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FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

**The Effectiveness Of Credit Control Management On The Liquidity Position Of Land
And Property Developers. A Case Of Stoneclare Construction Pvt Ltd.**

BY

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This dissertation is submitted in partial fulfilment of the requirements of the **Bachelor of Commerce (Honours) Degree** in Accounting in the Department of Accounting at MSU.

Gweru: Zimbabwe, 2020.



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Degree title: Bachelor of Commerce in Accounting Honours Degree (HACC)

Year of research: 2020

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DEDICATION

I dedicate this dissertation to the Almighty God who gave me wisdom and strength to undertake this research. Again, I would like to dedicate this research to my mother Ms Manganda. Lastly, I dedicate this study to my beloved Sambayi Reginald R for motivation and support.

ACKNOWLEDGEMENT

My sincere gratitude to the Lord Almighty, it was not by might nor by power, but by God's spirit and grace I made it this far.

My gratitude also goes to Stoneclare Construction staff for their support and guidance in making this study a success. All the information needed in this research was well provided and I am very grateful. Also, I would also like to thank Midlands State University Accounting Department for equipping me with the relevant information and knowledge. To my supervisor, I express my gratitude. To my beloved Sambayi Reginald, I express my gratitude for the support, motivation and encouragement throughout this research. Family, friends and HACC family I thank you all.

ABSTRACT

The purpose of the study was to determine the effectiveness of credit control management on the liquidity position of land and property developers using Stoneclare Construction Pvt Ltd as a case study. Stoneclare Construction experienced liquidity problems since 2016 as a result of an ineffective credit control management system that has led to the company failing to recover the amounts owed by the clients. This was because of four major problems which includes charging low deposits and longer payment period, high servicing and maintenance cost, poor credit control management system and the company's policy which allowed clients to building at 25 percent total cost contributions. Accounts receivable figures continued to increase overtime and there was no guarantee of payments due to mismanagement of debts hence led to the company failing to pay its own debts due to insufficient funds. Therefore this motivated the researcher to carry out this study. The researcher used a mixed approach on a target population of 20 members from the finance, accounts and sales department that had unlimited access to most of the information. Carrying out this study. The researcher used the Stata 13 Statistical software package. The relationship between liquidity position and credit control components was established using multivariate regression analysis to arrive at conclusion on Stoneclare Construction problems. The major finding of the study was that debt settlement and payment plan are ineffective as a credit control tool as clients failed to honour their promises and no payment is guaranteed at Stoneclare Construction. The researcher also found out that the best practices of credit control management includes debt centralization, debt segmentation, debt factoring and credit rating and if these strategies are successfully applied, credit control management can be handled efficiently and liquidity can be increased. The company should engage in debt factoring scheme and employee training schemes so as to improve liquidity as recommended by the researcher.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

The research sought to investigate the effectiveness of the management of credit controls on the liquidity position of developers of land and property. Owing to the rise in customer debts, it is of great importance to enforce credit management strategies on the liquidity position of Stoneclare Construction in order to boost financial efficiency. Stoneclare Construction is one of the successful and ideal arms for Terrasurveys Land Surveyors. The company established its journey during year 2014 with the launch of Shurugwi heights and Claremont Park high density housing projects, offering residential stands and commercial stands. As a result, the company rapidly expanded its marketing area and at present it is offering low density housing project (Little Eden) and Plot (New Christmas Gift). Efforts have been made to investigate what previous researchers said about credit control techniques on liquidity as a performance measure on financials.

1.1 Background of the study

Blair-ford (2014), focuses on credit controls other variables like liquidity are studied in passing. Bingilar and Oyadonghan (2014) need to address issues of cash discounts and bad debts could be considered. Moti (2016), emphasized much more on liquidity though there is need for research studies which focus on other dependant variables to credit control such as profitability. Nixon (2014), uses a quantitative survey to validate the research hypothesis and make statistical inferences, should also look into qualitative factors. Hong (2017), Adigwe (2015), Alshatti (2015), Imbierowicz (2015), Kertahadi (2015), Okpala (2018), Akihda (2018) and Mohamed. N (2014), focuses more on liquidity aspect of a firm, there is need to extend research on credit control. Ukpong (2018), should bring insights to the issues raised on loan recover efforts. Gatuhu (2017), should further research on the effect of credit reference on loan performance of micro companies. Greater limitation of Kagoyire (2016) study is that the responses of the interview might be biased therefore other research tools could be used such as questionnaires. Eggerston (2014), Matrass (2014), Wawoeru (2016) Muturi et.al (2015), Amrut (2014), Jamel (2014), Guerrieri and Lorenzom (2017) focuses more on credit crises, precautionary saving and the liquidity trap, attention should be given to credit control policies. Grobmas (2014), to consider improving methods of financial risk. Edem (2017) and Ogilo (2018), given that the

liquidity risk, asset quality, management quality, earnings and sensitivity to market showed a significant relationship with bank failure, the study recommends that bank managers emphasize on these variables in their day to day management practices. Despite the establishment of various credit control techniques by researchers, there is need to develop more on key policies to improve liquidity and to expand knowledge on the objectives of liquidity, cash discount, bad debts, credit reference on loan performance as these are the main challenges to financial performance. Profitability, credit risk and policies were partially studied hence led to the research gap. The research therefore sought to investigate the effectiveness of credit control techniques that can be implemented so as to improve liquidity position of land and property developers.

Stoneclare Construction Pvt Ltd (Finance Minutes 2018) suggested that the company experienced liquidity problems from low, medium and high-density customers who were in monthly installment arrears. According to the (Finance Minutes 2018), this was due to four critical problems that paid low deposits and longer payment terms, high costs of service and maintenance, weak credit control management system, and the company's policy that allowed customers to build on total cost contributions of 25 percent.

Table 1.1 Amounts owing as at 31 December 2018

Claremont Park Stands	2016	2017	2018	%change 2016-2017	%change 2017-2018
6 months old arrears	\$15,200.00	\$ 19,800.00	\$ 30,600.00	30%	55%
9 months old arrears	\$18,800.00	\$ 25,900.00	\$ 41,200.00	38%	59%
12 months old arrears	\$23,600.00	\$ 55,500.00	\$ 115,200.00	135%	108%
Total	\$57,600.00	\$101,200.00	\$ 187,000.00	203%	221%

(Source) from Stoneclare Construction debtor's age analysis excel statement.

According to the Finance Minute 2018, a low \$500.00 deposit and a longer payment period of five years from 2014 to 2019 were the key cause of the liquidity crisis at Stoneclare Construction. In 2016, the total number of customers in arrears was \$57,600 from table 1.1 above, and that was smaller relative to other years because clients still paid deposits such that the company had liquid. In 2017, arrears rose to a total of \$101200 and 203% respectively. The move was due to the fact that consumers were paying \$100 monthly in instalments that

culminated in liquidity crises. In 2018, there was a significant shift of \$187,000 from \$101,200 in gross arrears and a percentage change of 221 percent from 203 percent in 2018. The big change was triggered by the longer payment period and a \$100 monthly instalment. According to Ukpong (2018), Kertahadi (2015) and Akihda (2018), severe financial difficulties, increased bad debts and consumer relationships are impacted by delays in receiving cash from debtors when they come due. Okpala (2018) also noted that if payment is made late, then profitability and liquidity are eroded and a total loss is incurred if payment is not made at all. The longer payment cycle contributed to the liquidity crisis, according to the Finance Minutes 2018, which revealed that the credit management strategy of the company was not successful as a lot of cash was tied up in instalments.

Stoneclare Construction's (Finance Department 2018), stressed that the liquidity issue emerged from the company's policy that allowed customers to start building at a 25 percent total cost price. There was a huge arrear gap in 2016 of \$15,200 (6 months old) and \$23,600 arrears (12 months and above), according to table 1.1 above. In 2016, the percentage gap was 55 percent, which was of considerable significance because most consumers did not pay while they were performing construction activities. There was a rise of \$101,200 from \$57,600 in the debtors' statistic in 2017 and a percentage increase of 203 percent. The difference was created by clients who in addition to building processes, neglected to fulfil their responsibilities because of other commitments. In 2018, 6 months arrears were \$30,600, 9 months were \$41,200 and 12 months were \$115,200 from the table above, and 55%, 59% and 108% respectively percentage change from 2016 to 2018. According to the Finance Department 2018, due to the 25 percent company policy, the major improvement was attributed to a pause in consumer payments. (Finance Department 2018), further noted that many customers failed to pay their monthly payments due to the policy, resulting in bad debts and liquidity problems in the organization. Moti (2016) observed that most firms would quickly see losses from bad debts, liquidation of customers, receivership or bankruptcy.

In the (Finance Department 2018) meeting, it was stipulated that another contributor to liquidity problems at Stoneclare Construction was huge maintenance and servicing costs. According to the (Annual Report 2018), Emobuild Construction and Sheasham Investments were owed \$US169,550.85 and \$US100,250.00 at the end of financial year 2018, respectively. From the table above 1.1, the figure of debtors in 2016, 2017 and 2018 was \$ 57,600, \$ 101,200 and \$ 187,000 respectively, and the percentage shifted from 203 percent to 221 percent in 2017 and 2018. The key explanation for the accrued debtors was that the deposit was at \$US500 in

2014 (sales department 2014), and again the payment period was 5 years, so the cash inflow was low from 2014 to 2018 and a lot of money was tied up in debtors. Due to service and maintenance costs, the number of creditors was too high and a bank overdraft was found in the (Annual Report 2018). The cost of servicing the land was included in the overall cost and the company had been struggling to pay off its debt due to low deposits and longer periods of payments, and this affected the liquidity situation of the company. According to Wawoeru (2016) and Muturi et.al (2015), whether a seller has integrated additional costs for late payment into its sale price, or is successful in recovering those costs by interest paid, his profit will be impacted by any overdue account.

Edem (2017) noted that sound credit management is a prerequisite for the stability and continuing profitability of financial institutions, while deteriorating credit quality is the most common cause of poor financial performance and stability. According to Table 1.1 above, it was seen that the debtor's figure rose by \$57,200 in 2015 which was attributed to a weak credit management system because there was a five-year payment policy that resulted in arrears and bad debts for many consumers. Between 2016 and 2017, the debtor's percentage rose by 203 percent and was attributed to the fact that consumers had a longer payment cycle and others tend not to pay at all, contributing to the company's liquidity crises. In 2018, the figure rose from \$101200 to \$187000 in 2017 and 2018 and from 203 percent in 2017 and 2018, a percentage change of 221 percent. The explanation for the rise in debtors is the same cause for a longer payment duration, and most customers ended up being bad debts. The company had suffered from bad debts because of the mismanagement of debt, whereby consumers struggled to pay off their debts (Finance Report 2018). The risk of bad debts is growing as credit standards are relaxed, according to Grobmas (2014). Guerrieri and Lorenzom (2017) added that the company must ensure that the handling of receivables is effective and efficient. Therefore, the study sought to examine the efficacy of credit control management strategies that can be applied to enhance the liquidity position of developers of land and property.

1.2 Statement of the problem

The company had suffered from bad debts because of the mismanagement of debt, whereby consumers struggled to pay off their debts (Finance Report 2018). The risk of bad debts is growing as credit standards are relaxed, according to Grobmas (2014). Guerrieri and Lorenzom (2017) added that the company must ensure that the management of receivables is effective and efficient. Therefore, the study sought to examine the effectiveness of credit control

management strategies that can be applied to enhance the liquidity position of developers of land and property. (Stoneclare Construction).

1.3 Main research question

How effective is credit control management in improving Stoneclare Construction Pvt Ltd's liquidity position?

1.4 Research objectives

- ❖ To assess the effectiveness of Stoneclare Construction's credit control management strategies for enhancing the liquidity position.
- ❖ To determine the problems facing the liquidity position of the current credit control management system.
- ❖ To define forms and their impacts on the existing credit control management system in improving liquidity position of Stoneclare Construction.
- ❖ To create the best credit control techniques to boost liquidity position.

1.5 Research questions

- ❖ How effective are Stoneclare Construction's credit control management strategies used to enhance the liquidity position?
- ❖ What are the problems facing the liquidity position of the current credit control management system?
- ❖ What are other forms of strengthening Stoneclare Construction's liquidity position and their impact on the existing credit control management system?
- ❖ What are the best credit management methods to boost Stoneclare Construction's liquidity position?

1.6 Delimitations of the study

Only the period between 2016 and 2018 will cover the study. The research will focus on credit control management techniques using a case study of Stoneclare Construction Pvt Ltd, which is based in the town of Gweru, on the liquidity position of land and property developers. Accounts, finance and sales staff at the company would be the respondents.

1.7 Limitations of the study

The research focused on credit control techniques on the liquidity position of Stoneclare Construction and some of the information needed was private and confidential as there were

extracted from financial statements and auditor's reports so they were not given out. Information was not given out on time by the respondents. However the researcher placed reliance on the external sources such as scholarly, articles and newspapers to curb the problem.

1.8 Assumptions of the study

The researcher will assume that members will provide honest, precise and relevant data to carry out this study effectively as they are experts in accounting, finance and sales. The researcher also assumed that the accounts, finance and sales departments will not change until this study is complete. The researcher has enough time at disposal to complete the study.

1.9 Definition of key terms

- ❖ Liquidity- Kagoyire (2016) refers to liquidity as the ability of a company to pay its short term financial obligations falling due.
- ❖ Credit control- Ukpong (2018) describes credit control as methods and strategies adopted by a firm to ensure that they maintain an optimal level of credit and its effective management.
- ❖ Accounts receivable-these apply to funds to be collected from clients or consumers by the organization. Guerrieri and Lorenzom (2017)

1.10 Chapter summary

The chapter focused on the background study of the techniques of credit control management on the liquidity position of developers of land and property, which led to the study's creation after considering the scholars' findings and what was left out. A basis for determining the effectiveness of credit control management strategies with regard to the liquidity position of developers of land and property. Stoneclare Construction Pvt Ltd was the case study that was used. In relation to the problems faced at Stoneclare Construction, an overview of credit management and liquidity was given. The study questions, objectives, assumptions and limitations were also included. The next chapter will discuss the literature review.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The chapter was intended to address the work of other published scholars on the effectiveness of credit control management techniques on liquidity position of the firm. As a result, the chapter mainly indicated the scholars ' arguments about the issue at hand, which helped the researcher with key points focus on credit control management on an organization's liquidity position.

2.1 To assess the effectiveness of Stoneclare Construction's credit control management strategies for enhancing the liquidity position.

2.1.1 Debtors' accounts keeping

Hong (2017), Adigwe (2015), and Alshatti (2015) pointed to the ineffectiveness of keeping debtors ' accounts in credit risk management as it is not certain that the payment will be received from the debtor and this does not increase the organization's liquidity. According to Margret et al (2014), Pigula and Marta (2015), Blair-ford (2014), and Kasidi and Said (2013), non-experienced and unskilled staff often make errors and mistakes related to the management of debtors accounts, resulting in the capture of the wrong amount of debtors. Nwude et al (2016), Addaney (2016) and Bingilar and Oyadonghan (2014) have agreed that liquidity cannot be improved by holding debtors as management of credit controls.

Nixon (2014) Achaeampong (2014) and Githiaga and Kabiru (2015) commented that keeping debtor accounts is not successful in controlling credit control because credit control systems need to be constantly updated to match current technology. The challenge associated with not updating the systems is that it can be a big problem to determine debtor statistics which lead to no change in liquidity. According to Edem (2017), Wachira (2014), Naiseku and Susan (2016) and Ogilo (2018), as the number of customers increased, the number of debtors also increased, resulting in problems and difficulties for account personnel to manage the debtors' rise, and liquidity is not guaranteed.

Nonetheless, Matthew and Modesai (2016), Yazdanfar and Ohman (2015) and Muchiri et al (2016) have clarified that the management of debtor's accounts is beneficial as it helps the organization recognize debtors and this improves liquidity. This research therefore sought to

investigate the effectiveness of debtors' accounts keeping in credit control on liquidity at Stoneclare Construction.

