IMPACT OF IMPLEMENTING FINANCIAL MANAGEMENT PRACTICES ON PERFORMANCE OF NATIONAL OIL CORPORATION IN KENYA

BY

HUSSEIN OSMAN GABAIRE

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Master of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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STUDENT’S DECLARATION

I, the undersigned, pronounce this is my unique work and has not been submitted to some other institution or university other than to the United States International University-Africa (USIU-Africa) in Nairobi, Kenya for academic credit.

Signed: __________________________  Date: __________________________

Hussein Osman Gabaire (ID: 642487)

This project proposal has been presented for examination with my approval as the appointed supervisor.

Signed: __________________________  Date: __________________________

Dr. George Achoki

Signed: __________________________  Date: __________________________

Dean, Chandaria School of Business
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ABSTRACT

The purpose of this study was to determine the impact of implementing financial management practices on performance of National Oil Corporation in Kenya. The study was guided by the following research questions: what is the effect of financial planning on performance of National Oil Corporation in Kenya? What is the effect of dividend policy on financial performance of National Oil Corporation in Kenya and what is the effect of credit risk management on financial performance of National Oil Corporation in Kenya?

Descriptive design was used as the research design for this particular study, it was justifiable in that it enabled the researcher to obtain opinions and views from the target respondents at a given particular time without influencing the study environment. A population of 35 managers was used and a sample size was determined through census. The study used simple random sampling technique, primary data was gathered to address the research objectives using a closed ended questionnaire. Data analysis was done using Statistical Package for Social Sciences (SPSS) software and data presented in tables and figures.

The analysis on effect of financial planning on business performance revealed that there exists a significant relationship between financial planning and business performance, r (0.540); p-value < 0.01. The analysis on the effect of dividend policy on business performance revealed that there exists a significant relationship between divided policy and business performance, r (0.604); p-value < 0.01. The analysis on effect of risk management on business performance revealed that there exists a significant relationship between risk management and business performance, r (0.611); p-value < 0.01. The findings revealed an adjusted R square of (0.678), meaning that about (68%) or variability in business performance is attributed to financial planning, dividend policy and risk management. The remaining (32%) variability on business performance was attributed to other factors not examined by this study.

The study concludes that there is a significant relationship between financial planning and business performance of the organization hence financial planning enhances investment decisions towards the kind of investments that the company intends to pursue as they undertake planning on how the investments will be financed in the long run. The study also concludes that there exists a significant relationship between dividend policy and
business performance hence dividend policy attracts potential investors since the policies creates awareness on how they are likely to benefit from their shares into the company through dividends and how their money will be put into use. Lastly the study concludes that there is a positive correlation between risk management and business performance of the company hence risk assessment enhances cost reduction in the company since wastage is identified and all the necessary steps are taken to minimize it through risk assessment.

The study recommends that National Oil Corporation should align its financial plan with the corporate strategy of the company in order to create synergy that is essential in attaining a desirable business performance in the long run. The company should also communicate its financial plan throughout the organization by bringing all employees on board to make sure that the entire organization is working towards the same goal. Since the study has established a significant relationship between dividend policy and business performance, therefore, the study recommends that National Oil Corporation should focus on aligning the dividend policies in line with the needs of the shareholders while at the same time focusing on the needs of the organization. The study also established a significant relationship between risk management and business performance, therefore, the study recommends that National Oil Corporation should involve external auditors in their risk management practices to make sure that there is no bias in making decisions concerning risk management in the company.
ACKNOWLEDGEMENT

My sincere gratitude goes to God for giving me the wisdom, knowledge, strength and good health throughout my entire Master’s program. Secondly, special thanks go to my supervisor Dr. George Achoki, for providing invaluable guidance through this study. His immense knowledge on the subject matter enabled me to progress with this research project. I would also wish to thank my family and friends for their invaluable support and encouragement.
DEDICATION

I dedicate this research project to my family and friends.
# TABLE OF CONTENTS

STUDENT'S DECLARATION ....................................................................................... ii  
COPYRIGHT ............................................................................................................... iii  
ABSTRACT ................................................................................................................ iv  
ACKNOWLEDGEMENT ............................................................................................. vi  
DEDICATION .............................................................................................................. vii  
LIST OF TABLES ........................................................................................................ x  
LIST OF FIGURES ...................................................................................................... xi  
LIST OF ABBREVIATIONS ......................................................................................... xii  

## CHAPTER ONE ........................................................................................................... 1  
1.0 INTRODUCTION .................................................................................................... 1  
1.1 Background of the Problem ............................................................................... 1  
1.2 Statement of the Problem ................................................................................. 5  
1.3 Purpose of the Study ......................................................................................... 6  
1.4 Research Questions .......................................................................................... 6  
1.5 Justification of the Study .................................................................................. 7  
1.6 Scope of the Study ............................................................................................ 7  
1.7 Definitions of Terms ........................................................................................ 8  
1.8 Chapter Summary ............................................................................................. 8  

