the study's findings, suggestions for further research, and recommendations for further reading.

5.2 Summary of the Study Findings

A company's success hinges on its ability to manage its working capital effectively. An organization's bottom line could take a hit if retail financial management leads to more bad debts and inventory expenditures. In Isiolo County, Kenya, poor working capital governance has hurt financial results and shut down several private healthcare providers. The research was based on the Keynesian liquidity preference model, cash conversion cycle framework, transaction cost concept, and stakeholder perspective. All Isiolo County private healthcare institutions were studied. The descriptive research approach included 39 participants: 13 managers, 13 inventory supervisors, and 13 finance specialists from six local private healthcare organizations. Primary data for each focal location was collected using a well-designed questionnaire.

Private healthcare facilities in Isiolo County were the focus of this research, which aimed to determine the impact of different WCM practices on their financial performance. Specifically, it looked at how the company's cash flow, inventories, accounts receivable, and accounts payable are affected by each other. The largest percentage of respondents were female (56.1%) and were within the age bracket of 31–40 (58.5%), according to the results. A sizeable proportion of the

population held undergraduate degrees (39.0%), whereas 61.0% had earned master's degrees or other certifications. This demonstrates that the staff in private healthcare institutions in Isiolo County is comprised of individuals who are relatively young and have a high level of education. Healthcare providers' ability to stay in business is tied to how well they manage their working capital. This includes things like cash flow, inventory control, and how they handle receivables and payables. Establishments that are financially secure are in a better position to provide higher-quality healthcare services, expand access, and make investments in infrastructure and technology, all of which are essential to enhancing health outcomes. These findings are in line with Kenya's Vision 2030, which places a high priority on the provision of cheap and high-quality healthcare as a component of the Social Pillar structure. The efforts of the government to achieve universal health coverage are complemented by the contribution of a financially robust private healthcare industry.

Beyond that, the research helps get us closer to SDG 3, which states, "Ensure healthy lives and promote well-being for all at all ages." To achieve this goal, it is necessary to draw attention to the ways in which healthcare providers' fiscal responsibility enhances both the quality and accessibility of healthcare services. In order to achieve the long-term health goals outlined in the SDGs, strengthening financial management in healthcare institutions encourages resilience and efficiency, which are crucial traits that are necessary.

5.3 Conclusions

There were four main goals that prompted this investigation. According to the data, private healthcare facilities in Isiolo County, Kenya, might significantly improve their financial performance by using WCM methods. These strategies include controlling inventories, managing cash flow, and effectively handling receivables and payables.

5.3.1 Cash management and financial Performance

The influence of cash management practices on financial performance is strongly correlated with 0.820, and this association is statistically significant ($p<0.05$). This led to the rejection of the null hypothesis and the acceptance of the alternative hypothesis, which states that cash management techniques have a significant impact on the financial performance of Level Three and Four Hospitals in Isiolo County. This indicates that cash management practices are often favorably correlated with the financial status of private healthcare organizations in Isiolo County.

5.3.2 Inventory management and Financial Performance

A statistically significant ($p<0.05$) substantial positive association of 0.626 was found between inventory management systems and financial performance. Thus, we may conclude that inventory management methods have a substantial impact on the financial performance of Level Three and Four Hospitals in Isiolo County, and we can reject the null hypothesis. It seems that effective inventory management methods are often linked to the financial performance of private healthcare facilities in Isiolo County.

5.3.3 Accounts Receivable and Financial Performance

The findings show that there is a statistically significant ($p<0.05$) positive correlation of 0.890 between accounts receivable processes and financial performance. Isiolo County's private healthcare facilities' financial performance is significantly impacted by accounts receivable processes; hence, the null hypothesis is rejected and the alternative hypothesis is accepted. This suggests that, overall, the financial performance of Isiolo County's private healthcare facilities is closely linked to their accounts receivable procedures.

5.3.4 Accounts Payable and Financial Performance

A high positive correlation value of 0.620 was found in the accounts payable analysis, which is

statistically significant ($p<0.05$). This supports the alternative hypothesis, which states that the financial performance of Level 3 and 4 hospitals in Isiolo County is greatly impacted by accounts payable procedures. This discovery results in the dismissal of the null hypothesis. This indicates that, overall, accounts payable is favorably correlated with the financial success of private healthcare institutions in Isiolo County.

5.4 Recommendations

The respondents concurred that accounts payables influence financial success, with the component scored highly being, "Patients in this hospital adhere to payment terms." In light of this discovery on accounts payable, it is advisable for the finance director of these hospitals to consistently convey payment terms to clients promptly, thereby ensuring adherence to those terms.