2.1.2 Payment Plans

According to Shadi and Nazaripour (2015), Emmanuel (2013) and Chinaemerem and Anayochukwu (2013) Payment plans do not improve the organization's liquidity because many debtors who owe money will fail to pay the sums owed on the basis of the negotiated time period and thus do not improve the organization's liquidity. Zouhaier and Fatma (2014) and Titus et al (2016) suggested that they normally ask for payment plans when a company is in debt and arrears and is in the stage of bankruptcy, since they realize that after they withdraw from the company, no payment will arrive and this suggests that payment plans are not an efficient tool for controlling credit control. The use of payment plans is not effective in managing credit management, according to Ozurumba and Anayochukwu (2014) and Kajirwa (2015), because many customers will make one or two payments in arrears and stop paying. This means that according to Ako-Nai and Ayoolaa, the profitability of the company will not be improved as cash inflow will be less due to the fact that customers stopped paying (2013).

In credit control management, payment plans are not successful, as this results in the loss of track of debtors who owe money, according to Ksenija (2013) and Colla et al (2013). The credit management team can forget the monthly payment that is supposed to be paid, according to Pigula and Marta (2015), leading to anomalies or inconsistencies that can not be tracked and the liquidity of the company can not be improved.

Margret et al (2014), Hong (2017), Adigwe (2015), however, considered that payment arrangements are efficient in the management of credit control as they increase the liquidity of an entity because most debtors pay their amounts as prepayments and the organization has cash inflows in advance and cash can be channelled to other productive sectors. Abbas (2014) also stated that in the management of credit risk, the use of payment plans is effective because it offers many inexpensive and equitable ways to increase debtors' clearing of unpaid bills and debts while managing customer debts, thus increasing an organization's liquidity. According to Kertahadi (2015), Okpala (2018), payment plans are productive in controlling credit management as debtors settling their debts would have more cash flow, thus improving the liquidity of the company. Accordingly, this research sought to determine the effectiveness of payment plans in the credit management of Stoneclare Construction's liquidity status.

2.1.3 Circularization of debtors

Zheng (2013), Kabiru (2015), Acheampong et al (2014) and Modi (2014) argue that debtors may be fraudsters and, as a result, the amounts they owe may not be agreed upon, meaning that nothing will be received from them and that this does not improve an organization's liquidity. According to Issa (2015), Ibe (2013), Haque (2014) and Addaney et al (2016), the circularization of debtors does not improve an organization's liquidity, but rather increases costs as debtors are continuously contacted to confirm their debts through auditors. Moreover, the management may refuse to a Zheng (2013), Kabiru (2015), Acheampong et al (2014) and Modi (2014) argue that debtors can be scammers and as a result, they will not settle on the sums they owe, meaning that they will not obtain anything from them and that this does not increase the liquidity of an entity. The circularization of debtors does not boost the liquidity of an organisation, according to Issa (2015), Ibe (2013), Haque (2014) and Addaney et al (2016), but instead raises costs as debtors are constantly contacted by auditors to confirm their debts. In addition, the management can stop allowing auditors to send confirmations to their debtors, so that debtors are unable to approve any amounts and liquidity can not be improved as no payment will be made by debtors, commented (Issa 2015), Eggerston (2014), Matrass (2014) and Wawoeruu (2016).

Imbierowicz (2015 and Vatavu (2015) auditors will ask debtors to confirm their outstanding debt they owe to the company, according to Aloccock et al (2013), and this is not an efficient credit control since liquidity will not be improved simply by verifying debt from debtors. Edem (2017) and Ogilo (2018) and Dutta (2017) referred to the fact that debtor circularization does not improve the liquidity of an entity as debtors may agree to the amounts they owe but have insufficient debt clearance funds. Mesjasz and Mesjasz (2016), Fuziet al (2013) and Emmanuel (2013) noted that debtors may not respond to the auditor's circularization and that the auditors may not be able to obtain adequate confirmation of the debtors' account, resulting in inadequate liquidity credit control management.

However, Kajirwa (2015), Ksenija (2013), Obuya (2017) and Lemma and Negash (2013) take a different view, noting that debtor circulation is successful in the sense that it saves them as a reminder that they owe the company by sending confirmation letters to debtors, thereby encouraging payment certainty and thus improving the liquidity of an entity. This study sought to investigate whether debtor circularization at Stoneclare Construction is efficient in credit control management.

2.1.4 Debt settlement

Addaney et al (2016), Colla et al (2013), Obuya (2017) and Ijirshar et al (2016) have noted that in managing credit control, debt settlement is not effective. Muhammad (2014), Kagoyire and Shukla (2015), Wachira (2014) and Modi (2014) clarified that the organization earns less than what is currently owed to them when a creditor agrees to settle the debt, and this affects the liquidity of the organization because they do not receive what they owe. Debt settlement is ineffective in credit control management, according to Matthew and Modesai (2016), Niko and Farokh (2015), Omai et al (2018) and Wamugo (2014), because debtors will make false promises to pay at the end, they will not pay, and this will affect the liquidity of the organization. According to Matthew and Modesai (2016), Niko and Farokh (2015), Omai et al (2018) and Wamugo (2014), debt settlement is ineffective in credit control management, because debtors can make false promises to pay at the end, they will not pay, and this will impact the organization's liquidity. Addaney et al (2016), Colla et al (2013), Obuya (2017) and Ijirshar et al (2016) have noted that debt settlement is not effective in controlling credit management. Muhammad (2014), Kagoyire and Shukla (2015), Wachira (2014) and Modi (2014) demonstrated that when a creditor decides to settle the debt, the organization receives less than what is actually owed to them and this impacts the organization's liquidity because they do not obtain what they owe.

Pigula and Marta (2015), Grobmas (2014), Kajirwa (2015) and Margret et al (2014), however, argue that debt settlement is effective in managing credit control because unlike receiving nothing it helps the debtor to recover certain amounts and that the liquidity of the organization can be improved. Debt settlement is effective in managing credit control, according to Pigula and Marta (2015) and Yazdanfor and Ohman (2015), Jamel (2014), Guerrieri and Lorenzom (2017), as it improves the recovery of debtors by an organization that would have been lost if the debtor declared bankruptcy and improved the liquidity of the organization. This research sought to establish the effectiveness of debt settlement at Stoneclare Constructions in the management of credit control on liquidity.

2.2 To determine the problems facing the liquidity position of the current credit control management system.

2.2.1 Weak leadership skills and abilities

Leaders may be weak to the extent that they may fail to recognize essential things that make credit control management effective for subordinates, according to Kokemullar (2018) and

Chevalie (2014), and this hinders the ability to handle their tasks and it is impossible to increase liquidity. Nwude et al (2016), Wahab and Ramli (2014) and Ghazouani (2013) argue that poor leadership contributes to the waste of resources and may failed to properly delegate duties to the right people and will impact the effectiveness of an organization, as the credit control department of the organization may not be assigned to those who are best acquainted with credit control management. Kokemullar (2018) and Dutta (2017) suggested that weak leaders tend to ignore certain variables within an organization that influence the change in liquidity.

Kertahadi (2015), Okpala (2018) and Addaney et al (2013) say that weak leadership skills are one of the problems facing credit risk management, and that this does not improve the liquidity of the company. According to Muturi et.al (2015) and Amrut (2014) of Wawoeru (2016), leaders easily forget that it is their responsibility to ensure that anything needed to be done in relation to debt has been effectively implemented in order to increase liquidity. Poor leaders do not guide subordinates to follow the correct methods of credit control management, according to Margret et al (2014), Emmanuel (2013) and Bingilar and Oyadonghan (2014), and this does not improve the liquidity of an organization. Ibe (2013), Haque (2014) and Imtiaz, et al (2016) argue that weak leaders do not notice problems that can impede successful credit control management to boost liquidity, and this is a credit control issue.

Nevertheless, Kasidi and Said (2013) noted that not only does poor leadership affect the management of credit control, there are several other factors that influence credit control management. Factors such as high costs associated with credit control management and also lack of adequate skills, said Vaiden (2014) and Harc (2015).When employees are not sufficiently trained to handle credit control, the organization's liquidity will be weakened as cash flows and revenues received will be lower, said, Rezai and Azed (2014) and David et al (2014). Therefore the study sought to ascertain whether weak leadership skills and abilities contribute to a problem facing Stoneclare Construction's current credit control system management.

2.2.2 Insufficient skills and knowledge

Bordie (2015), Houston (2015), David et al (2014) and Bart (2015) pointed out that because of this lake of knowledge, inadequate knowledge of credit control management systems leads to the misuse of credit control management strategies, it would be difficult to track down and make debtors pay on time, and this will not improve an organization's liquidity. According to

Vinton (2014), Kertahadi (2015), Okpala (2018) and Adamko (2014), several workers have little understanding of credit control management and its effect on the liquidity of the company.

Many employees have insufficient credit control management skills, according to Addaney et al (2016), Dutta (2017), and Emmanuel (2013), and liquidity will continue to be a concern as a result. Abbas (2014), Donald and Penne (2014) and Dengov (2014) say that the lack of adequate skills fosters a significant gap in the management of credit control between efficiency and effectiveness in order to increase the liquidity of an entity. According to Adamko (2014), Kokemullar (2018), Kliestik (2014) and Gitman (2016), for debt to be managed effectively, the company should be updated with technological innovation and employees should be well informed of technological developments as ignorance presents a challenge in credit risk management to increase the liquidity of the organization.

Nwude et al (2016) and Akenbor and Agwor (2015) argue, however, that insufficient skills are not really a credit control management challenge, there are many other problems affecting credit control management, including the high cost of credit control management reported by Driver (2014), Loughran (2015), Dunn (2015) and Kalebb (2015) (2014). The research sought to investigate how credit control management at Stoneclare Construction is affected by insufficient skills and knowledge.

2.2.3 High costs associated with credit control management

High costs are an issue in credit control management, according to Kagoyire and Shukla (2015), Eggerston (2014), Mattrass (2014) and Kungu (2014), as there is a need for technological advances so that the system can be strengthened for successful credit control and liquidity improvements. Kaleb (2014) and Finkel (2014) believe that the use of new and recent technologies to track debtors as credit control management software is outsourced, resulting in liquidity crises that are ineffective and thus expensive. Xu et al (2016), Tauseef (2015), and Nalwade and Parakh (2013) observed that high costs associated with the credit control system are a major challenge and lead to an organization's liquidity crises to a greater extent. According to Kertahadi (2015), Okpala (2018), Akenbor and Aqwor (2015) and Oluwagbeminga et al (2014), teaching workers to learn credit control management skills are costly and expensive for the company, which means the company will have cash outflows, thus impacting the organization's liquidity.

James (2014) and Li (2014) indicated that there is also a need for a professional in credit control system management to incorporate a training system that leads to the organization bearing the

extra costs of employing such employees. According to Oluwagbeminga et al (2014) and Driver (2014), it tends to be organizationally costly to contact customers on a regular basis and liquidity cannot be guaranteed. Due to repetitive work and extra time spent on tasks that are not properly executed due to insufficient skills and inexperienced workers, many mistakes and errors will then have to be corrected for effective credit control management and improved liquidity and organizational efficiency, as shown by Okpala (2018) and Addaney et al (2013).

However, Premala et al (2015) and Margret et al (2014) take a different view that high cost in management of credit controls is not the only liquidity challenge in credit management. Poor leadership skills are one of the challenges leading to ineffectiveness in liquidity credit control management, where leaders may fail to make their subordinates implement the correct methods for debtor management, noted Nwude et al (2016), Wahab and Ramli (2014) and Kabiru(2015). The research therefore sought to investigate if there are high costs associated with credit control management at Stoneclare Construction.

2.2.4 Inexperienced staff

Maina and Ishmal (2018) and Abbas (2014) and Ramadan et al. commented that management strategies for credit management struggle to increase the liquidity of a company because of employees who are inexperienced in handling debtors (2015). Inexperienced workers are a major challenge in the management of credit control, according to Wachira (2014) and Modi (2014), because they result in low efficiency and thus less revenue would be earned in the company so that liquidity cannot be increased. Emmanuel (2013), Abbas (2014) and Titus et al (2016) argued that employee incompetence is costly to the company because it causes a lot of errors and mistakes that do not contribute to an organization's liquidity crises.

Kajirwa (2017), Haque (2014) and Imtiaz, et al (2016) stated that when employees lack training they are tempted to make mistakes and errors in the handling of debtors when performing tasks and that this reduces motivation and liquidity cannot be improved. Karasic (2014), Colla et al (2013) and Margret et al (2014) argue that employee negligence contributes to client failure, and that this does not increase an organization's efficiency. Inexperienced staff lack the appropriate skills to deal with consumers' best and some clients will be lost before they make payments for the sums they owe (Ahmed 2013).

However, Xu et al (2016), Tauseef (2015), Chen (2013), Alzomai (2014) and Antonczyk, and Salzmann (2014) claim that incompetence of staff not only affects the management of credit control, lack of top management support can also affect an organization's liquidity position

(Kajirwa 2015). According to Bordie (2015) and Houston (2015), top management appears to ignore subordinates involved and responsible for managing credit control on their job, thus creating liquidity problems because less revenue will be earned due to debtor mismanagement. Furthermore, lack of adequate credit control skills is a major problem in credit control management and lack of skills does not improve an organization's liquidity, he noted (Wawoeru (2016). The research sought to investigate if inexperienced staff is one of the challenges that is faced by the credit control management system at Stoneclare Construction.

2.3 To define forms and their impacts on the existing credit control management system in improving liquidity position of Stoneclare Construction

2.3.1 Debt collection staff rotation

Rotation enhances an organization's liquidity, as it introduces the credit control management workers to different business areas, according Fang (2016), Aliakbar et al (2013), Obamuyi et al (2013), Ramadan et al (2015) and Maina and Ishmal (2018) clarify that staff rotation offers a fresh perspective on existing tasks, which helps to promote creativity, improved problem solving and increased efficiency, and thus improve liquidity. According to Omai et al, (2018) and Wamugo (2014), exposing employees to various functions and tasks tends to increase their level of satisfaction and improve liquidity. Addaney (2016), Obuya (2017) and Lemma and Negash (2013) suggests that if an organisation's credit risk management department has sufficient staff, it is beneficial to rotate them to increase an organization's liquidity

Acheampong et al (2014), Duru and Ubesie (2016), Obuya (2017) and Lemma and Negash (2013) argue that rotation increases the organization's liquidity because consumers will know they are not dealing with a single individual but with the entire organization. Hong (2017), Adigwe (2015), Alshatti (2015) argue that debt management rotation is structured for workers to participate in a variety of transactions to help managers discover their hidden talents. This gives them space to define what they love doing and what they are very good at when the credit control management team is rotated, noted Enekwe (2014). According to Emmanuel (2013), Shar and Jan (2014) and Githiaga and Kabiru (2015) debt collection staff rotation helps them to gain knowledge and experience in the field, thus increasing the organization's liquidity.

However, Ozurumba and Anayochukwu (2014) and Ksenija (2013), noted that some of the staff can resist rotation. This is because some of those staff who are happy with their roles are unwilling to move to other places, hampering an organization's liquidity. According to Margret et al (2014) and Achaeampong (2014), rotation continues to hinder liquidity because it is

correlated with staff turnover costs. This research therefore sought to investigate if rotation of debt collection staff can be employed by Stoneclare Construction as a way of improving the current credit control management as well as the effects it has on performance of the company.

2.3.2 Training personnel

According to Hackbarth et al (2013) Chechet, and Olayiwola (2014) and Ghazouani, (2013), personnel training is increasing their ability to adapt to new technologies and methods and thus credit control management can be more efficient and liquidity is guaranteed. Liquidity performance is increased by employee training and a financial gain as demonstrated by Guranathna (2016), Zheng (2013) and Emmanuel (2013) alluded to an increase in customer satisfaction through employee training as personnel gain knowledge of customer services and ways in which they deal with customers can be improved. According to Shadi and Nazaripour (2015) and Ksenija (2013), personnel training leads to increased strategic innovation as new solutions can be developed to effectively manage debtors in order to increase an organization's liquidity. Existing credit control management knowledge and skills can be improved by preparation, and this tends to increase an organization's liquidity. (Serghiescu and Vaidean 2013)

According Haque (2014), Muchlis et al (2013) and Imtiaz, et al (2016), there is increased productivity and motivation to work done and that improves an organization's financial performance and liquidity. According to Abbas (2014), Ksenija (2013), Omai et al, (2018) and Wamugo (2014), credit risk management personnel training improves an organization's liquidity. Through training, there is increased job satisfaction and morale among the credit risk management staff and they could effectively perform their tasks thus improving an organization's liquidity, noted Damoun et al (2013) and Ikapel and Kajirwa (2017).