## CHAPTER TWO ........................................................................................................ 10  
2.0 LITERATURE REVIEW .......................................................................................... 10  
2.1 Introduction ........................................................................................................ 10  
2.2 Effect of Financial Planning on Business Performance .................................. 10  
2.3 Effect of Dividend Policy on Business Performance ....................................... 14  
2.4 The Effect of Risk Management on Business Performance ............................ 18  
2.5 Chapter Summary ............................................................................................. 22
<table>
<thead>
<tr>
<th>CHAPTER THREE</th>
<th>3.0 RESEARCH METHODOLOGY</th>
<th>3.1 Introduction</th>
<th>3.2 Research Design</th>
<th>3.3 Population and Sampling Design</th>
<th>3.4 Data Collection Methods</th>
<th>3.5 Research Procedures</th>
<th>3.6 Data Analysis Methods</th>
<th>3.7 Chapter Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>3.0 RESEARCH METHODOLOGY</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>25</td>
<td>25</td>
<td>26</td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER FOUR</th>
<th>4.0 RESULTS AND FINDINGS</th>
<th>4.1 Introduction</th>
<th>4.2 Response Rate and Demographic Information</th>
<th>4.3 The Effect of Financial Planning on Business Performance</th>
<th>4.4 The Effect of Dividend Policy on Business Performance</th>
<th>4.5 The Effect of Risk Management on Business Performance</th>
<th>4.6 Correlational Analysis</th>
<th>4.7 Regression Analysis</th>
<th>4.8 Chapter Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>4.0 RESULTS AND FINDINGS</td>
<td>27</td>
<td>27</td>
<td>30</td>
<td>36</td>
<td>41</td>
<td>47</td>
<td>48</td>
<td>49</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER FIVE</th>
<th>5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS</th>
<th>5.1 Introduction</th>
<th>5.2 Summary</th>
<th>5.3 Discussion</th>
<th>5.4 Conclusion</th>
<th>5.5 Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS</td>
<td>50</td>
<td>50</td>
<td>51</td>
<td>57</td>
<td>58</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REFERENCES</th>
<th>APPENDICES</th>
<th>APPENDIX I: RESEARCH QUESTIONNAIRE</th>
<th>APPENDIX II: RESEARCH COVER LETTER</th>
<th>APPENDIX III: NACOSTI RESEARCH PERMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>68</td>
<td>68</td>
<td>73</td>
<td>74</td>
</tr>
</tbody>
</table>

 ix
LIST OF TABLES

Table 4.1: Response Rate........................................................................................................27
Table 4.2: Financial Planning and Company’s Expenses.....................................................30
Table 4.3: Profit Targets ........................................................................................................32
Table 4.4: Credit Accessibility ..............................................................................................32
Table 4.5: Financial Obligations ...........................................................................................33
Table 4.6: Cost Control Decisions .......................................................................................33
Table 4.7: Financial Planning and Risk Identification ..........................................................34
Table 4.8: Financial Planning and Leverage .........................................................................35
Table 4.9: Cost Control and Operational Efficiency ............................................................35
Table 4.10: Dividend Policy Payment ..................................................................................36
Table 4.11: Dividend Policy and Shareholder’s Value ..........................................................38
Table 4.12: Dividend Policy and Stock Price .......................................................................38
Table 4.13: Dividends and Firm’s Future Prospects ..............................................................38
Table 4.14: Dividend Policy and Investor’s Confidence .......................................................40
Table 4.15: Dividend Policy and Credit Granting .................................................................41
Table 4.16: Return on Investment .......................................................................................41
Table 4.17: Return on Equity ...............................................................................................41
Table 4.18: Risk Assessment ...............................................................................................42
Table 4.19: Risk Identification Process ..............................................................................42
Table 4.20: Internal Auditors Involvement .........................................................................43
Table 4.21: Operations Reviews ..........................................................................................44
Table 4.22: Forward Contracts ............................................................................................44
Table 4.23: Potential Threats and Risk Assessment .............................................................44
Table 4.24: Profitability .......................................................................................................46
Table 4.25: Organizational Efficiency ..................................................................................46
Table 4.26: Correlational Analysis ......................................................................................47
Table 4.27: Regression Summary ........................................................................................48
Table 4.28: ANOVA .............................................................................................................48
Table 4.29: Coefficients Summary .......................................................................................49
LIST OF FIGURES