The study confirmed that the respondents acknowledged the impact of accounts receivable on financial performance. One component of accounts receivable that received a high rating [M=4.61, SD.=0.494] was, "This hospital effectively follows up on unpaid dues." This report proposes that credit officers of these hospitals periodically check accounts receivable aging to ensure ongoing follow-up on unpaid dues.

5.5 Recommendations for Additional Research

To further understand how WCM practices affect the financial performance of Isiolo County, Kenya, future research may build on this study's results. This study was confined to private healthcare establishments in Isiolo County. Subsequent research may thus be undertaken in additional counties, encompassing various tiers of hospitals.

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APPENDICES

Appendix I: Consent Form for Participation in Research

INFLUENCE OF WCM ON FINANCIAL PERFORMANCE OF PRIVATE HEALTH CARE INSTITUTIONS IN ISIOLO COUNTY, KENYA

Dear Participant,

An investigation on the "impact of WCM on financial performance of private health care institutions in Isiolo County, Kenya" is calling for your participation, and I hope you would consider it. At Mount Kenya University, where I am pursuing a Master of Business Administration degree, I am now working on my capstone project. Finding out how private healthcare facilities in Isiolo County, Kenya, handle their working capital affects their bottom lines is the driving force for this study. The purpose of the attached survey is to gather data on the following topic: the effect of digital marketing on revenue generation.

It is entirely up to you whether you take part in this study or not. Feel free to leave any questions unanswered or to just refuse the request. Besides the usual dangers of being human, there are no specific dangers associated with taking part. Your answers will be kept private and unidentified. All of the study data will be securely stored and will only be disclosed as a whole. The researchers are the only ones who will have access to the information you provide on this survey. Your participation in this study will not directly benefit you in any way. Having said that, discussing the research's findings might be both entertaining and useful for both the field as a whole and for customers or others in the future who may have gone through the same things you have.

Just fill out the survey to the best of your ability if you're game to take part in this study. About twenty minutes should be enough time to finish it. To allow me to finish the project report, I would really appreciate it if you could return the questionnaire without delay.

Get in touch with MOHAMED SALIM at any time if you need clarification on this project. Address any concerns you may have about your rights as a study participant to the Chairman, Ethical Review Committee, Mount Kenya University, P.O. Box 342-01000, Thika.

Your support in this crucial effort is much appreciated.

CONSENT

Having had the chance to ask questions and study the materials, I feel confident in my understanding of them. My involvement is entirely optional, and I am fully aware that I may discontinue at any moment, with or without cause, and at no expense to myself. A copy of this permission form will be sent to me, and I understand this. I am giving my informed consent to participate in this research.

Participant's signature _____ Date _____

Investigator's signature _____ Date _____

Appendix II: Questionnaire

(I would like to share the findings of this survey) YES [ ] NO [ ]

Broad Directions: In order to gather information on the "Effects of WCM on financial performance of level three and four public hospitals in Isiolo County," this questionnaire has been designed. There are six parts to the survey. Please react to each and every statement.

SECTION A: GENERAL QUESTIONS

Name of the Hospital (optional): ----------

Gender

Male [ ] Female [ ]

Age bracket

Less than 20[ ], 21-30 [ ], 31-40 [ ], 41-50 [ ] over 50[ ]

Academic level

[ ], Bachelors [ ], Masters [ ], PhD [ ],

other [ ] Specify……

SECTION B: Cash Management

Is cash management something that you believe can help your hospital's bottom line??

[ ] Yes [ ] No

How significant do you believe cash management is in influencing your hospital's financial performance??

[ ] Very large extent [ ] Large extent [ ] some extent [ ] little extent

[ ] Not at all

In a scale of 1-5 rate the extent of the relationship between Cash management and financial performance among level four hospitals in Isiolo County. Where 5-very large extent, 4-large extent, 3-some extent, 2-little extent, 1-no extent.

	Statements	1	2	3	4	5
7.	This hospital accepts a variety of payment methods.					
8.	Patients will appreciate the variety of payment options offered by this medical facility.					
9.	Our hospital follows all necessary banking protocols.					
10.	Cash budgets are strictly enforced by the hospital's management.					
11.	This hospital has a prompt submission of imprest policy.					

SECTION C: Inventory Management

12. Do you think that inventory management has an impact on how well level three and four state hospitals in Isiolo County do financially??

[ ] Yes[ ] No

13. If that was the case how much do you think that managing inventory affects the financial health of level four hospitals in Isiolo County??