However, According to Dang (2013), Jõeveer (2013), Muturi et.al (2015), Amrut (2014), Jamel (2014) and Guerrieri and Lorenzom (2017), employee training requires adequate qualifications for those who are going to be training them. LaRocca et al (2013), argues that liquidity cannot be improved by employee training because it usually takes time to send employees to training seminars when they could have done more productive work. Fuzi et al (2013), Habib et al (2016) clarified that workplace training does not boost an organization's liquidity as it can be expensive as some of the workers will need to be sent to workshops to learn the appropriate skills. The research therefore sought to investigate if training employees can be employed by

Stoneclare Construction as a way of improving the credit control management as well as its effect of liquidity of the company.

2.3.3 Outsourcing

Eggerston (2014), Matrass (2014), Hong (2017), according to Kagoyire and Shukla (2015), debt outsourcing to specialists offers ample flexibility for workers to focus on their core tasks while the specialists manage the debt of the company. Outsourcing debt enhances the financial performance of a business as all the money invested on the inventory is recovered (Issa 2015). Shadi and Ksenija according to (2013). Habib et al (2016) and Adigwe (2015), Alshatti (2015) noted that when pursuing debtors, there is substantial consideration, and when left in the hands of those who know the law best, it ensures that the credibility of the company is protected and liquidity is guaranteed.

According to Fuzi et al (2013), Eggerston (2014), Matrass (2014) and Emmanuel, outsourcing debt helps to save time (2013). This is because their expertise drives professional processes and procedures that enable them to resolve debt problems immediately and the company can collect their payments promptly, thus improving the liquidity of an organization Kertahadi (2015) and Okpala (2015) (2018). Outsourcing debts can boost liquidity as it increases competitiveness, according to Edem (2017) and Ogilo (2018) and Fuzi et al (2013), as payment arrangements can be done free of charge using the new industry top software system. According to Habib et al (2016) and Addaney (2016), outsourcing can be used to enhance credit control management and improve financial efficiency and liquidity (2016). Outsourcing debts saves money and liquidity is increased, since the sooner you are compensated to raise cash inflows and thereby save money in both the short and long term, Issa (2015).

However, outsourcing may not, guarantee an organisation's liquidity as the company will have less influence over the debtors (Nazaripour 2015). According to Amrut (2014), since the debt collection agent is not going to work for the organization alone, this may not be a priority and this does not increase the organization's efficiency and liquidity. This research therefore sought to investigate if outsourcing can be adapted by Stoneclare Construction as a way of improving the credit control management as well as its effect on the liquidity of the company.

2.3.4 Technological advancement

Advancement of technology is very significant because it offers a large degree of standardization in software application and database structure, which encourages

consolidation, according to (Kajirwa (2014), Ibe (2013), Haque (2014) and Imtiaz, et al (2016). Emmanuel (2013), Bhandari et al (2017) and Acigoz (2013) argue that technological advancement allows machines to produce more output than humans and improves liquidity because it saves a company's costs and allows it to invest in other areas of the organization, such as growth. According to Nunes and Serrasquero (2015) and Abel (2017), technological advancement improves an organization's liquidity as it shows people a more effective way to handle debt, and results can be achieved. Technological advancement, according to Kumal and Kumar (2013) and Ksenija (2013), is one of the ways that can be used to improve credit control management so as to enhance liquidity.

According to Chatterjee (2017), Nwude et al (2016) and Colla et al (2013), technological advancement enables easy access to information about a particular customer and enhances contact with customers by sending them reminders of the amounts they owe, thereby increasing an organization's liquidity. Nwude et al (2016) and Rehman et al, (2013) argue that by advancing technology, it is possible to take regular backups, and the available personnel can help and retain debt tracking and management and thus boost liquidity.

Nevertheless, Technology development is not beneficial since it respects less human work. Ramadan et al (2015) and Maina and Ishmal (2018). Ijirshar et al (2016), Fang (2016), Aliakbar et al (2013) and Obamuyi et al (2013) states that technological advancement doesn't always boost an organization's liquidity as investing in the new technology is expensive. Kebewar (2013) and Matrass (2014) went on to say that with society becoming more advanced, more people will start relying heavily on computer work and, if those computers crash, workers will become almost disabled until the situation is resolved and this does not guarantee organizational liquidity. The research sought to investigate if technological advancement can be employed by Stoneclare Construction as way of improving the current credit control management system.

2.4 To create the best credit control techniques to boost liquidity position.

2.4.1 Debt Factoring

According to Dengov (2014) and Daniel (2013), Grobmas (2014), and Kajirwa (2014), the money owed is earned from the factor immediately to increase the liquidity of a company, and the company would be able to pay off its own debts on time and can relieve bills and payroll difficulties. The debt factoring agency will recover 50-90 percent of the amount invoiced by agreement, according to Ijirshar et al (2016), Martin (2013), Dutta (2017) and Donald and

Penne (2014), and the company will easily obtain cash, thus increasing the liquidity of an organization. Adamko (2014), Rajan (2015) Amrut (2014), and Vinton (2014) are of the opinion that an organization is protected from bad debts through debt factoring if they choose the debtors without recourse whereby the factor takes the risk of all unpaid amounts and all bad debts fall to the factor and therefore the organization's liquidity will increase.

According to Kagoyire (2016) and Mbufu (2013), while the factor takes charge of the debt, the staff that is supposed to handle debt will turn to other important work and this increases the organization's financial performance and liquidity. Emmanuel (2013), Pigula and Marta (2015) and Margret et al (2014) state that in order to implement debt payments, an organization should engage in debt factoring, thus increasing the liquidity of an organization. Via debt factoring, the factor assumes responsibility for the administration of all invoices and decreases the organization's overhead costs, thereby increasing the organization's liquidity, noted Ayagre (2014), Jamel (2014) and Guerrieri and Lorenzom (2017).

However, Garaiza (2014), Nwude et al (2016) and Addaney (2016) indicate that financial performance is not always improved because the factoring debts tends to increase if the customers pay gradually because the invoice is not paid every day by a customer. Nevertheless, Ksenija (2013) and Ibe (2013) said that debt factoring does not always improve the liquidity of an organization as there is a high risk of harming customer relationships, particularly if the factor is not sufficiently competent, there is a high chance of harming the customer relationship. This study sought to determine whether Stoneclare Construction can adopt debt factoring to improve its liquidity position.

2.4.2 Debt centralization

Dunn (2015), Beare (2013) and Addaney et al (2016) argue that centralizing credit risk management makes it more likely that there is a lower risk for others within the department that deviates from the protocol, thereby increasing an organization's liquidity. According to Vaiden (2014), Harc (2015), Kaleb (2014), Colla et al (2013) and Issa (2015), debt centralization improves the credit control management cycle by offering a cohesive view of all debts across various clients, thus reducing duplication of effort and enhancing an organization's liquidity. Ijirshar et al (2016), Ibe (2013), Margret et al (2014) and Dutta (2017) suggest that collection feature consolidation eliminates complexity, debt reduction is significantly improved and the collection process is standardized at a higher efficiency level, thereby increasing an organization's liquidity

According to Finkel (2014), Kagoyire and Shukla (2015) and Onyekwelu and Ugwuanyi (2014) and Driver (2014), by debt centralizing credit risk management, uniformity in credit control management is more likely to be brought about thereby increasing the organization's performance and liquidity. According to Kajirwa (2013), Issa (2015), Grobmas (2014) and Addaney et al (2016), if a company creates a debt centralized collection system for all its debts, debts can be effectively managed and millions recovered and organization's liquidity

However, Habib et al (2016), Nwude et al (2016), Emmanuel (2013) and Shadi and Nazaripour (2015) suggest, that debt centralization does not always improve liquidity, as having a single credit control management department running multiple locations may undermine the relationship with clients. This research therefore sought to investigate if centralization can be adopted by Stoneclare Construction as a way of increasing the liquidity of the company.

2.4.3 Debt Segmentation

Debtor segmentation strengthens an organization's liquidity, as more focus can be paid to those debtors who are slow payers and those who are not willing to pay, according to Duru and Ubesie (2016). According to Imbierowicz (2015), Kertahadi (2015), Okpala (2018) and Titus et al (2016), proper segmentation of the receivable accounts gives close and intelligent knowledge of the debtors and also classification to the credit control management team. Debt segmentation can be introduced as a method in credit control management to improve liquidity according to Colla et al (2013) and Dutta (2017). Addaney (2016) and Emmanuel (2013) claimed that successful debt segmentation of receivable accounts results from the arrangement of debtors accounts in accordance with attitude, payment efficiency, solvency and location to improve the organization's liquidity.

According to Ozurumba and Anayochukwu (2014) and Kajirwa (2015) and Ijirshar et al (2016) segmenting debtors will improve an organization's liquidity because the greater number of debtors can be managed according to a set standard if they are carefully and intelligently categorized so that a large part of the job can be performed by manager's assistants. Dutta (2017), Onyekwelu and Ugwuanyi (2014) and Shadi and Nazaripour (2015) claims that organizational liquidity can be improved by targeting the right section. Better communication with debtors can be improved by segmentation, according to Ogilo (2018), Pigula and Marta (2015) and Yazdanfor and Ohman (2015).

However, Margret et al (2014), Habib et al (2016) and Nwude et al (2016), noted that debtor segmentation may also be costly for the company to classify all debt segments, and that will

not improve the organization's liquidity. Edem (2017), Adamko (2014), Rajan (2015) and Amrut (2014) argues that if effective debtor classification is not achieved early, categorization becomes a challenging mission, making it important to follow up on these debtors and monitor the number of days that any debtor is due past. This research sought to establish whether segmentation of debtors can be implemented by Stoneclare Construction to enhance liquidity.

2.4.4 Credit Rating

The rating agency often checks the rating given to a specific instrument, according to Ijirshar et al (2016), Alayemi (2015), and Jamel (2014), so this allows investors room to determine whether to retain the instrument or sell it, and this improves liquidity. Credit rating helps to make decisions, according to Ogilo (2018 and Murcia et al (2014), by figuring out what the right rule to apply to a section of previous applicants would have been. According to Eggerston (2014), Matrass (2014) and Wawoeru (2016), credit rating increases the amount of credit and enhances access to credit and helps adverse option issues and decreases credit costs for good borrowers and can be assured through this liquidity. In comparison to traditional hazard assessment approaches, Kajirwa (2015) and Ijirshar et al (2016) noted that, credit rating assessment has been recognized globally as an innovative tool for evaluating a trustworthy borrower. According to Addaney (2016) and Nwude et al (2016), before making a decision to sell on credit, credit rating agents are available to reveal some information about a potential customer to organizations.

Duru and Ubesie (2016), Margret et al (2014) and Emmanuel (2013) are of the notion that liquidity is strengthened by credit rating scores as they are used to estimate the client's ability to repay obligations as they are due. For credit rating, high credit rating provides creditors with an assurance of the protection of the instruments and less chance of bankruptcy, thereby improving an organization's liquidity position (Emmanuel 2013). Credit rating also gives investors an idea about the creditability of the issuer organisation and the risk factor that is attached to a certain instrument and this enhances liquidity since higher rating implies willingness to invest in these instruments Titus et al (2016).

Bayar (2014), Pigula and Marta (2015) and Grobmas (2014), however, agree that credit ratings do not always improve financial efficiency and liquidity, as they may be misunderstood or biased. This is because companies with lower ratings do not want to use the ranking when raising public funding, Abbas commented (2014). Bayar (2014), Ramadan et al (2015) and Maina and Ishmal (2018) went on to say that because of the personal weakness of the workers,

often making the investigation team can be impacted by human bias and this impacts the ranking. Therefore this study sought to investigate whether Stoneclare Construction would embrace credit ratings as a way to improve financial efficiency and liquidity.

2.5 Chapter summary

The aim of this chapter was to gather other scholarly material relating to liquidity and credit control management activities as one piece of information. The researcher analyzed the effectiveness of the credit control management practices of the company, the problems facing the current systems of credit control management, other factors that could improve the liquidity of an entity other than credit control management, and best practices in the management of credit control. This guided the researcher on what to look for specifically at Stoneclare Construction, thereby using the organization as a research unit. The next chapter will look at the methodology of research used to collect data from research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The chapter explains the methods and tools used by the researcher to gather information to accomplish the objectives of the analysis. It will primarily include research design, population, research instrument, ethical consideration, data validity and reliability, and ultimately data presentation and analysis.

3.1 Research Design

Research design, according to Haiying (2014), is a process created to help find the answers to research questions and objectives. Creswell (2013) also pointed out that the research design must validate evidence that allows the research issue to be solved successfully in a clear manner. It is the overall strategy that helps to address the research questions in a more aesthetically ordered and reasonable manner by forming different components of the research (Haiying 2014).

3.2 Mixed Approach

Creswell (2013) asserts that it uses a qualitative approach to define a situation that cannot be measured numerically. The qualitative approach helped the researcher gain an understanding of how inadequate credit control management impacted Stoneclare Construction's liquidity position on the basis of the employees' perceptions and views within the organization. Employees at Stoneclare Construction were better able to highlight the effectiveness of the current credit control management system, the system's challenges and the ways in which the current credit control management system could be improved at the company, and such authenticity made the entire research outcome reliable.

Quantitative approach, on the contrary, measures the objective by analysing figures and examination among variables. Rovai et al (2014) considered that quantitative approach is helpful in establishing an existing relationship between variables thus showing the effect and cause of the relationship, thus helping the researcher to establish the association between Stoneclare Construction's credit control and its liquidity position using ROA.

Therefore, the use of the mixed approach adds value to this analysis because the results of the study will reach a wider audience due to the use of both words and numbers in communicating

Almalki (2016) findings. The use of the mixed approach is important for the researcher because the problem statement requires a quantitative aspect by analysing liquidity structure of the company in relation to the credit controls used and the qualitative aspect in determining the effectiveness of credit control management on liquidity. Mixed approach allowed the researcher to better understand the effectiveness of credit control management practises on the liquidity position of Stoneclare Construction than when using a single approach.

3.3 Target population

Creswell (2013) says the population is the sum total of the available elements for analysis. Accounts, finance and sales departments of Stoneclare Construction were used. In this research, the target population consists of only 20 employees from the three sections within the organisation departments. The 20 workers were drawn from the finance, accounts and sales team for study purposes, the researcher considered them competent as regards to the organization's credit control management decisions.

A target population allows the intensive study of the research problem to be conducted by the researcher thus gathering more information and knowledge and clear clarity on the department's satisfaction with credit control management. Below is a table showing the target population, number of questionnaires and interviews conducted.

Table 3.1 Target population

	Population	Census	%	Interviews
Accounts Department	5	5	100	1
Sales Department	10	10	100	1
Finance Department	5	5	100	1
Total	20	20	100	3

Table 3.1, above illustrates a target population of 20 accounts, finance and sales department employees. The researcher had planned to conduct three interviews and issued 20 questionnaires as shown in table 3.1 above. Almost all sections were represented by at least 90% of the employees.

3.4 Research Instruments

Research instruments are tools and techniques that allow the research under investigation in order to get data from a research topic, according to Tsalapatas et al (2014). Research instruments are important in research reliability and validity. The researcher had used interviews and questionnaires. These tools helped gather information that was not available on the internet and helped the researcher evaluate various responses given by the target population about the effectiveness of credit control management on the liquidity position of Stoneclare Construction.

3.4.1 Questionnaires

Farrel (2016) agrees that questionnaires are scripts of questions written to fill out their responses for the respondents. In this research, both closed-ended and open-ended questions were used by the researcher to collect relevant data for research purposes as they enabled the researcher to structure the research objectives. The way the questions were asked also enabled greater uniformity, thus allowing for greater comparability of the answers on the effectiveness of credit control management on the liquidity position of Stoneclare Construction. Standardized responses were gathered because different individuals had been asked the same question.