Figure 4. 1: Gender Distribution .................................................................28
Figure 4. 2: Age Bracket of the Respondents ...............................................28
Figure 4. 3: Level of Education ...................................................................29
Figure 4. 4: Number of Years in the Organization .........................................29
Figure 4. 5: Work Department .....................................................................30
Figure 4. 6: Financial Planning and Investments ...........................................31
Figure 4. 7: Financial Statements .................................................................31
Figure 4. 8: Financial Planning and Investors’ Attraction ............................33
Figure 4. 9: Cost Allocation and Financial Planning ....................................34
Figure 4. 10: Alignment between Costs and Investment Decisions .............35
Figure 4. 11: Financial Planning and Risk Assessment ...............................36
Figure 4. 12: Potential Investors .................................................................37
Figure 4. 13: Dividend Policy and Profitability .............................................37
Figure 4. 14: Dividend Policy and Firm’s Investments .....................................39
Figure 4. 15: Dividend Policy and Market Share Values ...............................39
Figure 4. 16: Credit Standing ....................................................................40
Figure 4. 17: Planning and Risk Exposure .....................................................43
Figure 4. 18: Alternative Approaches to Risk Avoidance .............................43
Figure 4. 19: Risk Assessment and Cost Reduction ......................................45
Figure 4. 20: Risk Assessment and Resource Allocation ...............................45
Figure 4. 21: Risk Assessment and Competition ..........................................47
LIST OF ABBREVIATIONS

**GDP:** Gross Domestic Product

**SPSS:** Statistical Package for Social Sciences

**UK:** United Kingdom

**US:** United States

**LPG:** Liquefied Petroleum Gas
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Financial management can refer to the concepts of time, risk, and money and how these concepts are interrelated, at an individual level it can involve the tailoring of expenses in line with the financial resources of the individual while on the aspect of the organization it is the whole process that is associated with financial planning as well as financial control (Leug, 2011). The modern approach of financial management offers a conceptual and analytical framework that enables financial decision making to be undertaken effectively and the decision can be grouped into three that is financing decision, investment decision and dividend decision (Dobbins, 2013). Financing decision involves the raising of funds from various sources that relies on the type of source, financing period, cost of financing and the returns. Investment decisions on the other hand, involves the investment in non-current assets that is capital budgeting investment in the current assets which is the working capital while dividend decisions involve the decision on the distribution of profits to the shareholders as per the organization’s policies on dividends (Ojera, 2018).

Financial performance on the other hand, can refer to a subjective measure of how well the organization can use its assets from the primary form of the business to generating revenues (Booth & Zhou, 2015). Financial performance can further be used as a general way of measuring a company’s overall financial health over certain period of time and can be used in comparing similar companies across the same industry or even comparing industries in aggregation (Tooley & Guthrie, 2017). The financial performance of firms can be estimated with the use of accounting information or the values of the stock market when it comes to the context of financial management practices. When using the values of the stock market as mean of determining performance, one can be interested in analyzing changes in the values of the market, and the performance of the firm is measured over time with the use of the average stock market per year which is calculated yearly by using change in the stock price (Karadag, 2017).
Globally, the financial management practices are believed to have marked an effect on the financial performance of any corporate enterprise (Leug, 2011). Therefore, having a solid financial management practices can positively contribute towards a desired objective of having a profitable business operations. They also ensure accountability and efficiency in managing the company resources. As a function of firm’s good governance, financial management practices forms a critical aspect of the development process in all financed operations which is crucial for achieving the Word Bank Group’s objectives of ending poverty and create a shared prosperity in a sustainable manner (Jain & Yadav, 2013). Good financial management practices are in line with the World Bank’s dual objectives that is supporting borrowing nations to improve their financial management performance as well as encouraging public disclosure and accountability that will provide assurance on the use of finances offered (Edgeman, 2013).

In Sri Lanka where small and medium sized enterprises form 80% of the country’s economic system by playing a crucial role in the economy through employment generation, promoting the country’s Gross Domestic Product (GDP), undertaking innovations and stimulation of economic activities (Rathnasiri, 2015). Despite SMES’ contributing to the growth of the country’s economy in various ways like employment, development of new ventures and opening up of new avenues for the growth of the small and medium sized sector in the country, evidence indicates that there are many failure of this sector in Sri Lanka, since the Central bank of Sri Lanka states that inadequate capital, lack of institutional credit facilities, improper accounting techniques and inattentiveness of small businesses pose a threat to the sector while poor accounting and financial management practices being the main factors that contribute to the massive failure of small and medium sized enterprises in the short-term (Yapa & Ukwatte, 2015).

In the United States of America (USA), firms believe that financial management practices are crucial in the course of running the business and the right financial capabilities should remain vital throughout the life of the business whether in the beginning of the business or an existing establishment (Lamb, 2016). Successful businesses in the United States tend to take a proactive approach to their financial management practices to make sure that they have the right capabilities since financial management plays a continuous role in day to day running of the business and in a broader strategic planning of the business (Jalilvand, Switzer, & Tang, 2014). The top management is tasked with the responsibility
of recognizing the needs of the business change as the firm grows, and making sure that the firm is constantly having the financial skills and resources that will enable the business look into the future and its prosperity.