[ ] Very large extent [ ] Large extent [ ] some extent [ ] little extent [ ] Not at all

In a scale of 1-5 rate the extent of the relationship between Inventory management and financial performance among level three and four public hospitals in Isiolo County? Where 5-very large extent, 4-large extent, 3-some extent, 2-little extent, 1-no extent.

	Statements	1	2	3	4	5

14.	High accuracy tracking of stock levels in this hospital					
15.	There is compliance with regulatory requirements on inventory management					
16.	In this hospital stock control is done using bin cards					
17.	There is proper storage of hospital supplies in this hospital					
18.	In this hospital we carry out a physical count of hospital supplies					

SECTION D: Account Receivables

19. Which level three and four state hospitals in Isiolo County do you think are most affected by cash debts when it comes to their financial health??

[ ] Very large extent [ ] Large extent [ ] some extent [ ] little extent [ ] Not at all

In a scale of 1-5 rate the relationship between cash receivables and financial performance among level three and four public hospitals in Isiolo County. Where 5-very large extent, 4-large extent, 3-some extent, 2-little extent, 1-no extent.

	Statements	1	2	3	4	5
20.	The hospital gives a credit period to its debtors					
21.	In this hospital there is tracking of payments					
22.	There is good rate of compliance of insurance claims					
23.	In this hospital there is a good follow up on un paid dues					
24.	In this hospital there is good tracking of invoices					
25.	There is a record of credit history of pre-owned treatment					

SECTION E: CASH PAYABLES

26. In your view, Cash payables has an effect on financial performance among level four hospitals in Isiolo County?

[ ] True [ ] False [ ] Not sure

27. What kind of effect do you think cash payables have on the financial health of level three and four state hospitals in Isiolo County??

[ ] Very large extent [ ] Large extent [ ] some extent [ ] little extent [ ] Not at all

Using a scale from 1 to 5, rate the link between private healthcare institutions in Isiolo County's cash payables and their financial success. 5 very large extents, 4 large extents, 3 some extents, 2 little extents, and 1 no extent.

	Statements	1	2	3	4	5
28	There is reasonable credit limit to all creditors in this hospital					
29	Managers in this hospital track invoices					
30	There is reconciling of accounts in this hospital					
31	Patients in this hospital adhere to payments terms					
32	Managers are keen on data review on creditors					
33	There is proper follow up on payment in our hospital.					