3.4.2 Interviews

An interview refers, according to Cooper and Schinder (2013), to an objective conversation between two or more individuals with the aim of giving feedback on a particular topic. Semi structured interview was carried out by the researcher whereby the researcher prepared the same list of questions which were responded by all participants and for clarification of certain issues regarding the statement of problem, additional questions were asked. Personal interviews were conducted to provide a more confident study. The researcher used both closed and open-ended questions during the interviews, which included the Stoneclare Construction accounts, sales and finance leaders. Using interview guides provided the researcher with an in-depth understanding of respondents ' thoughts, ideas and views regarding credit control management practices.

The research used open ended questions as they enable more qualitative information to be gathered regarding credit control management practices on liquidity Stoneclare Construction as respondents have the platform to express their views without being restricted. The researcher

used closed ended questionnaires in an attempt to analyse data statistically and obtain all required information thus enhancing validity to the study and making it easier to draw conclusion on the effectiveness of Stoneclare Construction’s credit control management on liquidity position under research. However, there is a risk of bias by the interviewee in giving out the response therefore the researcher avoided overreacting to responses given out by the interviewee and the interview was conducted privately so as to give comfort to the interviewee.

Table 3.2

Attitude	Strongly agree	Agree	Uncertain	Disagree	Strongly Disagree
	5	4	3	2	1

(Source) Creswell 2013

❖ **Likert scale questions**

A Likert scale refers to a response scale, which categorizes the choice of participants, noted Haiying (2014) and Creswell (2013). In order for the researcher to come up with different opinions on the best credit control management strategies and ways to improve the credit control management approaches on Stoneclare Construction’s liquidity, the questions on the Likert scale were used to encourage the respondents to choose from the opinions. The researcher used the Likert scale because it was reliable, aids in quantitative analyses as shown in table 3.2 above.

3.5 Ethical Consideration

The researcher first requested permission to perform the research at Stoneclare Construction which had been granted. The respondents were highlighted about the research first such that they know what the questionnaires all about. Before the interviews were conducted permission was obtained. Participants were told that the information they provided was considered confidential and will only be used for the purposes of this research. All Questionnaires used were nameless to ensure confidentiality and for respondents to freely state their opinions without any possibility of being victimised and each respondent was given enough time to fill the questionnaire without any interference.

3.6 Data Validity and Reliability

3.6.1 Data Validity

According to Shuttleworth (2015), Validity is whereby it is decided whether the results obtained through the whole experimental process have met all the criteria of the scientific research method. Tsalapatas et al (2014) notes that the processes that contributed to that particular production should be repeatable and the same outcomes should be obtained for results to be accurate. The researcher ensured the validity of the research instruments through the construction of the questions based on research objectives for the questionnaires and interview guides, as they focused on providing feedback relevant to the credit control management on liquidity position of Stoneclare Construction under study. The researcher had checked and inspected the questionnaires if they had errors before data presentation to ensure accuracy and validity of the data before analysing it.

3.6.2 Data Reliability

Reliability of data refers to the extent to which questionnaires and interviews used to collect data are able to consistently produce the same findings on more than one repeated trials, commented Alshenqeeti (2014). According to Tsalapatas et al (2014), the minimum response rate should be 60%, while Kumar (2014) stated that accurate responses should be at least 70%. The researcher achieved a response rate of 90% that is reliable in data analysis. The researcher used two research instruments thus questionnaires and interviews. Interviews were of assistance to the researcher in gaining more depth and insight into the generated information from the questionnaire thereby ensured dependability on data collected.

The interviews were conducted on personnel from the finance, accounting and sales departments in order to enhance reliability as staff from these departments were the ones with more information about credit control management on liquidity position of Stoneclare Construction. The census population represented all the three departments' thus sales, accounts and finance in Stoneclare Construction and guaranteed that all opinions and thoughts of diverse sections were in captive, thus eliminating bias. Questions developed by the researcher were the same in both the questionnaire and interview guide and they based on the research objectives. Collected data through the research instruments was compared for similarities and differences in a bid to ensure reliability of the study.

3.7 Data Analysis and Data Presentation

3.7.1 Data Analysis

Ikapel and Kajirwa (2016) noted that data analysis is of help in the evaluation of gathered information by analytically reasoning in assessing each component of given data. The data that was collected through questionnaires was tabulated and analysed using the Stata 13 Statistical software package and descriptive statistics was used to analyse data. Furthermore, descriptions were made based on the results of the tables. The responses gathered from the research were sorted according to research questions and descriptions used to illustrate circumstances as happened at Stoneclare Construction.

3.7.2 Analytical Model

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data was coded to enable the responses to be grouped into various categories. To assess the relationship between credit control management and liquidity position, the analysis model used was multivariate regression analysis to arrive at a conclusion on Stoneclare Construction problems. Liquidity position was the dependent variable and debt factorising, debt centralization, debt segmentation and credit rating were the independent variables. The following formulae below is the regression analysis model used in this research.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where: Y= liquidity Position as measured by ROA

α = Constant Term

β = Beta Coefficient –This measures how many standard deviations a dependent variable will change, per standard deviation increase in the independent variable.

X1= Debt factorising

X2= Debt Centralization

X3= Credit rating

X4= Debt Segmentation ϵ = Error term

3.7.3 Data Presentation

Stimpson and Smith (2015) cited various data presentation methods and these includes tables, graphs and pie charts. Diagrams acted as visual aids whereby they enabled a better appreciation and understanding of the gathered information and were self-explanatory. According to Verkade (2015) data is clearly understood and represented through figure panels. Gathered data

was sorted by the researcher in categories and in accordance to the research objectives. The researcher used pie charts and tables to present data in a meaningful manner, because they provide a clear summary of the collected data, help in the effective analysing and interpretation of raw data. The use of visual aids made it easy in establishing and relating research findings to the problems of Stoneclare Construction and information covered in literature review.

3.8 Chapter Summary

The chapter looked at the procedures used to gather raw data. For this analysis the mixed approach which includes both quantitative and qualitative methods was used. Raw data was gathered via interviews and questionnaires. The chapter also discussed the validity and reliability of the data gathered. The next chapter focussed on the findings of the research.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

The purpose of this chapter was to present, analyse, evaluate and interpret research objectives that were addressed in literature review and the research findings obtained by the researcher through questionnaires and interviews. Visual aids such as graphs presented the gathered information whilst qualitative information described fully and explained thoroughly as the data was both qualitative and quantitative. The researcher drew comparison of the findings to literature reviewed in chapter two of the study.

4.1 Questionnaire Response Rate

The response rate indicated the number of questionnaires distributed and those which respondents returned to the researcher. The researcher circulated a total of 20 questionnaires to accountants, sales staff and the finance committee. The table 4.1 below describes rate of response.

Table 4.1 Questionnaire Response Rate

Respondents	Number of Questionnaires sent	Questionnaires returned	Respondents rate
Accounts Department	5	5	100%
Finance Department	5	4	80%
Sales Department	10	9	90%
Total	20	18	90%

The above Table 4.1 illustrates that five questionnaires were sent to the accounts personnel and five were responded to giving a response rate of (5/5)100%. Moreover five questionnaires were distributed to the finance staff and four were responded thus having a response rate of (4/5) 80%. Ten questionnaires were given to the sale staff and (9/10) 90%. In a nutshell, 18/20 questionnaires were responded to giving a response rate of 90% which is reliable as it covers almost the whole population. Though the study did not hit a response rate of 100%, the researcher concluded that the response rate of 90% was reliable and reasonably enough since

it is supported by Thanasegaran (2012) who stated that the researcher must obtain a response rate of at least 60% from the target population.

Questionnaire Presentation and Analysis

4.2 How effective are Stoneclare Construction's credit control management strategies used to enhance the liquidity position?

4.2.1 Debt Settlement

The researcher aimed at discovering how effective is debt settlement as a credit control management technique used at Stoneclare Construction. Below is the table 4.2 which illustrates how the eighteen respondents responded to this question.

Table 4.2 Debt Settlement responses

Opinion analysis	Against debt settlement being effective	In agreement of debt settlement being effective
Respondents	12	6

Table 4:2 above shows that 67% (12/18) of respondents agreed that debt settlement is ineffective while 33% (6/18) of respondents were against the point that debt settlement is ineffective credit control management technique at Stoneclare Construction.

From the above details, 6/12 who indicated that debt settlement is ineffective explained that the company received less with debt settlement as a result no liquidity improvement at Stoneclare Construction. The other half respondents clarified that some clients are failing to honour their commitments to settle the debts hence no liquidity improvement. This argument rose from the company's policy of longer payment period of 5 years which led to many clients failing to honour their agreement leading to liquidity crisis as lots of cash were tied up in instalments. This was reinforced by Ijirshar et al (2013), who clarified that when a creditor agrees to settle the debt, the organization earns less than it actually owes, and this affects the organization's liquidity since they were not receiving everything that was owed to them.

33% (6/18) respondents argued that settling debt is effective in controlling debt. Such respondents argued that there is a quick injection of cash with debt settlement, and that liquidity improvement. This is confirmed by Pigula and Marta (2015), who argue that debt settlement is successful in credit control management as it allows the debtor to recover a certain amount

other than nothing and liquidity of the company increases. With the 67% modal response rate saying debt settlement is ineffective as clients at the end of the day failed to honour their promises and no payment follow up, and therefore the researcher concluded after considering the respondents from interview that most debtors failed to honour and fulfil their promise as a result less cash is received making debt settlement ineffective credit control management technique for Stoneclare Construction’s liquidity position.

4.2.2 Payment Plan

The researcher aimed at discovering how effective is payment plan as a credit control management technique used at Stoneclare Construction. Below is the table 4.3 which illustrates how the eighteen respondents responded to this question.

Table 4.3 Payment Plans responses

Opinion Analysis	Against Payment plan being effective	In agreement of Payment plan being effective
Respondents	13	5

72% (3/18) respondents present, according to Table 4:3 above, that payment plans are ineffective in credit control management. Table 4:3 above also indicates that 28% (5/18) respondents said payment plans are ineffective in credit control management at Stoneclare Construction.

From the information presented, three of the thirteen respondents who suggested that payment plans are ineffective clarified that clients who owe Stoneclare Construction would fail to meet their negotiated deadlines and as a result liquidity cannot be improved. Ten of the thirteen respondents explained that even though they agree on a certain period of payment, no payment was received until that day and therefore liquidity is not guaranteed. According to the (Finance Minutes 2018), the longer payment period led to liquidity crisis which showed that the company’s credit control technique was not effective as lots of cash were tied up in instalments. The company provided clients with payment plans, some of them were not following the terms and thus no profit was earned in lieu of the debts at the end of the day. These respondents were supported also by Colla et al (2013) who indicated that with payment plans, some of those who owe money might fail to meet their obligations on time and it will therefore mean that the amounts that are owed will not be received on time and liquidity cannot be improved. Titus et

al (2016) also argues that payment plans are ineffective as some customers might make one or two payments and then stop continuing to pay and this does not improve the liquidity of an organisation.

Three out of five respondents argued that payment plans are effective as they provided ample time for those clients in arrears of the company to search for money to pay off their debts. Two of the five respondents suggested that with payment plans, those who fail to meet their commitments on time can be tracked to debtors. This is supported by Abbas (2014) who indicated that the use of payment plans is effective in credit control management as it provides various options which are affordable so as to help the bills to be paid while managing the customer's debt and this improves the liquidity of an organisation. Payment plans are provided to clients at Stoneclare Constructions but were not effective as liquidity continues to decline since there were no payment guaranteed. The researcher concluded that with a modal response rate of 72% (13/18) accepting that payment plans are ineffective in credit control management at Stoneclare Construction's liquidity position.

4.2.3 Debtors' Accounts Keeping

The researcher aimed at discovering how effective is debtors' accounts keeping as a credit control management technique used at Stoneclare Construction. Below is the table 4.4 which illustrates how the eighteen respondents responded to this question.

Table 4.4 Debtors Accounts Keeping responses

Opinion Analysis	Against Debtors accounts keeping being effective	In agreement of Debtors account keeping being effective
Respondents	12	6

According to Table 4:4 above, respondent's 67% (12/18) shows that debtors accounts keeping is ineffective. 6/18(33%) respondents indicates that holding debtors accounts is effective at Stoneclare Construction.

From the above statistics, four out of twelve respondents who suggested that keeping debtor accounts is not effective clarified that the balances of the amounts due may be known but no payments have been made regarding to that and this does not boost the organization's liquidity. Six of the twelve respondents explained that there is no guarantee of payment even if the clients know the amounts they are supposed to pay and the liquidity cannot therefore be improved. At

Stoneclare Construction, the department of accounts and finance holds debtors accounts, but due to the lack of an appropriate system computerized to handle debts, they struggle to determine the actual amounts. This was supported by (Finance Department 2018), further mentioned that due to the policy that allowed clients to start building at 25%, lots of clients failed to pay their monthly instalments resultant in bad debts and holding debtors accounts as well hence liquidity problems in the company. Their point of view is supported by Pigula and Marta (2015) who argue that keeping debtor accounts is not effective in credit control management because the sums owed may be ascertained but there is no guarantee of debtors ' payment and this is does not improve liquidity of Stoneclare Construction.

On contrary, Three out of six respondents thought that debtor's accounts keeping is useful as it helps to make follow-ups. Three of the respondents argued that payment is certain, as the client is aware of the actual sum they owe. This is confirmed by Duru and Ubesie (2016) who clarified that retaining debtor accounts is successful because it allows the institution to recognise the debtor's payment actions and thus allows the company to know when to expect those amounts from its debtors. Stoneclare Construction keeps debtors accounts and as well used a manual system which makes the system ineffective because it is often difficult to determine the correct balance of the debtor. The researcher concluded that debtors accounts keeping is ineffective in handling credit control at Stoneclare Construction, with the modal response rate of 67% (12/18) agreeing that retaining debtors' accounts is ineffective.

4.2.4 Circularization of debtors

The researcher aimed at discovering how effective circularization of debtors is as a credit control management technique used at Stoneclare Construction. Below is the table 4.5 which illustrates how the eighteen respondents responded to this question.

Table 4.5 Circularization of debtors' responses

Opinion Analysis	Against Circularization of debtor being effective	In agreement of Circularization of debtors being effective
Respondents	12	6

According to Table 4:5 above, 67% (12/18) presents that circularization of debtors is ineffective and Table 4:5 above indicates 33% (6/18) that circularization of debtors is effective at Stoneclare Construction.

Seven of the twelve respondents who suggested that debtor's circularization is ineffective stated from the information presented above that there was no payment obtained even if the debtors have been sent confirmations to confirm their owing amounts. Five of the twelve respondents explained that some of the clients does not respond to the confirmations that were sent to them and this does not improve liquidity of Stoneclare Construction. Stoneclare Construction had suffered from bad debts because of clients who failed to pay off their debts (Finance Report 2018). This is confirmed by Emmanuel (2013) who argues that debtor circulation does not increase an organization's liquidity by enabling the debtor to settle on the sums they owe but may not have enough funds to cover the debts. Fuzi et al (2013) also supports the claim that some of the debtors may be fraudsters and therefore may refuse to take ownership of the sums they owe, meaning that they will not obtain any payment and that this does not increase the liquidity of an organization.

However, Three out of six respondents suggested that circularization of debtors is successful because it helps to inform the debtor's presence and also lets the debtor settle on the amounts due. This was supported by the interview respondents as they agreed on the fact that circularization of debtor is effective in credit control management as it helps clients to settle on their amounts in arrears. Ksenija (2013) supports their opinion that circulation of debtors is successful in sending clarification to the debtor as a reminder of the debt they had forgotten and payment will be certain and hence improves liquidity. Debtors were asked to confirm their balances at Stoneclare Construction, but very few responded and this affects the management of credits and liquidity as well. With the 67% modal response rate saying debtor circularization is ineffective, the researcher concluded that circularization of debtors at Stoneclare Construction is ineffective in credit control management.