In Nigeria, the financial management process that involves sourcing of funds and the effective use as well as the efficient management of funds constitute major challenges for the accountants of business enterprises (Okafor, 2012). These challenges requires an involvement of well-trained accountants which most business enterprises are lacking. The role of financial managers in businesses is often broaden than the conventional definition, apart from the basic definition of accounting, audit tax matters, the financial manager is tasked with general leadership in various aspects of the financial decision making such as working capital management, planning and budgeting (Ogbechie, 2018). Evidence shows that failure to effectively discharge of the broad financial management functions contributed largely to the financial global crisis. Similarly, poor financial management practices in Nigeria has been identified as one of the reasons for small and medium sized business failure. A clear distinction between a successful business and a failed business lies in their approach to the generation and the use of accounting information (Ezeoha, 2011).

In South Africa, a study was carried out to establish the use of financial management practices by the small, medium and the micro enterprises operating in the country, the study revealed that more than half of the business enterprises that were examined hired external accounting professional to help them prepare accounting reports and more than 60% of the firms depend on the external staff to prepare and interpret accounting information for them (Brijal, Enow, & Isaacs, 2014). It is evident that a majority of business owners in South Africa especially the small and medium sized enterprises do lack interpretation skills and the awareness of how to use the information obtained in their financial statements and therefore, policy makers as well as financial institutions need to educate and train business owners in financial management so that mitigating the risk of cash problems becomes possible (Ogbechie, 2018).

In Uganda, small and medium sized enterprises as well as other businesses make a positive contribution to the economic growth and developments in the country but the failure of these investments is also high due to lack of financial management (Abanis, 2013). According to Ezeoha (2011), financial management focuses all the areas of
management that involve finance not only the sources and the uses of finance in the firm but also the financial implications of the undertaken investment, production, personnel and marketing decision and ultimately the overall performance of an enterprise. However, such areas are currently neglected by the small and medium sized enterprises in Uganda since owners manage their business themselves as a way of reducing operations costs (Obura, 2012).

In Kenya, an important aspect of the country’s oil industry was characterized by high level of involvement of the government’s direct investments with equally a low level of the private participation before liberalization (Ndung’u, 2013). Only seven marketing and distribution companies were involved in procurement and importation of their own oil, the after liberalization many other firms emerged. The major oil firms in the sector include; Shell Ltd, Oil Libya Kenya, Kenya Oil Ltd (Kobil), Total Kenya, Engen, and National Oil Corporation of Kenya. The major oil firms command about 75% of the oil market share and also possess major installations within the nation. For instance Vivo energy have petrol storage facilities in Mombasa and Nairobi County and a liquefied petroleum gas (LPG) filling plant in Nairobi, the company also has a lubricant blending plant in Mombasa County (Gakuo, 2018).

National Oil Corporation of Kenya, a state corporation of Kenya which was founded by the Act of Parliament in the year 1981 with the mandate of involving itself with all aspects of Kenyan petroleum sector (Herbling, 2017). The corporation is 100% owned by the Government of Kenya and involves itself with all the aspects of petroleum supply chain ranging from upstream gas exploration, midstream petroleum infrastructures development and downstream marketing of petroleum products. The company’s vision is to be a fully integrated world class oil and gas company to achieve the purpose of ensuring security supply of petroleum in the country through production of oil and gas resources, for the benefits of the Kenyan society. The strategic intent of the company is becoming a premier oil and gas company that will excel in downstream, enhanced midstream and the development of vibrant upstream sector (Ndung’u, 2013).

National Oil Corporation of Kenya facilitates and directly participate in the exploration of oil and gas activities in Kenya and as a facilitator the company has a responsibility of marketing Kenya’s exploration acreage, gas management, data exploration and the managing of the National Petroleum Laboratory. The company also operates its own
exploration acreage within tertiary Rift Basin which runs from the shores of Lake Bogoria to the basin of Lake Magadi (Ndung'u, 2013).

1.2 Statement of the Problem
Globally, all companies have made substantial investment in processes, personnel and technology that help them control the risk associated with their businesses (Dobbins, 2013). In the recent past, these risk investments focused primarily on financial control mechanisms and the compliance of the regulatory framework. A challenge to most organizations is that they took an excessive risk with very little regard for reasonable and realistic long-term performance prospects (Gloy & LaDue, 2013).

China on the other hand, has moved from a centrally planned socialist model to the socialist market economy since the end of its Cultural Revolution enabling private, collective and foreign firms to now co-exist with attempt of enhancing competition (Jain & Yadav, 2014). In China, the Sino-foreign equity joint ventures that are formed as limited liability companies include Chinese corporations as well as entities and one or more foreign firms while the equity investments in joint ventures may be made in the form of equipment, cash, technology, property rights and other assets (Edgeman, 2013).

In Africa, most small and medium sized enterprises as well as other businesses make a positive contribution to the economic growth and developments in the country but the failure of these investments is also high due to lack of financial management (Abanis, 2013). According to Ezeoha (2011), financial management focuses all the areas of management that involve finance not only the sources and the uses of finance in the firm but also the financial implications of the undertaken investment, production, personnel and marketing decision and ultimately the overall performance of an enterprise. However, such areas are currently neglected by the small and medium sized enterprises in most African countries since owners manage their business themselves as a way of reducing operations costs (Obura, 2012).