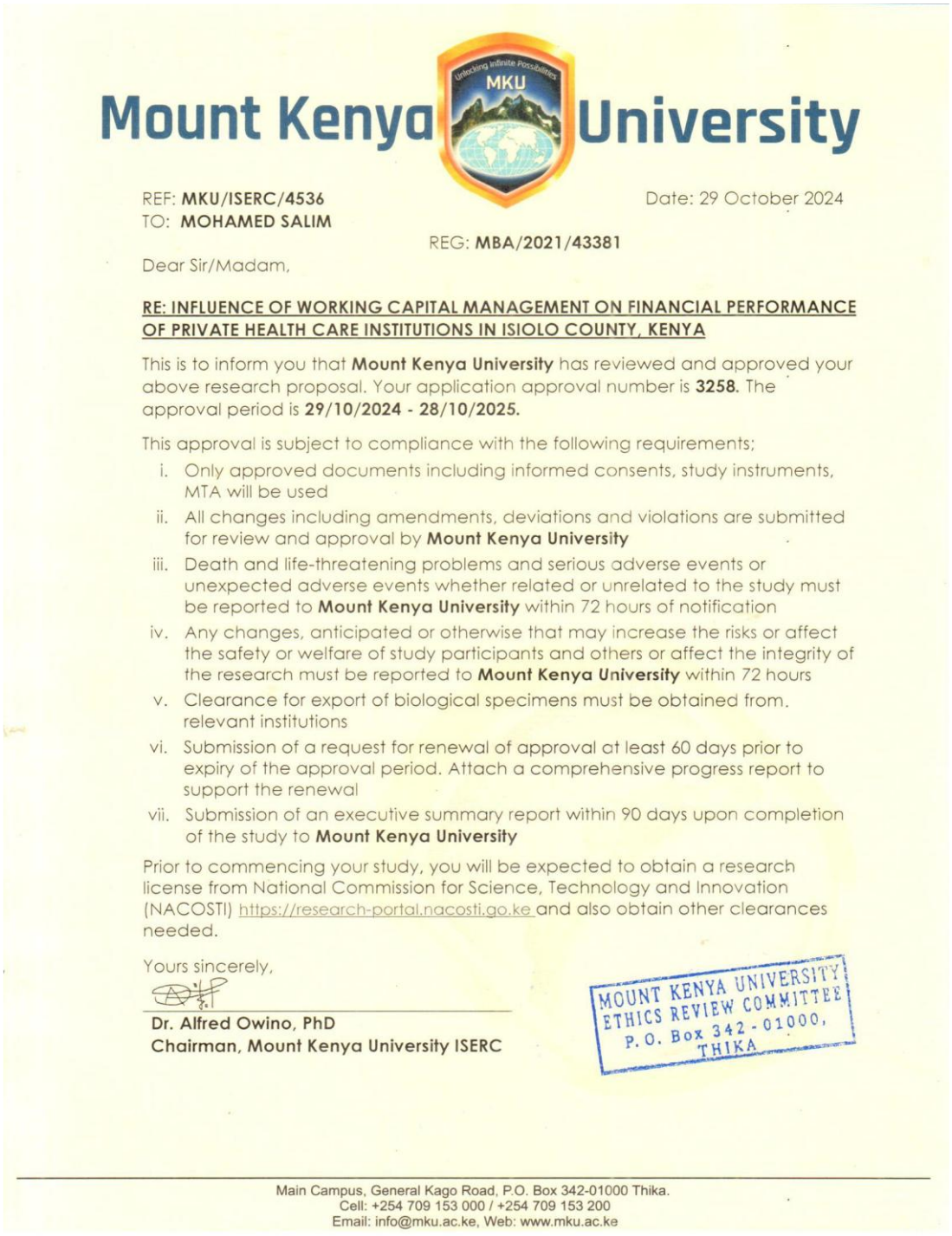
SECTION E: FINANCIAL PERFORMANCE

On a scale from 1 to 5, rate how well private healthcare institutions in Isiolo County are doing financially because of how they handle their working cash. 5. Very large extent, 4. Large extent, 3. Some extent, 2. Little extent, and 1. No extent.

	Statements	1	2	3	4	5
33	There is enhanced quality of health care service in this hospital					
34	There is customer satisfaction in this hospital					
35	There is good liquidity in my hospital					
36	In this hospital there are less pending bills					
37	There is reasonable profit margin in this hospital					

Thank you

Appendix III: ERC Certificate



Mount Kenya University

REF: **MKU/ISERC/4536** Date: 29 October 2024
TO: **MOHAMED SALIM**
REG: **MBA/2021/43381**

Dear Sir/Madam,

RE: INFLUENCE OF WORKING CAPITAL MANAGEMENT ON FINANCIAL PERFORMANCE OF PRIVATE HEALTH CARE INSTITUTIONS IN ISIOLO COUNTY, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3258**. The approval period is **29/10/2024 - 28/10/2025.**

This approval is subject to compliance with the following requirements;

i. Only approved documents including informed consents, study instruments, MTA will be used
ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
v. Clearance for export of biological specimens must be obtained from. relevant institutions
vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://research-portal.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely,

Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC

MOUNT KENYA UNIVERSITY
ETHICS REVIEW COMMITTEE
P. O. Box 342 - 01000,
THIKA

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
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Email: info@mku.ac.ke, Web: www.mku.ac.ke

Appendix IV: Introduction Letter

Mount Kenya University

MKU

DIRECTORATE OF GRADUATE STUDIES

MBA/2021/43381

29th October, 2024

National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA

Dear Sir/Madam,

RE: MOHAMED SALIM – REGISTRATION NO. MBA/2021/43381

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics.**

The title of the research is **"Influence of Working Capital Management on Financial Performance of Private Health Care Institutions in Isiolo County, Kenya."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **November, 2024 and January, 2025.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

For **Dr. Samuel M. Karenga, PhD**
Director, Graduate Studies
Enc.

Mount Kenya University
P.O. Box 342-01000, THIKA
Office of the Director
Graduate Studies

Appendix V: Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 942808

Date of Issue: 13/November/2024

RESEARCH LICENSE

This is to Certify that Mr.. MOHAMMAD SALIM AWADH of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Isiolo on the topic: INFLUENCE OF WORKING CAPITAL MANAGEMENT ON FINANCIAL PERFORMANCE OF PRIVATE HEALTH CARE INSTITUTIONS IN ISIOLO COUNTY, KENYA. for the period ending : 13/November/2025.

License No: NACOSTI/P/24/42115

942808

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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See overleaf for conditions