4.3 What are the problems facing the liquidity position of the current credit control management system?

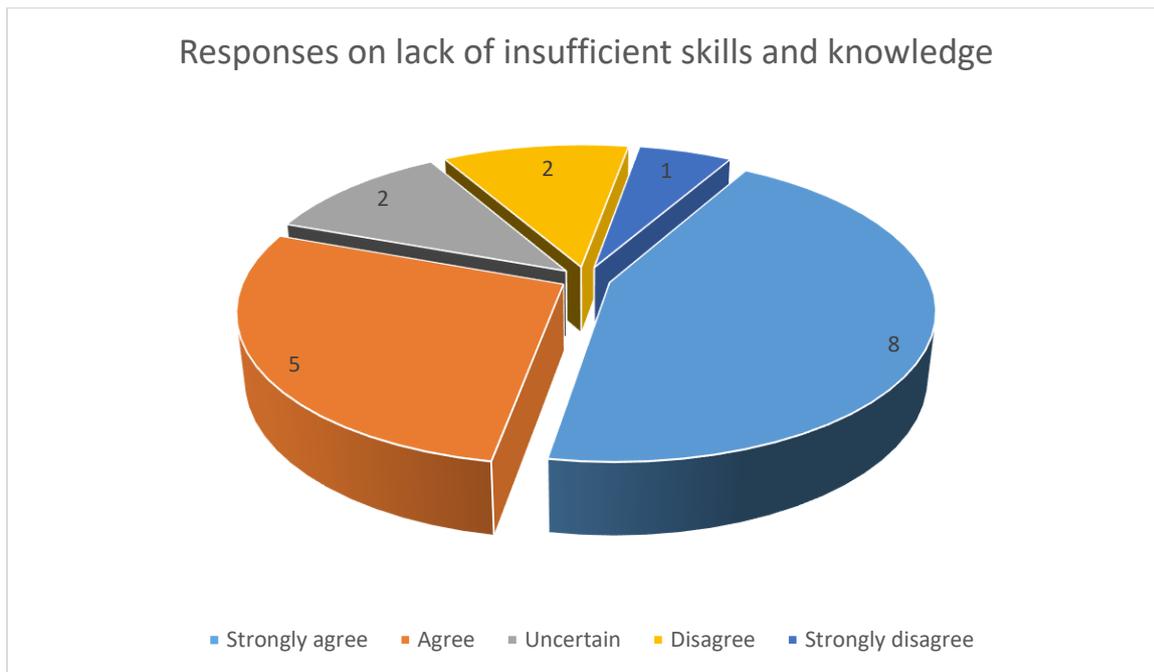
4.3.1 Lack of insufficient skills and knowledge

The researcher aimed at discovering how lack of insufficient skills and knowledge affects the current credit control management system in improving liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Lack of insufficient skills and knowledge responses

	Strongly agree	Agree	Uncertain	Disagree	Strongly Disagree
Responses	8	5	2	2	1

Fig 4.1 Responses on lack of insufficient skills and knowledge.



According to fig 4.1 above, 44% (8/18) respondents strongly and 5/18 (28%) respondents agree. 2/18(11%) respondents are uncertain, 11% (2/18) respondents disagree and 6% (1/18) respondents strongly disagree that lack of insufficient skills and knowledge is a challenge to the current credit control management system.

The aggregate of (13/18) 72% were of the agreement that lack of insufficient skills and knowledge is a credit control management challenge clarified that it leads to a rise in errors and errors. Stoneclare Construction had been suffering from the current credit system due to lack of insufficient skills and knowledge which contributed to incorrect implementation of credit control management techniques. It was also noted in the interview that lack of adequate credit control management contributes to inadequate credit control management, it was argued that most of the personnel employed at Stoneclare Construction does not possess the required skills and they are not sent on workshops and seminars to get trained and to increase knowledge. As a result this will not improve their skills and tend to make many errors and

mistakes. Due to the mismanagement of debt, the company had suffered from bad debts since many of the clients are defaulting and are failing to pay off their debts, according to (Finance Report 2018). This is reinforced by Guerrieri and Lorenzom (2017), who pointed to the fact that insufficient knowledge of credit control management structures leads to incorrect implementation of credit control management strategies because they will not know how to handle arrears in the best way to make it impossible for those who owe it to pay in time and therefore this cannot improve liquidity.

However, 17% (3/18) respondents argued that there is no impact on credit control management due to lack of insufficient skills and knowledge, and there are other factors which contributed to liquidity problems. Their view may have been motivated by other problems to credit control management, including the heavy costs associated with credit control management. Stoneclare Construction is suffering from liquidity problems due to the fact that it had no money for extra costs associated with employee training schemes, workshops and system updates resulting in impeded of efficiency. 11% (2/18) respondents are uncertain of the fact that lack of adequate skills is a challenge to the current credit control management system. As majority of the respondents were of the agreement that lack of insufficient skills and knowledge is a credit control management challenge and therefore the researcher was motivated and concluded that lack of adequate skills is a credit control management challenge at Stoneclare Construction.

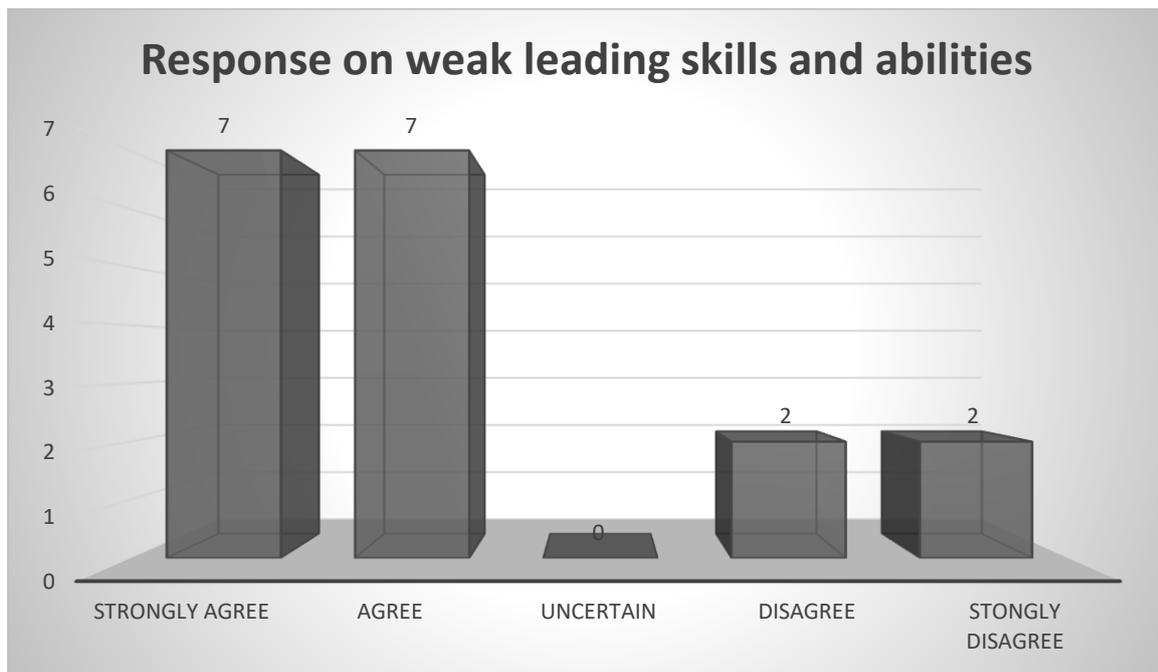
4.3.2 Weak Leading Skills and abilities

The researcher aimed at discovering how weak leading skills and abilities affects the current credit control management system in improving liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Weak leading skills and abilities responses

	Strongly agree	Agree	Uncertain	Disagree	Strongly Disagree
Responses	7	7	0	2	2

Fig 4.2 Responses on the Weak leading skills and abilities



According to Fig 4.2 above, 7/18 (39%) respondents strongly while 7/18(39%) respondents agreed that poor leadership skills is a challenge. 2/18(11%) respondents disagree and 11% (2/18) strongly disagree that weak leading skills and abilities affects the current credit control of Stoneclare construction. No response for uncertain, thus 0% (0/18).

From the information presented above, 78% (14/18) respondent were in support that weak leading skills and abilities are a challenge in credit control management (thus seven for agree and seven for strongly agree). Their view might be motivated by the weak leading skills and abilities at Stoneclare Construction which led to wrong implementation of systems by those at the lower levels thus personnel from finance and accounts department. Some noted this in the interview, that there are poor execution of tasks at the company as everything is done by those at the bottom, the management is resting and lacked leadership skills as a result, there will be wrong implementation of systems and liquidity is affected as well. The interview respondents also agreed that Stoneclare Construction's top management does not follow up on those personnel in the accounts and finance departments who are responsible for managing debtors to see if they are effectively in carrying out tasks, and this has resulted in an increase in debtors' figures and a decline in company liquidity. (Finance Department 2018) showed a debtor's figure of \$187000 in 2018 and was due to a poor leading skills which allowed five years longer payment period and this led to many clients ending up in arrears and as bad debts. This is reinforced by Addaney et al (2013) who pointed out that weak leaders struggle to direct

subordinates in adopting the right methods of credit control management and that this does not increase an organization's profitability and liquidity as less revenue will be earned. This view is supported also by Margret et al (2014) who indicated that poor leaders fail to identify those issues that might be standing in the way of making credit control management effective in improving liquidity and this poses as a challenge in credit control management

However, 22% (4/18) disagree that weak leading skills and abilities are not a credit control management problem. Their views may have been motivated by other factors which affects liquidity position of Stoneclare Construction such as lack of adequate skills of employees. Employees at Stoneclare Construction lacked skills and as a result the company is suffering from defaulting clients and bad debts. It was noted in the interview that clients file and receipt books are not handled and filled properly and this led to loss of client's updates and arrears hence affecting liquidity. This is backed by Wawoeru (2016) and Muturi et.al (2015), who maintain that leadership does not impact credit control management entirely and alternatively, there are other factors affecting credit control management, including lack of adequate skills because, when workers lack the skills needed, they continue to use incorrect credit control management applications and this affects the liquidity of the company. With a modal response rate of 78 % agreeing to the fact that poor leadership skills impact company liquidity position, the researcher concluded that weak leading skills and abilities are a credit control management problem of Stoneclare Construction.

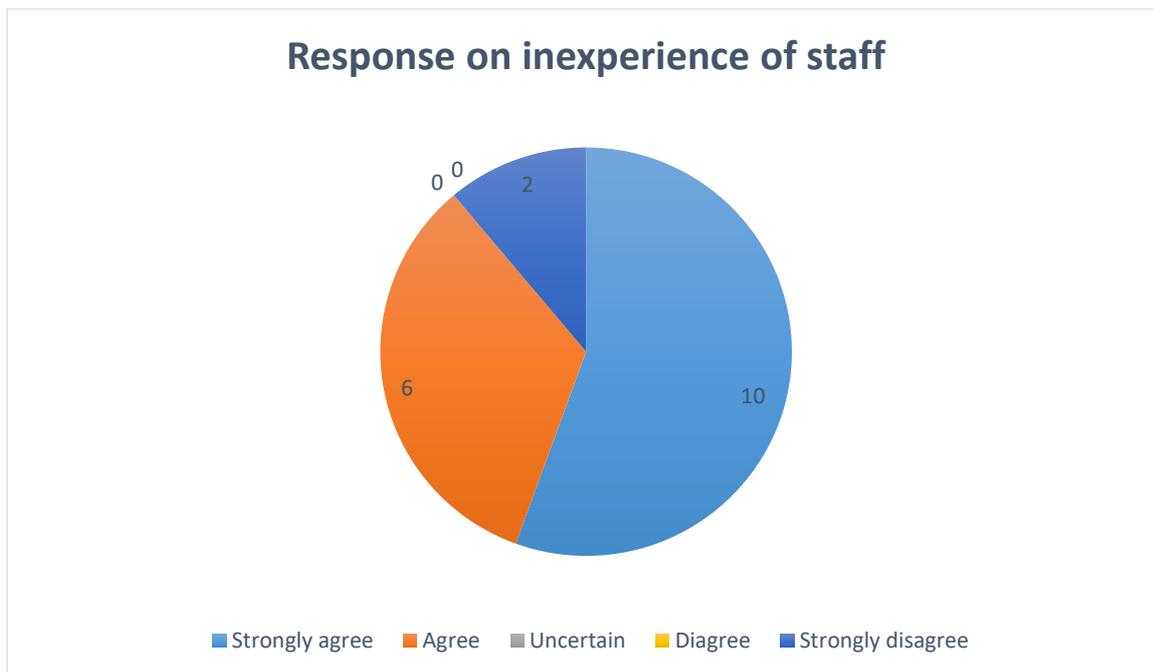
4.3.3 Inexperience of staff

The researcher aimed at discovering how inexperience of staff affects the current credit control management system in improving liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Inexperience of staff responses

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	10	6	0	0	2

Fig 4.3: Response on inexperience of staff



According to fig 4.3 above, 56% (10/18) of respondents strongly agrees and 6/18(33%) respondents agrees that inexperienced staff is a credit control management problem. According to Fig 4.3 above, 11% (2/18) respondents strongly disagree. 0% (0/18) represents that there were no uncertain and disagree respondents.

An aggregation of 89% (16/18) respondents agreed that inexperience of staff is a credit control management problem because it leads to a rise of mistakes and errors at the workplace. This was argued also in the interview that inexperience of staff remains a problem at Stoneclare Construction as some personnel are failing to do debtors follow-ups and clients can then be given wrong amounts that they owe and as a result of the company had been suffering from bad debts. According to (Sales report 2018), less cash was reported at the end of the financial year, and debtors figure did not reflect the actual figure and this was due to the above fact, not all payments were captured leading to liquidity problems. This is confirmed by Abbas (2014) who said that errors tend to increase due to incompetence of staff and an increase in these contributes to an increase in expenditure, which does not boost an organization's liquidity.

On the contrary, 11% (2/18) of the respondents disagree that inexperience of staff is a credit control management problem. This is reinforced by Addaney (2016), who clarified that there are other problems affecting credit control management that include weak leadership skills, since if leadership skills are weak, they tend to ignore what those responsible for debtors are doing, and this does not increase liquidity. Most personnel in the accounts and finance

departments are not competent enough to carry out tasks and they do not prioritize credit control management, resulting in no effective credit control management as indicated by the increase in debtors ' balances over the past years without any sign of payment. Thus, with 89% (16/18) respondents claiming that inexperienced staff are a credit control management challenge, the researcher concluded that liquidity position of Stoneclare Construction is affected by inexperienced staff.

4.3.4 High costs associated with credit control management

The researcher aimed at discovering how high cost associated with credit control management affects the current credit control management system in improving liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: High costs associated with credit control management response

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	10	4	1	2	1

Fig 4.4 Responses on high cost associated with credit control management

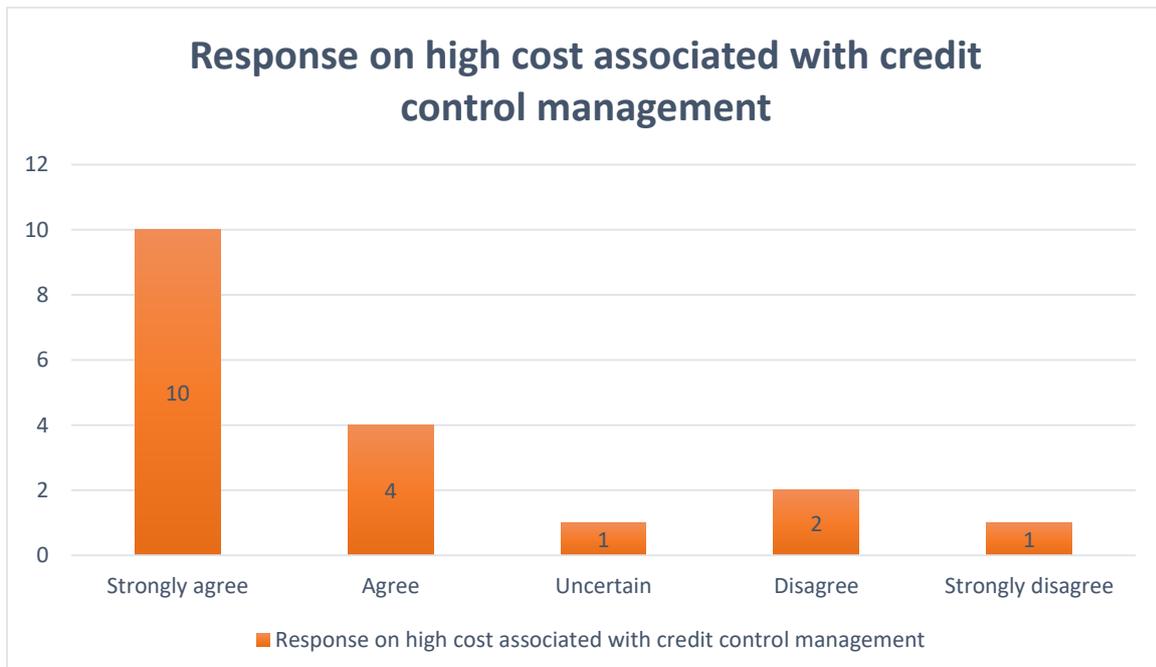


Fig 4.4, 56% (10/18) respondents strongly agree while 22% (4/18) of respondents agrees also that high costs pose a challenge in credit control management. 6% (1/18) respondents are uncertain. 11% (2/18) respondents disagree and 6% (1/18) strongly disagree.