In Kenya financial management practices directly contribute to the financial performance of any firm and for a business to be able to sustain its operations and meet the intended objectives, then it must manage its financial practices effectively (Waweru & Ngugi, 2014). The oil and gas industry is not an exception to this regard. National Oil Corporation of Kenya which is 100% owned by the government of Kenya, since the
company was formed it seem to be lagging in the oil and gas industry due to its inability of competing with multinational firms that have set businesses in Kenya (Herbling, 2017).

Local studies that have been carried on financial management practices include; Nthenge and Ringera (2017), conducted a study on the effects of financial management practices on financial performance of SMEs in Kiambu Town, they revealed that there was a positive correlation between financial management practices and financial performance, another study by Njahi (2014), on the effect of financial management practices on financial performance of county governments in Kenya and found out that poor financial practices affected the revenues collections of the counties, Also Addo (2017), carried out a study to determine the effect of financial management practices on financial performance of top 100 small and medium enterprises in Kenya and established that there is a Pearson Correlations between financial management practices and financial performance of SMEs. It is clear that there exist a gap on the same in the oil and gas industry, hence, this study seeks to answer the question “what is the impact of financial management practices on financial performance of oil and gas industry at National Oil Corporation of Kenya.”

1.3 Purpose of the Study
The purpose of this study was to determine the impact of financial management practices on financial performance of oil and gas industry with a specific focus on National oil.

1.4 Research Questions
The research questions outlined below guided this study:

1.4.1 What is the effect of financial planning on business performance of National Oil Corporation in Kenya?

1.4.2 What is the effect of dividend policy on business performance of National Oil Corporation in Kenya?

1.4.3 What is the effect of risk management on business performance of National Oil Corporation in Kenya?
1.5 Justification of the Study
Below are some of the stakeholders that will benefit from this study:

1.5.1 National Oil Corporation of Kenya
National Oil Corporation of Kenya are the primary beneficiaries of the findings of this study since they will gain more knowledge on how their financial management practices impact their financial performance and use the findings to make informed decisions when it comes to Finance related matters concerning the organization.

1.5.2 Oil and Gas Sector
The oil and gas sector in general will benefit from the findings of the study by knowing the impact of financial management practices on financial performance and use them in making informed decisions that are crucial for them to thrive in the sector.

1.5.3 Policy Makers
The regulatory framework that guides the sector of oil and gas will also gain insights on how various financial management practices used by the companies in oil and gas impact their financial performance, hence, use the findings as a foundation of formulating policies that will enable the companies within the sector of oil and gas to perform well and compete effectively.

1.5.4 Researchers and Scholars
Researchers and scholars in the field of financial management practices will benefit from additional knowledge that they will obtain from the findings established by the study as well as using the study for their future reference.

1.6 Scope of the Study
The focus of this study was to establish the impact of financial management practices on financial performance of oil and gas industry specifically at National Oil Corporation of Kenya. The study targeted top level and middle level managers who are involved in key strategic decision making in the organization. Duty stations to be surveyed was limited to Nairobi County. The study did not cover duty stations of National Oil Corporation of Kenya that are outside Nairobi County. The study took a period of three months. A population of 35 consisting of top level managers and middle level managers were used for this study. Geographically, the study was limited to Nairobi County.
1.7 Definitions of Terms

1.7.1 Financial Management
Financial management refers to a discipline that deals with the decisions concerning finance and the tools as well as the analysis that is used in making decisions. The discipline of financial management can be grouped into long-term and short-term decisions and techniques and both have the same objective of enhancing the organization’s value by making sure that the return on capital exceeds the cost of capital (Jain & Yadav, 2014).

1.7.2 Financial Performance
According to Luby (2013), financial performance refers to the degree at which financial objectives of a company have been met or achieved. Financial performance can be regarded as the process that measures the results of the company’s policies and operations in monetary terms.

1.7.3 Financial Planning
Financial planning is an evaluation of determining how the firm will afford to achieve its strategic goals and objectives through aligning it to the company’s vision and the strategic plan (Skipper & Hanna, 2015).

1.7.4 Dividend Policy
Dividend policy refers to a set of guidelines a firm uses in deciding the amount of its earnings that will be paid out to the shareholders that is part of the profits earned by the company and distributed among its shareholders (Booth & Zhou, 2015).

1.7.5 Credit Risk Management
Credit risk management refers to the practice of mitigating a firm’s losses by understanding the adequacy of capital and loan loss reserves at any given period of time (Jain & Yadav, 2014).