From the above details, 78% (14/18), thus (ten strongly agree and four agree) respondents are in agreement that that high costs associated with credit control management are a credit control management challenge. These respondents may have been motivated by the continuous decline of revenues of the company. Interview respondents from heads of departments claimed that it is very expensive to implement credit control management programs effectively thus computerised systems and also to train employees to learn required skills, as a result the company's liquidity position remained unchanged. It was also stipulated in the (Finance Department 2018) meeting that huge maintenance cost of system upgrades and training costs contributed much to liquidity problems of Stoneclare Construction. This is supported by Oluwagbeminga et al (2014) who said that credit control management workers training to possess the required skills appears to be costly as money will be needed for them to go for training and this affects the organization's liquidity.

However, 17% (3/18) thus (two disagree and one strongly disagree), respondents disagree that there are no high credit control management costs. Their view was motived by other factors. In the literature, their view is supported by Premala et al (2015) who said that credit control management is not the only challenge in credit control management, as there are other challenges that include poor leadership skills where poor leaders fail to direct subordinates in adopting the right methods of credit control management and that this does not increase an organization's liquidity as less revenue is earned. 6% (1/18), respondents are uncertain if the high cost associated with the credit control system poses a challenge to Stoneclare Construction's liquidity problems as there are other factors such as incompetence of staff that might as well contributed to the liquidity problems of the company. The researcher reached an agreement that high cost associated with credit control management poses a challenge to Stoneclare Construction's liquidity problems.

4.4 What are other forms of strengthening Stoneclare Construction's liquidity position and their impact on the existing credit control management system?

4.4.1 Training personnel

The researcher aimed at discovering the impact of training personnel on the current credit control management system in enhancing liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Response on Training of personnel

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	8	7	1	1	1

Fig 4:5 Responses on training of personnel

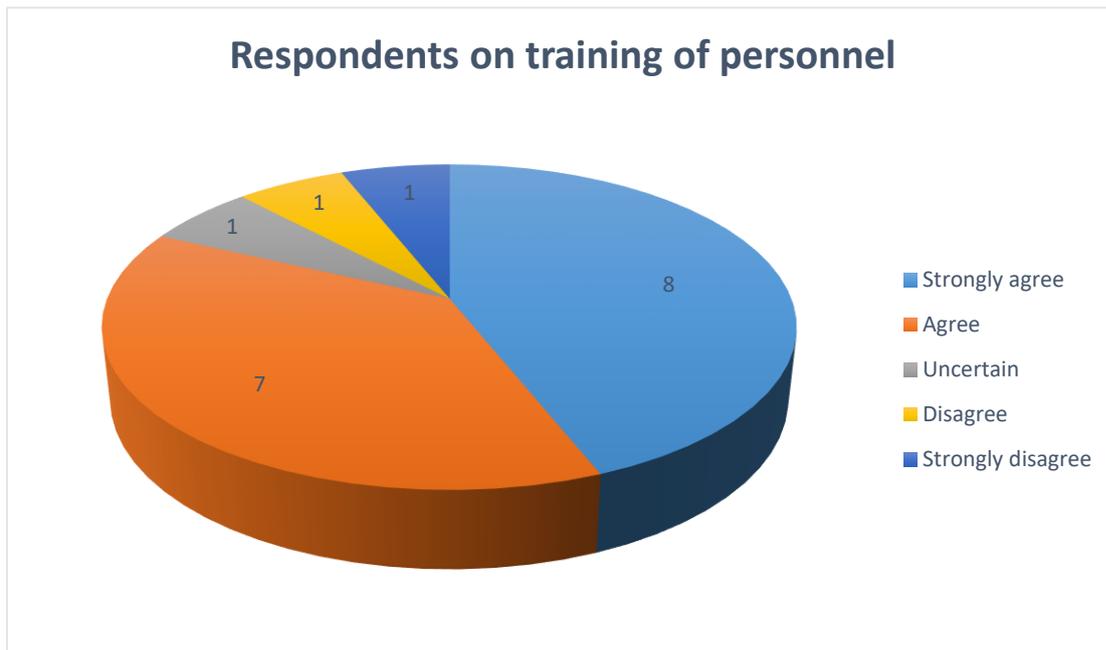


Fig 4:5 above indicates that 44% (8/18) respondents strongly agree and 38% (7/18) respondents also agree that employee training enhances the current credit control management system and liquidity position. As shown in Fig 4:5 above, 6% (1/18) of respondents are unsure. Fig 4:5 also showed that, 6% (1/18) of respondents disagree and 6% (1/18) strongly disagree. From the above details, a total of 83% (15/18) were of the opinion that the credit control management system can be improved through training of personnel and conducting workers

seminars. Personnel working under sales, accounts and finance departments should regularly attends workshops and training seminars for them to be equipped with the new credit control management techniques. This is in support of Ksenija (2013) and Moti (2016), who viewed that if workers are educated, they can easily increase their own ability to adapt to new technology and techniques, and that credit control management can be more efficient, and efficiency can be assured.

On the other hand, 11% (2/18) disagreed that training personnel can improve the current system of credit control management. These are supported by Addaney et al (2016) who claim that employee training does not improve performance and liquidity, as adequate qualifications will be required for those who will train them. If trainers lacked the adequate qualifications and skills, the training schemes would become useless and the current credit control management system and liquidity will remain unchanged. 6% (1/18) respondents are uncertain as to whether workplace training increases the management of debtors and liquidity. Based on the modal response rate of 83% agreed-upon respondents, the researcher concluded that personnel training improves the current system of credit control management and enhances liquidity position of Stoneclare Construction.

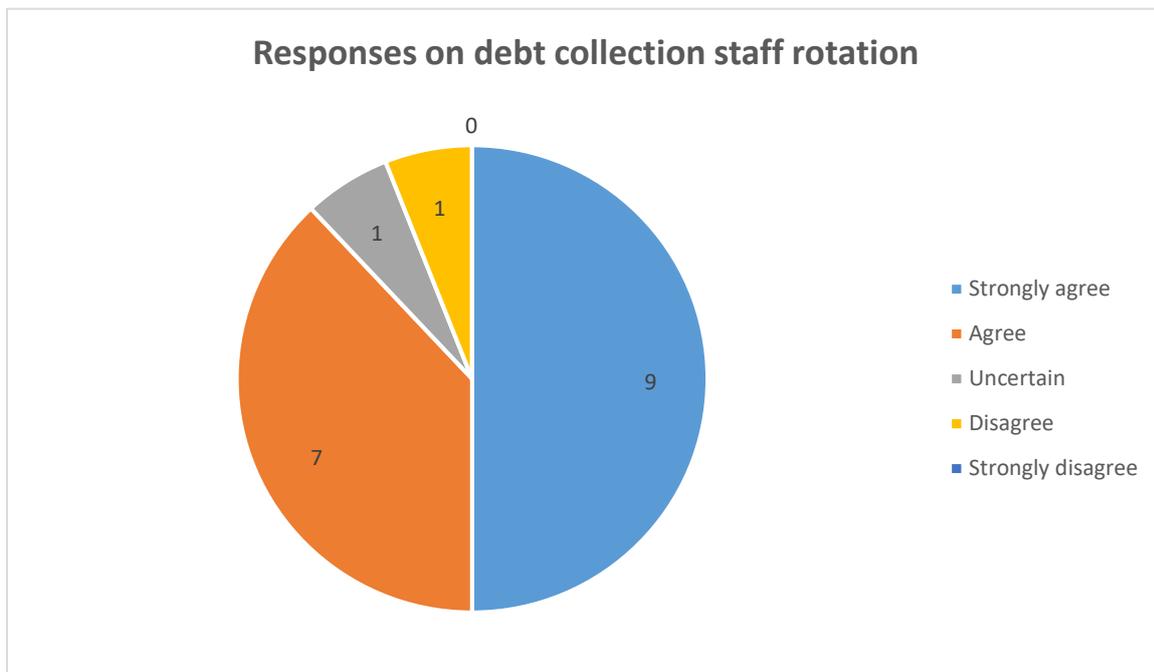
4.4.2 Debt collection staff rotation

The researcher aimed at discovering the impact of debt collection staff rotation on the current credit control management system in enhancing liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Response on Training of personnel

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	9	7	1	1	0

Fig 4.6 Responses on debt collection staff rotation



According to Fig 4:6 above, 50% (9/18) of respondents strongly agree and 38% (7/18) of respondents agree. Fig 4:6 also reveals that 6% (1/18) respondents are uncertain. 6% (1/18) of respondents disagree that debt collecting staff rotation improves the credit control management system as shown in Fig 4:6 above. The above Fig 4:2 indicated 0% (0/18), thus no respondents for strongly disagree.

A modal of 88% (16/18) respondents are in an agreement that the current credit control management system can be strengthened by debt collection staff rotation. If Stoneclare Construction's debt collection staff were to be rotated in such a way that they cannot spend the entire year doing the same thing, debts will be properly handled and liquidity can be enhanced. Addaney (2016) supports this by saying that rotating the credit control management staff gives them room to identify what they are good at and what they enjoy doing, and provides fresh insights into existing roles, leading to innovation and greater efficiency and liquidity.

On the contrary, 6% (1/18) respondents disagrees that the current system of credit control management can be improved by debt collection staff rotation. This view is supported by Ozurumba and Anayochukwu (2014) who explained that some of the employees may resist rotation because some of the employees will be relaxed in their positions and are often reluctant to rotate to other locations and this does not improve the liquidity of the company. This can affect the liquidity position of the company if employees resist rotation and they end up

neglecting duties leading to ineffective credit control management system. With the 88% modal response rate agreeing and strongly agreeing, the researcher concluded that debt collection staff rotation can strengthens the current credit management system at Stoneclare Construction.

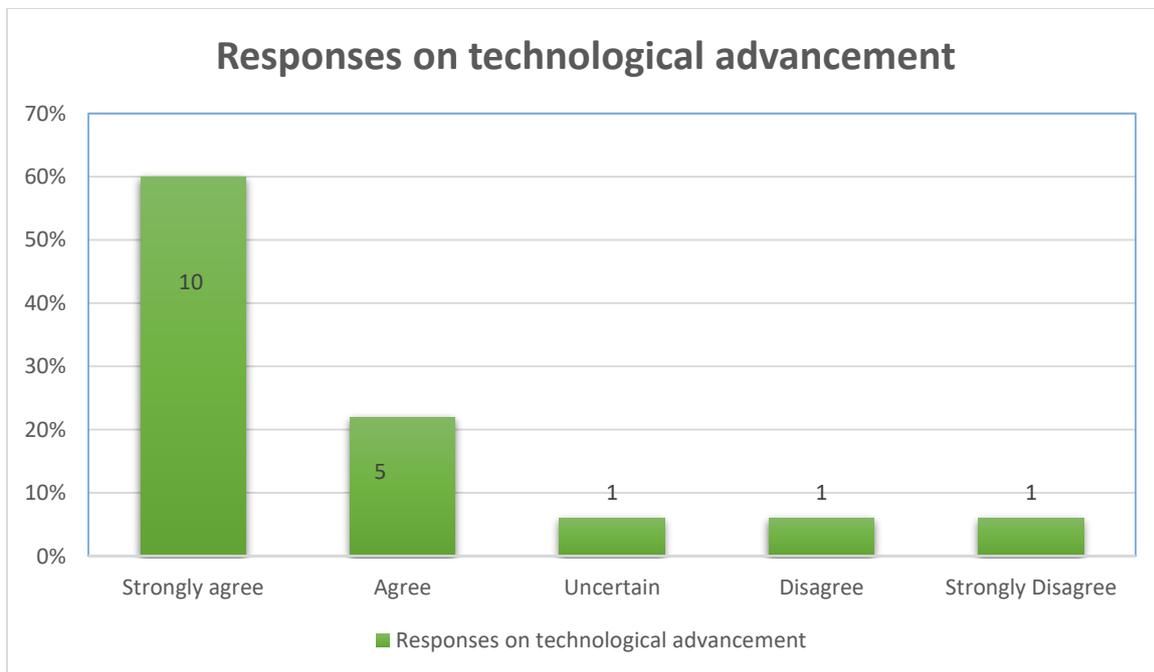
4.4.3 Technological Advancement

The researcher aimed at discovering the impact of technological advancement on the current credit control management system in enhancing liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Response on Training of personnel

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	10	5	1	1	1

Fig 4:7 Responses on Technological Advancement



According to Fig 4:7 above, 55% (10/18) respondents strongly agree and 28% (5/18) respondents agree that current credit control management can be improved by technological advancement. As shown in Fig 4:7 above, 6% (1/18) respondents are uncertain. 6% (1/18) of respondents disagree and 6% (1/18) respondents strongly disagree that Stoneclare

Construction's current credit control management system can be increased by technological advancement.

In aggregate 83% (115/18) agreed on the notion that technological advancement can improve the current credit control management system and enhances liquidity. Stoneclare Construction need to step in conjunction with new technologies to strengthen its existing credit control management system as this improves liquidity. To support this, Nwude et al (2016) said that technological advancement increases an organization's efficiency as it shows people a more effective way to handle debt, and that results can be obtained.

However, aggregate of 11% (2/18) respondents disagree to the view that Stoneclare Construction's current credit control can be strengthened by technological advancement. The two respondents who disagree are backed by Ijirshar et al (2016), who said that since the society is becoming more advanced by the day, people are more reliant on computer usage and therefore if the computer crashes people will become almost disabled until the issue is resolved. Stoneclare Construction can make use of backup applications and external hard drives in case of computer crashes and thereby making database for debtors available always for an effective credit control management system effective. 6% (1/18) respondents are unsure if the current credit control can be improved by the technological advancement. With the moderate response 83% of respondents agreeing on the notion that technological advancement can improve the current credit control management system of the Stoneclare Construction, the researcher concluded that technological advancement can enhance liquidity position and the current credit control management system.

4.4.4 Outsourcing

The researcher aimed at discovering the impact of outsourcing on the current credit control management system in enhancing liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Response on Training of personnel

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	7	8	1	0	2

Fig 4.8 Responses on outsourcing

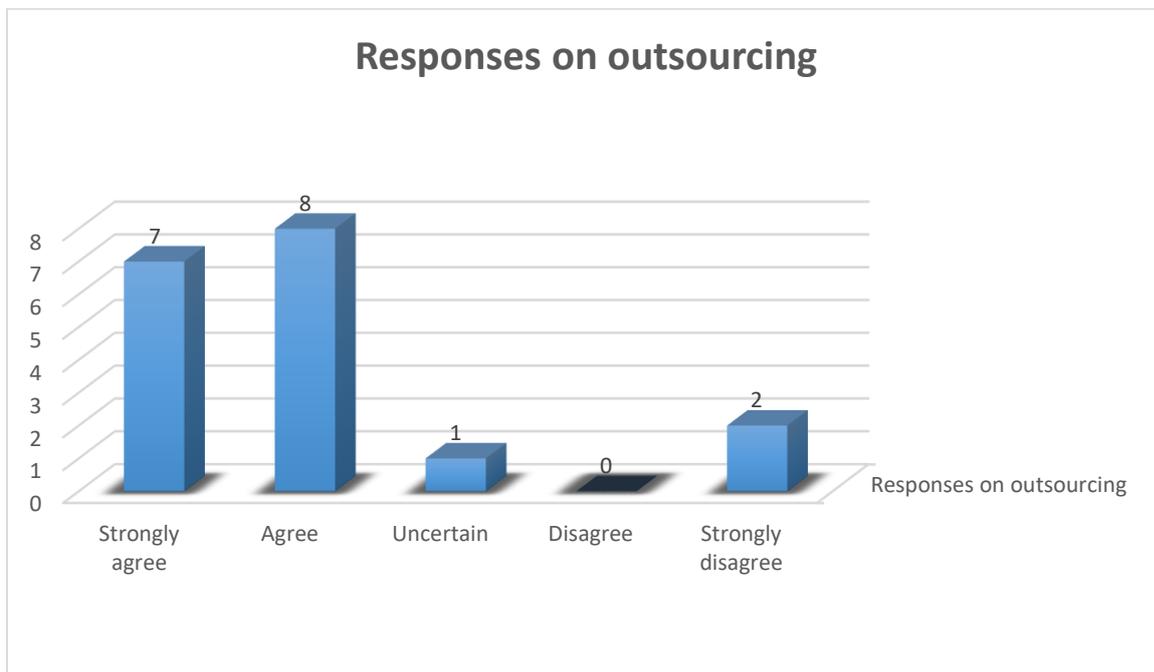


Fig 4:8 above, present 39% (7/18) respondents strongly agree that outsourcing increases the current credit control management system. Fig 4:8 above also shows that respondents of 44% (8/18) agreed. As shown in Fig 4:8 above, the respondent 6% (1/18) are uncertain. 11% (2/18) of respondents strongly disagree and 0% (0/18), thus no respondents that disagree.

By aggregate of 83% (15/18), of the response are in agreement that outsourcing improves the management of clients' debts at Stoneclare Construction. The idea of outsourcing can improve the current credit control system of Stoneclare Construction since the processes of outsourcing used professional systems and expertise to address debt issues and the company can collect payments promptly, thereby enhancing an organization's liquidity. Such respondents are backed by to Edem (2017) and Ogilo (2018) who referred to outsourcing leaving more time for workers to return to their core business operations while the debt recovery will be handled by specialists and this improves the credit control management system. 6% (1/18) respondents is unsure as to whether debtor outsourcing will boost the company's credit control management.

On the contrary, 11% (2/18) respondents strongly disagree that outsourcing can improve the company's credit control management. This view is supported by Ijirshar et al (2016) and Alayemi (2015), who suggested that outsourcing does not boost the credit control management system, as there will be less control over the actions of the specialist. As much as Stoneclare Construction would want to improve its liquidity position, loss of control to outsourcing

specialist over its own debtors is inevitable. With an 83% modal response rate that recognizes that outsourcing can strengthen the current credit control management system, the researcher concluded that outsourcing can improve the liquidity position of Stoneclare Construction.

4.5 What are the best credit management methods to boost Stoneclare Construction's liquidity position?

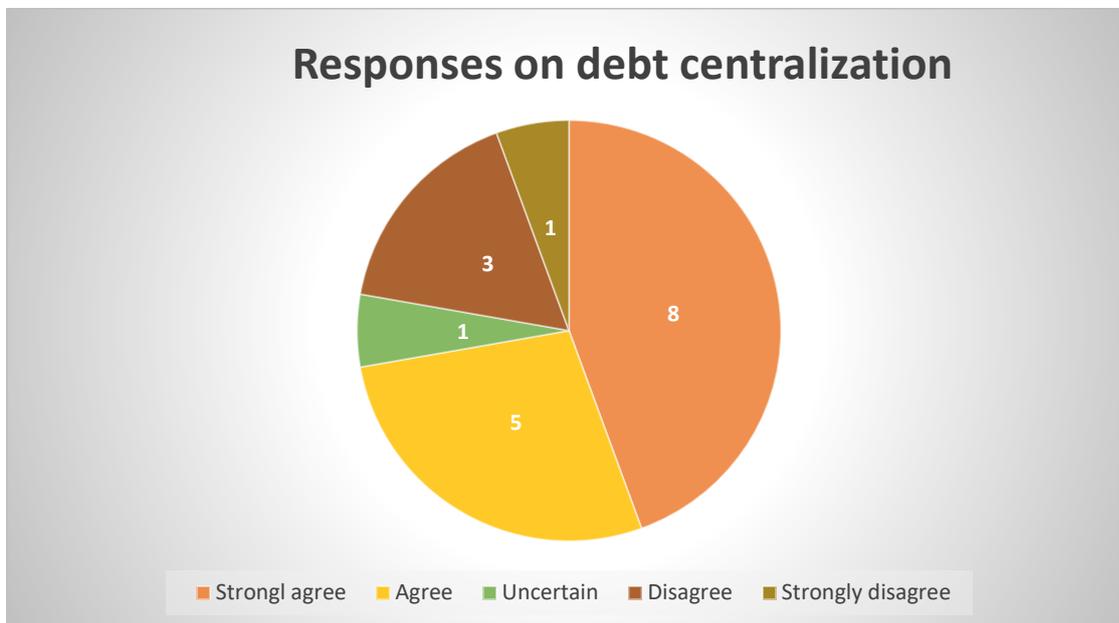
4.5.1 Debt Centralization

The researcher aimed at discovering how best is debt centralization as a credit control management technique in improving liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Response on Debt centralization

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	8	5	1	3	1

Fig 4.9 Responses on debt centralization



As shown by Fig 4:9 above, 44% (8/18) strongly agree that debt centralization can be used in credit control management as best practice. 28% (5/18) agrees that debt centralisation is the best credit control management strategy. From the information given in Fig 4:9, 6% (1/18) unsure as to whether debt centralization is best practice in credit control management. 16%

(3/18) disagree that debt centralization is the best credit control management practice as seen in Fig 4:9 above. 6% (1/18) strongly disagree that debt centralization is the best credit control management technique as shown in Fig 4:9 above.

By aggregation, 72% (13/18) of the response were in agreement that debt centralization is a best strategy in credit control management. If debt centralization is to be introduced at Stoneclare Construction it will improve the credit control management cycle by offering a cohesive view of all debts across various clients, thus reducing duplication of effort and enhancing an organization's liquidity. This was confirmed by Addaney et al (2016), who pointed out that consolidating collection functions eliminates complexity, greatly enhances credit control management and streamlines and standardizes the collection process at a higher level of quality and effectiveness, thereby enhancing an organization's liquidity.

6% (1/18) were not certain if debt centralisation is the best practise for credit control management and liquidity enhancement since company is currently facing liquidity crises. 22% (4/18) disagreed that debt centralization is the best practice in credit control management as it does not boost the company's liquidity as they viewed that this idea may harm the relationship with clients as one department will control all sections at Stoneclare Construction. Habib et al (2016) supports their view that centralizing credit control management does not always improve liquidity and that having a single credit control management department that manages several locations may harm the relationship with customers. Despite Stoneclare Construction's current situation where the existing credit control management system is not effective, debt centralization is efficient in managing clients' debts as demonstrated by the 72% (13/18) respondents who agreed that it is a best practice in credit control management. Therefore, the researcher concluded that debt centralisation is the best credit control management practice.

4.5.2 Debt factoring

The researcher aimed at discovering how best debt factoring is, as a credit control management technique in improving liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Response on Debt factoring

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	7	6	2	2	1

Fig 4.10 Response on debt factoring

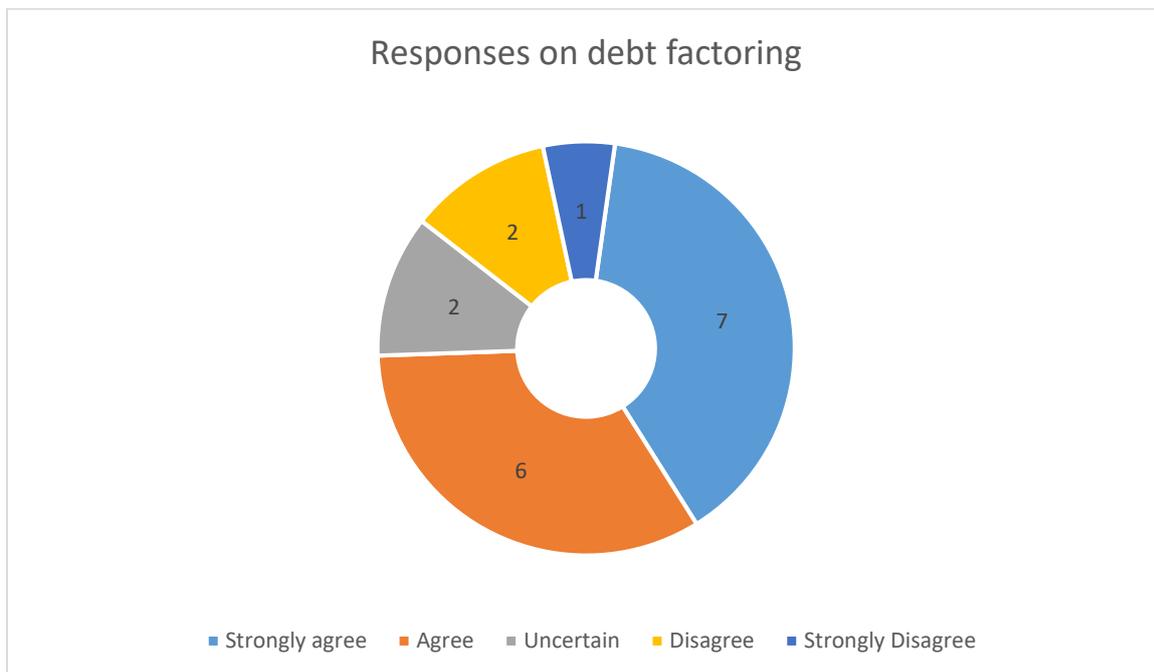


Fig 4:10 above indicates that 36% (7/18) of respondents strongly agree and 33% (6/18) agreed that debt factoring is the best practice and can increase the organization's liquidity. 11% (2/18) of respondents were unsure and 11% (2/18) of respondents disagree. According to Figure 4:6 above, 6% (1/18) respondents strongly disagree that debt factoring is the best practice in credit control management at Stoneclare Construction.

The aggregate shows that 69% (13/18) respondents were in agreement that debt factoring is a best practice in credit control management because it increases the company's liquidity. For Stoneclare Construction to be effective in handling debts, it has to sell off its debts to third parties so that the money owed is immediately received from the factor, and the company will be able to pay off its own debts on time and can alleviate bills and payroll difficulties. That notion is supported by Rajan (2015), Amrut (2014), and Vinton (2014) who clarified that debt factoring agency will recover 50-90 percent of the sum invoiced per agreement and the company will easily obtain money while through an organization's efficiency.

11% (2/18) respondents are unsure if debt factoring will boost the company's liquidity position. On contrary, 16% (3/18) respondents deny that debt factoring in credit control management is effective and thus does not increase the company's liquidity. This is reinforced by Grobmas (2014), and Kajirwa (2015) who said that debt factoring does not always improve an organization's efficiency because there is a high risk of harming customer relationships and if

the factor is not competent enough, the relationship with customers is likely to turn negative. The researcher concluded that debt factoring is a best practice in credit control management with the modal response rate of 69% (13/18) respondents agreeing that debt factoring is the best practice in credit control management at Stoneclare Construction.

4.5.3 Debt Segmentation

The researcher aimed at discovering how best is debt segmentation as a credit control management technique in improving liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Response on Debt centralization

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	6	6	1	3	2

Fig 4:11 Responses on debt segmentation

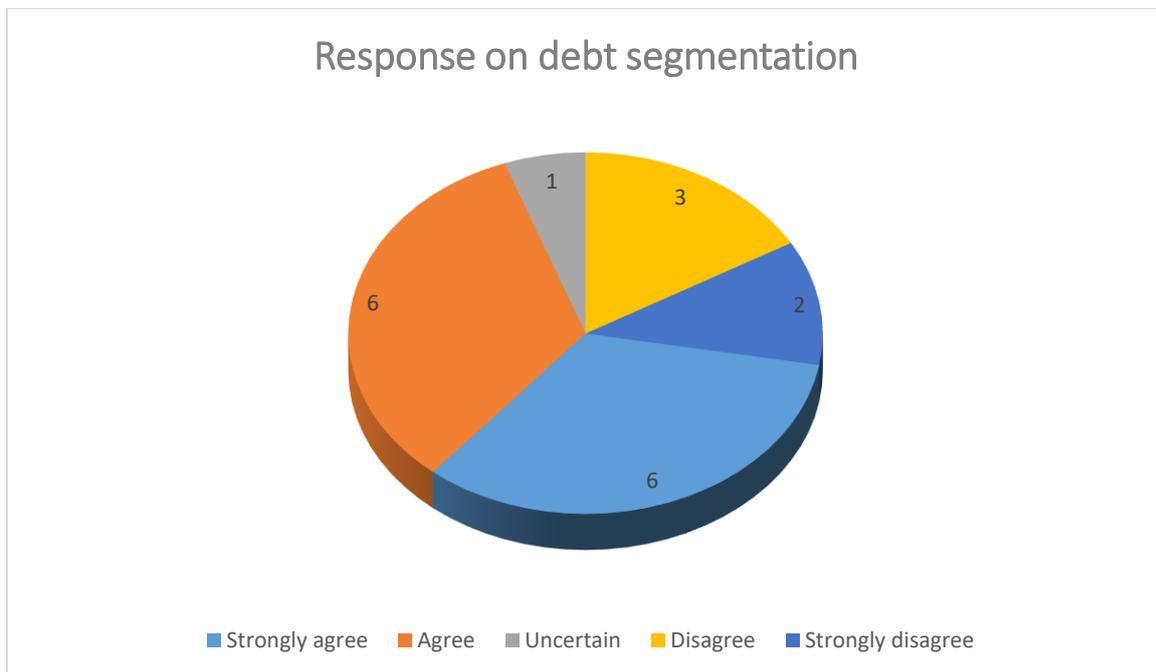


Fig 4:13 above, shows 33% (6/18) strongly agree, 33 % (6/18) respondents agree and as shown in Fig 4:13 above, 6% (1/18) respondents are uncertain as to whether debt segmentation is the best credit control management practice. 16% (3/18) disagree and 11% (2/18) strongly disagree

that debtor segmentation is the best practice in credit control management at Stoneclare Construction.

According to the information presented, 66% (12/18) respondents are firmly in agreement that debt segmentation is best practice in credit control management and that it increases liquidity position of Stoneclare Construction. If debt segmentation is to be introduced, Stoneclare Construction would recognize debtors and they can be arrangement in accordance with attitude, payment efficiency, solvency and location to improve the organization's liquidity. This is supported by Dutta (2017) who suggests that debt segmenting debtors will improve an organization's efficiency as the greater number of delinquent accounts can be managed according to a set schedule if they are carefully and intelligently categorized, so that a large part of the work can be performed by manager's assistants.

6% (1/18) respondents are uncertain as to whether debt segmentation is the best practice in credit control management, because the respondent is unaware of debt segmentation and its consequences for Stoneclare Construction's liquidity efficiency. The aggregation of 27% (5/18) respondents deny that debt segmentation is the best credit control management practise. Okpala (2018) and Titus et al (2016), supports their notion that if successful debtor segmentation is not done early, classification becomes a difficult task and therefore it is important to follow up on these debtors and track the number of days that any debtor is due past. Provided that the use of debt segmentation helps to identify debtors, Stoneclare Construction will able to incorporate debt segmentation as a best credit control management method. The researcher concluded with a modal response rate of 66 % (12/18) that segmentation is best practice in credit control management

4.5.4 Credit rating

The researcher aimed at discovering how best is credit rating as a credit control management technique in improving liquidity position of Stoneclare Construction. Below is the raw data which illustrates how the eighteen respondents responded to this question.