1.8 Chapter Summary
This chapter has presented the background of the problem, statement of the problem, the purpose of the study, followed by the research objectives that will guide the study and significance of the study illustrating how the stakeholders will benefit from the findings of the study. The scope of the study and definitions of key terms used in the study have
been presented in this chapter. The next chapter will present the literature review based on the research questions established to guide this study. Chapter three provides the research methodology that guides the study. Chapter four presents results and findings obtained from the respondents. Chapter five highlights the discussion, conclusions and recommendations based on the study findings.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
The chapter presents the literature review on the impact of implementing financial management practices on performance. The first part will present the literature review on the effect of financial planning on performance, second section will present the effect of dividend policy on performance and third part the effect of risk management on performance and lastly a chapter summary of the main components making chapter two.

2.2 Effect of Financial Planning on Business Performance
Financial planning refers to the way of determining how a firm will be able to afford achievement of its strategic goals as well as objectives in the course of running the business (Morgan & Vorhies, 2018). Most companies come up with a financial plan immediately the vision of the company has been established. The financial plan enables the company to describe each crucial activities, equipment, resources and materials that are required in achieving the vision of the company through set objectives and goals (Beckett-Camarata, 2013). Financial planning plays a vital role to the success of any company since it offers the business plan with rigor, through a confirmation that the set objectives are achievable from the financial point of view and helps the top management to set financial targets for the company as well as ideal compensation for the staff as a reward for constantly meeting the intended objectives of the company (Gupta, Kumar, & Chandra, 2018).

According to Walker (2014), financial planning should consist of some guidelines like the identification of the firm’s financial goals and an analysis of the existing differences between the goals and the firm’s present financial situation plus a declaration of necessary actions that can be taken with an attempt of the company meeting its financial objectives. He further indicates that, this kind of thinking one is able to observe that initially the analysis of the financing options and investments that the firm should dispose of should be made and the performance evaluation that relates to the objectives established initially in the beginning of financial plan. When implementing a financial plan an itinerary as well as adjustments of the projections and forecasts is fundamental in
the function of the variations of both the external and internal atmosphere of the company involved (Philips, 2010).

The science of financial planning involves the analysis of financial flows of a company as a whole, predicting or forecast of the various investments, dividend and financing decisions and weighting the impacts of multiple alternatives (Chapman, Murray, & Mellor, 2017). Financial planning is regarded as the core of financial management. The complex nature of business environment demands that the management should place greater emphasis on financial planning to secure and employ capital resources in the amount and the proportion necessary to increase the efficiency of remaining factors of production (Jain & Yadav, 2013). Financial planning is required both in the dynamic and perfect economic conditions to help top management to avoid waste by applying policies and procedures which make it possible a closer coordination between the various functions of business (Rasid & Ismail, Management accounting systems, enterprise risk management and organizational performance in financial institutions, 2014).

Financial planning must however be complemented by having control in place to achieve the basic purpose of planning. The actual results must be measured concurrently against projections. Control plays a crucial role in financial management which must be exercised by top management of the business enterprise in achieving goals established but the planning aspect (Brijal, Enow, & Isaacs, 2014). Control deals with testing the degree of management performance in the attainment of the set objectives, it also checks deviations from the planning function, and once the causes for the difference between the actual and expected performance that have been identified, so that a corrective action is initiated. According to Fan and Lee (2016), financial planning is the process that assures that financial resources are gathered, economically and used efficiently and effectively in the accomplishment of desired goals. It covers the entire process of monitoring actions emanating from the decisions. Being an integral part of financial management, it forms part of budgeting, reporting and accounting. Budgetary control systems form a good basis of controlling plans, actual activities are monitored and their results measured and then compared with plan (Evans & Bellamy, 2015).

Many companies adopt different strategies among which is the financial planning and control, financial planning and control is an integral part of the financial management that deals with the management of firm’s funds with a view of maximizing profitability and
the wealth of shareholders (Rasid & Rahman, 2017). The aim of financial planning is to
determine whether the company has been where it is currently, and where it wants to go. It
also determines the deviations from the most likely outcomes. Financial planning is
concerned with the study of the issues involved in the acquisition and use of the funds by
a company as well as the function of profit planning for the business organization (Durst
& Wilhelm, 2012). Planning can be viewed as a tool through which objectives and goals
are determined and the future course of actions geared towards attaining them, while
control is regarded as a management action that ensures conformity with a plan or a
budget in hand (Chapman, Murray, & Mellor, 2017).

2.2.1 Enhanced Investment Decision
Financial planning depicts a blueprint of what the company proposes to do in the future,
despite having various variations in the scope, degree of formality as well as the level of
sophistication in financial planning across organizations, a focus on the common elements
such as sales forecast, economic assumptions, asset requirements and the mode of financing
the investments need to be considered accordingly (Brijal, Enow, & Isaacs, 2014). A
financial plan can also be consireded to be an investment plan of the organization that
helps in allocation of savings to different assets or projects that will produce future
income like a new business or product line, shares in the existing business or even real
estate (Heikkilä, 2015). Short term financial plan are prepared to monitor working capital
needs of the firm. Short-term financial plan ensures that the company’s liquidity are
crucial to the short-term survival of the business. A company can as well make decision
on the short-term sources of financing its activities and most of them are loans from the
commercial banks and the direct market borrowing through commercial paper issues in
order to make wise investment decisions of these funds (Ting & Azizan, 2016).