Raw data: Response on Credit rating

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Responses	4	7	2	2	3

Fig 4:12 Responses on credit rating

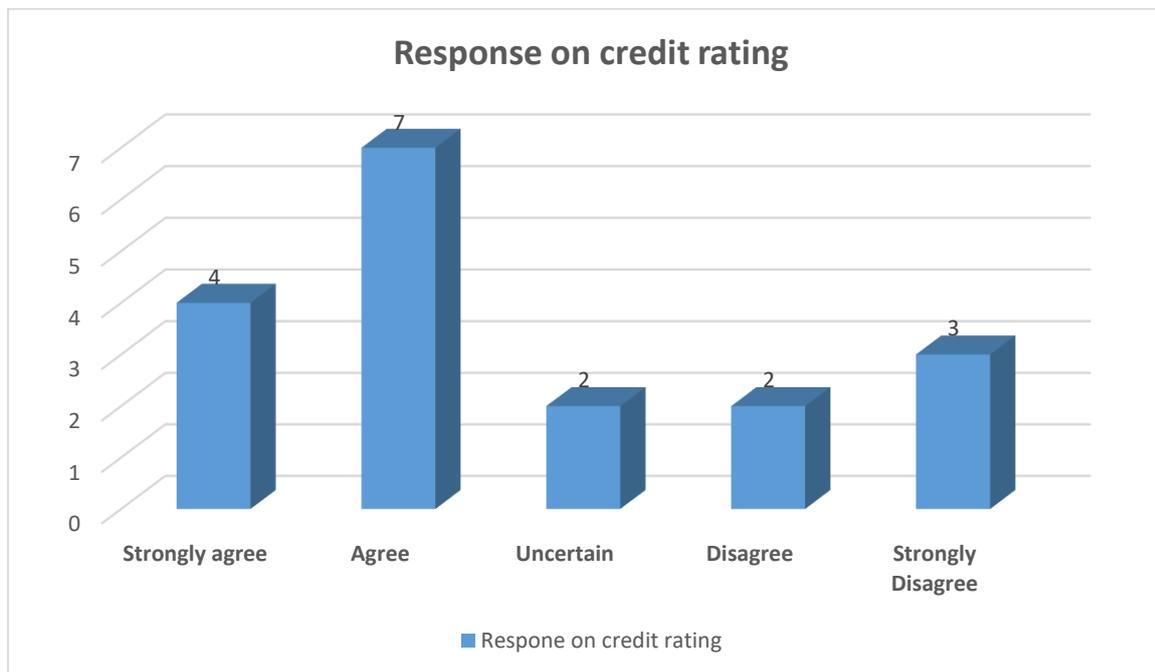


Fig 4:12 above shows that 22% (4/18) strongly agree while 39% (7/18) of respondents agreed. As seen in Fig 4:12 above, 11% (2/18) respondents are uncertain. Fig 4:12 above also indicates that 11% (2/18) respondents disagree while 17% (3/18) respondents strongly disagree that credit rating is the best credit control management practice at Stoneclare Construction.

The aggregate showed that 61% (11/18) respondents were in agreement that credit rating is a best practice in credit control management. Credit rating agents are there to disclose certain information about a potential clients to Stoneclare Construction before it make a decision to sale on credit and again credit rating helps the company finding out the best rule to apply on clients selection before credit sales, hence liquidity improvement. This opinion is supported by Murcia et al (2014) who said credit rating gives investors an idea of the issuer company's creditworthiness and the risk factor attached to a particular instrument and this boosts performance as higher rating implies a willingness to invest in such instruments.

11% (2/18) respondents were unsure as to how credit rating increases an organisation's liquidity position. 22% (4/18) respondents were of the notion that credit rating is ineffective in credit control management and liquidity position of Stoneclare Construction. This notion is supported by Bayar (2014) who said credit rating does not necessarily boost liquidity results as it may be biased or misinterpreted because businesses with lower scores or scores do not advertise or use the rating when raising funds from the public.

Stoneclare Construction credit control system can be improved by credit ranking and helps it to recognize the debtors' creditability. Therefore the researcher concluded with the response rate of 61% agreeing that credit rating is the best practice because it improves efficiency.

Quantitative Analysis

Determining the relationship between credit control management techniques and liquidity

4.6 Multivariate regression analysis results using Stata Statistical Software

Notes:

```
1. (/v# option or -set maxvar-) 5000 maximum variables

. import excel "C:\Users\sensei\Documents\data _Par.xlsx", sheet("Sheet1") firstrow

. reg Y DTF DTC CTR DTS
```

Source	SS	df	MS			
Model	151055355	4	37763838.7	Number of obs =	17	
Residual	5452203.39	12	454350.282	F(4, 12) =	83.12	
Total	156507558	16	9781722.39	Prob > F =	0.0000	
				R-squared =	0.7652	
				Adj R-squared =	0.7536	
				Root MSE =	674.06	

Y	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
DTF	1003.031	141.5455	7.09	0.000	694.6303	1311.432
DTC	767.7362	176.4696	4.35	0.001	383.242	1152.23
CTR	952.1517	146.7954	6.49	0.000	632.3119	1271.991
DTS	400.2428	191.3018	2.09	0.058	-16.56795	817.0535
_cons	4949.615	890.2989	5.56	0.000	3009.82	6889.41

Adjusted R squared is a determination coefficient that indicates the variance in the dependent variable due to changes in the independent variable. From the results in the above table 4.6, the adjusted R squared value was 0.7536 indicating a variance of 75.36% in the liquidity position of Stoneclare Construction due to changes in credit rating, debt factorising and debt centralization at 95% confidence interval. This indicates that the company credit rating, debt segmentation, debt centralization and debt factorising could account for 75.36% improvements in the liquidity position of Stoneclare Construction. R (0.7652) is the correlation coefficient which shows the relationship between the credit rating, debt factorising and debt centralisation and liquidity position. There was a strong positive relationship between the study variables as shown by 0.7652.

From the above information it was revealed that if debt factoring, debt centralization, debt segmentation and credit rating is to increase by 1% , liquidity position of Stoneclare Construction would be 4949 , a unit increase in debt factorising would lead to increase in liquidity position of Stoneclare Construction by a factor of 1003, a unit increase in debt centralization would lead to increase in liquidity position of Stoneclare Construction by a factor of 767, a unit increase in credit rating would lead to increase in liquidity position of the company by a factor of 952 and a unit increase in debt segmentation would lead to increase in liquidity position of the company by a factor of 400 . The focus of the company will therefore be to implement all the above credit control techniques as they have a strong positive relationship with liquidity position. The study also found that all the p-values were less than 1 indicating that all the variables were statistically significant in influencing liquidity position of Stoneclare Construction Pvt Ltd. The implication of these findings is that Finance Managers of Stoneclare Construction will be required to put in place the above credit control techniques as they focuses on minimizing bad debts and increasing cash thereby improving the financial performance of the company.

4.7 Chapter Summary

The presentation and interpretation of data obtained from research instruments was discussed in this chapter. The presentation of researched data was in the form of pie charts, graphs, and tables. The research data was also analysed by comparing the data collected in the literature review from analysis to the details. The following chapter will concentrate on the summaries, findings and recommendations of all chapters.

CHAPTER FIVE

SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter summarized the main research findings Stoneclare Construction's credit control management activities on liquidity position. A description of the preceding chapters was given. The researcher also gave suggestions on how best Stoneclare Construction should incorporate best practices in credit control management to boost results and liquidity.

5.1 Summaries of chapters

Chapter one, the study aimed at determining the effectiveness of credit control management techniques on the liquidity position of Stoneclare Construction as a case study. The researcher highlighted the different approaches of various scholars and established the research gap on areas left out and then proceeded to analysis of Stoneclare Construction information which drove the need to establish the research gap.

Chapter two focused on literature review which provided a critical analysis on what previous scholars concluded concerning the effectiveness of credit control management on liquidity position. The literature review managed to determine the relationship between the credit control management techniques and the liquidity position of Stoneclare Construction. The literature analysed the impact of the current credit controls if managed effectively thus payment plans, debt settlement, debtor circularization and debtors accounts keeping used by Stoneclare Construction to enhance liquidity position. The literature also reviewed the key thoughts such as weak leadership skills and abilities, inexperience of staff, high cost and lack of adequate skills as they are problems being faced by Stoneclare Construction. Lastly, the other major thought from literature review was the best practise to enhance credit control management at Stoneclare Construction, many scholars discussed debt factoring, credit rating, debt segmentation and debt centralization as the best technique to enhance liquidity.

Chapter three discussed the research methodology which was applied in the research, and the research design used was mixed approach which is both qualitative and quantitative in nature as it answers all the research questions. A target population of 20 Stoneclare Construction employees was used since they had first-hand information concerning the company's credit control management. In data collection the researcher used questionnaires and interview guide to collect qualitative data and quantitative data the researcher used the correlation coefficient

to determine the relationship between credit control management techniques and liquidity position.

Chapter 4 presented the data and analysed it, and presentation was aided by tables, graphs and pie chart. Data was also analysed using Statistical Package for the Social Sciences (SPSS) software package. The data approach established the relationship between credit control variables and liquidity position by way of correlation coefficient. The researcher discussed presented data through analysis of raw data and comparisons were drawn between raw data and literature review and in the absence of comparisons, detailed explanations were given.

5.2 Major research findings

5.2.1 Effectiveness of the existing credit control management methods used by Stoneclare Construction

The researcher found that debt settlement and payment plans are ineffective as credit control management tool as clients failed to honour their promises and no payment is guaranteed. Stoneclare Construction keeps debtors accounts but uses a manual system which made the system ineffective because it was often difficult to determine the correct balance of the debtor, hence the researcher found out not effective. Debtors are asked to confirm their balances under debtor circularization at Stoneclare Construction, but very few respond to these and this affects the management of credits and liquidity as well.

5.2.2 Problem faced by the existing credit control management system

The research also showed that the existing method of credit control management faced obstacles that included lack of appropriate expertise and high costs associated with credit control management. Research has shown that lack of appropriate skills and staff incompetence contributes to a rise in mistakes and failures, and thus that they do not use the correct methods of management. It has been discovered that these problems impede the credit control management program from being successful and that liquidity was not improving.

5.2.3 Forms and their impacts on the existing credit control management system in improving liquidity position of Stoneclare Construction

The study pointed out that there are many forms to enhance Stoneclare Construction's existing credit control management program, including developments in technology, training employees, outsourcing, and debt collection staff rotation. This was found that credit control

management can be strengthened by using these means, and the credit control management system's problems can be eradicated.

5.2.4 Best credit control management techniques to boost liquidity position

The research showed that the best practices of credit control management are debt centralisation, debt segmentation, debt factoring and credit rating. The researcher has found out that if these strategies are successfully applied, credit control can be handled efficiently and thus company profitability and liquidity can be increased.

5.3 Conclusion

Effective credit control management is a vital technique in the liquidity position of Stoneclare Construction as it leads to efficiency and increased revenue. It was evidenced that less revenue and liquidity problems were as a result poor current credit controls such as poor leadership skills, incompetence of staff, high cost and inadequate skills of Stoneclare Construction workers. Relating to data obtained through questionnaires and interviews liquidity can only be improved if the suggested best practises in credit control are implemented successfully.

5.4 Recommendations

- ❖ The company to ensure that the system used to hold debtors' accounts is up to date. It will help Stoneclare Construction to keep up with debtors details representing the appropriate amounts owed. The accounts of debtors should also be managed periodically to boost the organisation's liquidity. If the accounts of debtors are effectively managed, the research gap which is to investigate the effectiveness of credit control management techniques on the liquidity position will be eliminated.
- ❖ Employees should get continuous training, seminars and vocational schemes to obtain latest credit control management skills. If employees receives training, they will be more productive, competent and efficient as errors and mistakes will be reduced thereby eliminating the research gap between credit control management techniques and the liquidity position of land and property developers.
- ❖ Debtors should be sold to a debt factor to allow for easy credit control management. The use of debt factoring enables Stoneclare Construction's liquidity position to be improved since there will be guarantee of payments, as all debts will be managed by an external party thereby solving the research gap on the liquidity position.

5.5 Chapter Summary

This chapter aimed to summarize the knowledge found in previous chapters. Even in this chapter the results from the study of the collected data were provided to highlight the major findings of this research. Finally, the researcher's recommendation on what can be done at Stoneclare Construction to develop current credit control management practices.

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APPENDICIES

APPENDIX 1: LETTER OF PERMISSION

MIDLANDS STATE UNIVERSITY

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

The Accountant

Stoneclare Construction PVT LTD

No 75, 7th street

Survey House

Gweru

17 February 2020

Dear Madam

RE: REQUEST FOR PERMISSION FOR A RESEARCH

My name is Phillipar Priscilla Karingwindi (Registration number R165312Y), a student at Midlands State University studying for a Bachelor of Commerce Accounting Honours Degree and currently undertaking a research project for my final year entitled “**effectiveness of credit control management on the liquidity position of land and property developers using a case study of Stoneclare Construction Pvt Ltd.**” To this end I intend to collect data using questionnaires and interview conducts. I assure you that all the information gathered will be solely used for academic purposes and confidentiality will be maintained.

Should you require more details about the researcher you are free to contact the chairperson of the department of accounts, Ms Mashiri on her mobile number.

Your permission will be highly appreciated.

Accountant Signature.....

APPENDIX 2: QUESTIONNAIRE

My name is Phillipar Priscilla Karingwindi, final year student at Midlands State University (MSU) studying Bachelor of Commerce Accounting Honours Degree. I am doing a research on the effectiveness of credit control management techniques on the liquidity position of land and property developers using Stoneclare Construction as the case study. I will be grateful if you could spare a few minutes of your time and attend to my questionnaire.

Instructions

- Answer all questions.
- Do not write your name or any personal details on the questionnaires.
- Show response by ticking the respective answer box where applicable.

The following are credit control techniques being used by Stoneclare Construction to improve liquidity position.

1) How effective are payment plans in improving the liquidity at the Stoneclare Construction?

.....
.....
.....

2) How effective is debt settlement in improving the liquidity of the company?

.....
.....
.....

3) How effective is keeping debtors account in improving the liquidity of the company?

.....
.....

4) Is Debtor circularization an effective method in improving the liquidity of Stoneclare?

.....
.....
.....

5. The following problems are faced by the existing credit control management system on the liquidity position of Stoneclare Construction.

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Lack of sufficient skills and knowledge					
Weak leadership skills and abilities					
Inexperience of staff					
High cost associated with credit control system					

6. The following forms can improve the existing credit control management practices.

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Rotating Staff					
Training Personnel					
Outsourcing					
Technological Advancement					

7. The following are best practices in credit control management on liquidity position

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Debt Factoring					
Debt Centralization					
Debt Segmentation					
Credit rating					

Thank You.

APPENDIX 3: INTERVIEW GUIDE

1. How effective are Stoneclare Construction's credit control management strategies used to enhance the liquidity position?
2. What are the problems facing the liquidity position of the current credit control management system?
3. What are other forms of strengthening Stoneclare Construction's liquidity position and their impact on the existing credit control management system?
4. What are the best credit management methods to boost Stoneclare Construction's liquidity position?

APPENDIX 4: REGRESSION ANALYSIS DATA

Debtors 2016-2018 (Extract from Stoneclare Construction Financial Statements)

Claremont Park Stands	2016	2017	2018
6 months old arrears	\$15,200.00	\$ 19,800.00	\$ 30,600.00
9 months old arrears	\$18,800.00	\$ 25,900.00	\$ 41,200.00
12 months old arrears	\$23,600.00	\$ 55,500.00	\$ 115,200.00
Total	\$57,600.00	\$101,200.00	\$ 187,000.00

Y	DTF	DTC	CTR	DTS
15200	3	4	3	4
17300	5	4	4	3
12875	1	3	3	5
20010	5	5	5	4
12542	4	2	1	4
12321	1	1	5	2
14245	2	2	4	4
18800	5	3	5	3
11520	1	3	1	3
15769	3	4	4	3
20123	5	5	5	4
18964	4	5	5	3
19645	4	5	5	3
16354	3	4	5	4
12778	2	3	4	1
18974	5	3	5	4
19876	5	4	5	4