Firms develop financial plans to meet various budgets and investment strategic goals
within a financial year. These plans do have a higher degree of certainty compared to the
long term plans that the firm has. Short-term financial plans for instance, they are often
amended as financial and investment goals change (Karadag, 2017). Firms and
individuals alike tend to use short-term financial plan to help them manage their short-
term cash deficits and when it becomes evident that a severe cash shortages may occur, a
cash-flow forecast then becomes necessary to aid investment decisions the firm is
underating. Long-term financial plans can be prepared to monitor long-term financial
objectives of the organization, its expansion activities, capital structure and the investments to be pursued in the long run. Long-term financial planning offers a strategy for the future financial growth and ultimately the viable investments that will gear the expansion of the company beyond its current position and these kind of decisions have extended lead times and calling upon a long-term view on how the strategy should be implemented (Chen, Joshi, & Cheng, 2015).

2.2.1 Cost Controls
One of the most critical benefits of having financial planning in the organization is the capability to control costs since creation of annual budgets helps the company to see their biggest expenses, plan for them, reduction if necessary and monitoring expenses to find out whether they are meeting the objectives of the company (Kharazmi & Teymouri, 2013). The success of any firm highly depends on the manner the distribution and production functions are controlled based on cost. A critical function of financial planning is cost control. Without having cost control measures within the framework of financial planning, employees and departments can easily lose sight of their roles and start to pursue their own interests as opposed to those of the shareholders at the expense of the organization (Lekkakos & Serrano, 2016). Cost controls are met through proper budgeting that takes into consideration activities of different departments which are coordinated so that unnecessary wastage of the resources is reduced. Budgeting on the other hand, requires that every manager establishes a good rapport between the activities of their department and that of other departments and any balance that is identified in a relationship between departmental activities should be corrected (Neely, Bourne, & Adams, 2013).

According to Chapman, Murray and Mellor (2017), one of the biggest challenges that exist in financial planning as well as budgeting to control costs is how to make value addition since budgeting requires channel of communication that is clear, support from top level management, participation from different personnel and predictive characteristics. Budgeting which is the main ingredient of cost controls within the framework of financial planning should not always strive for accuracy but strive to aid the decision making process in the organization. Focusing too much on the accuracy, the company may end up with a budgeting process that incurs time and excess costs of the benefits derived. The biggest challenge becomes making financial planning a value added
activity that can help the company achieve its strategic goals and objectives. Budgeting should then take both a top down and bottom up approach that is the upper level of management and the middle level management will work in harmony to finalize the budget by streamlining the budget process through developing a financial model (Mitchelmore & Rowley, 2013). Financial models supports what if kind of analysis so that the organization can assess decisions before they are made and this can improve the financial planning process that intends to the objectives of cost control (Skipper & Hanna, 2015).

2.3 Effect of Dividend Policy on Business Performance

Dividend policy of any company occupies a major role in the financial planning of an organization and serves as a mechanism for control of managerial opportunism (Yegon & Sang, 2014). As a firm makes profits it can always do one of the two things with the surplus obtained that is it can either pay back its investors as dividends or it can decide to retain it within the firm as addition to the shareholder’s equity which is known as retained earnings. However, the company can also decide to apportion the surplus to both and earnings are strictly the free cash flows that is available for distribution to the investors after the expenses and taxes have been catered for (Farrukh & Ansari, 2017). If the company decides to redistribute the earnings to the investors then the investors do have the option of reinvesting it themselves or even spending it while if the firm wishes to raise more capital for reinvestment then it can raise it through equity or debt from the capital market. Dividend policy is regarded as more commonly an instrument of wealth distribution to the shareholders than it is an instrument of wealth creation to the stakeholders (Al-Najjar & Hussainey, 2009).

According to Baker and Waigand (2015), dividend policy refers to the guidelines and regulations that a firm uses in to decide on how to make divided payments to the shareholders making these decisions the primary element of corporate policy and has recently been the issue of interest in financial literature since joint stock companies came into play. The phenomenon of dividend policy is very crucial one in the present business environment. Dividends are also defined as the distribution of the earnings in real assets among the shareholders of the firm in return of their risk investment which can be determined by various factors in a company. These factors can include; investment chances and choices, the size of the company, financing limitations and the pressure
coming from shareholders as well as regulatory regimes in which the business operates in (Mehdi & Sahut, 2017). Dividend policy connotes to the payment policy which managers pursue in deciding the size and the pattern of cash distribution to their shareholders over time since the management’s primary goal is shareholders’ wealth maximization through giving shareholders fair and acceptable payment on their investments. However, the effect of company’s dividend policy on shareholders wealth is still unresolved despite the area of corporate dividend policy attracting attention of the different management scholars and economists (Ozo & Arun, 2015).

For a successful business the income earned can either be utilized in acquiring additional assets into the business, acquiring securities, used in retiring debt, or distribution of the earnings to the shareholders as dividends (Al-Najjar & Kilincarslan, 2017). There is always a possibility of issues that can arise if the firm decides to distribute the income to the shareholders which can include the proportion to which the income would be distributed to the shareholders, whether the amount being distributed should be in the form of cash dividends or the cash to be passed on to the shareholders through buying back of some of their shares and how stable should the distribution of dividends be (Zainudin, 2018). With above reasons which are often cited as to why companies should pay or not pay dividends, through empirical studies quite a number of factors have been identified that influence the dividend payout ratios of the companies among these being; agency cost, cash flow, profitability, risk and growth (Elmagrhi & Ntim, 2017).

According to Al-Najjar and Kilincarslan (2017), the relationship that exists between current earnings of the business and the dividend rate is a vital factor for determining the amount of dividends to the stockholders, other factors include; growth prospects of the firm’s industry and more significantly the growth of and earning prospects of the company, working capital requirements, internal fund flows based on the past experience, the relative significance attached by the top management to long-term capital gains in comparison with the current dividend income for the shareholders and their views of its shareholder’s preference between a reasonably stable or fluctuating dividend rates. Dividend policies differ across companies and even nations, a strong and sustainable dividend payout can be synonymous with sound management since prospective investors and shareholders find it that the firm is making reliable financial decisions and it is one of the main reasons why firms are stubborn when it comes to cutting their dividend as doing
so indicates that the management has not been able to run the business efficiently (Puleo, Smith, & Casey, 2013). Mature companies on the other hand, will tend to have a high dividend payout since they have financial capabilities to payout more to its shareholders while new companies would prefers to have a lower dividend payout ratio so that they can retain earnings that can be used for future company growth. Another argument to justify the payment of dividends is that the dividends are cash in hand while capital gains is the cash in the bush and the capital gains to be received in the future can be risker than the dividends received today (Al-Ajmi & Hussain, 2011).

2.3.1 Profitability

Many researchers have carried out studies to try and determine whether there is any relationship that exist between dividend policy and the performance of the company (Al-Najjar & Hussainey, 2009). This is because dividend policies are significant to the shareholders and this is the reason as to why the studies have attracted much attention. Khan and Burton (2011), indicates that good dividend payouts is a signal that companies are generating real earnings and they it is a strong of profitability. There is a positive and significant relationship that exist between dividend payout and the performance of companies listed in Kenya (Addo, 2017). Typically, when the firm declares dividends to the shareholders, it is a sign that the firm is making profits and every time when they are declared it stimulates overconfidence, optimism, while lack of dividends declaration create a feeling of a loss, regrets and some even wanting to sell their investments, hence, pressuring the managers in making these decisions on when they should pay their dividend and how they should raise equity (Abanis, 2013).

Khan and Buton (2011), in their study they pointed out that the present year earnings and the previous year’s dividends do influence the dividend payout pattern of the company. These conclusions were established by carrying out a mathematical model on the dividend paid out by companies and it showed that the dividend policy used by these firms has an effect on the market value of the firm. In addition, studies have been done on merging markets with the aim of establishing whether dividends affect profitability. In Nigeria, managers’ perception of the factors that influence the dividend policy showed a similar findings that the pattern of past dividends, the level of present earnings, financial leverage, availability of alternative source of liquidity all together influence the dividend policy decision adopted by the company (Brijal, Enow, & Isaacs, 2014).
Ndung’u (2013), a study was carried out to determine the relationship between profit payout and the budget execution of the firms listed in the Nairobi Securities Exchange where a relapse examination was conducted to declare the relationship between profit payout and the company execution using information obtained the monetary proclamations of the listed firms. The logical factors used included profit payout that was measured as the proportion of profit per share and income per share. The results concluded that profit payout is a main factor influencing the company execution and likewise demonstrated critical connections among profit payout, resources, the size of the company and the influence.

2.3.2 Investments Performance
According to Amidu and Abor (2016), there exist a relationship between investment decisions and dividend since both compete for the internal sourced funds and given that the funds are obtained through debt and they are expensive and not available for all the companies. A theory that has been proposed to explain the relevance of dividend policy and the effect it has on performance with no universal agreement that has been concluded, has come up with various findings about the existing relationship between dividend payout and the organizational business performance (Booth & Zhou, 2015). Profitability is regarded as type of performance metric that focuses on the existing relationship between revenues and the expenses and most importantly on the level of profits with relative size of investment in the business. Profitability can be determined using four measures that is the rate of return on the company’s total assets, operating profit margin, net firm income and return on the company’s equity (Al-Najjar & Hussainey, 2009).

Investments are critical for the company to generate more profits as well as revenues that will enable them to pay the desirable amount of dividends to its shareholders but unfortunately the dividends compete with investments decision on the funds that are available internally to either pay higher dividends or invest in potential projects (Booth & Zhou, 2015). In cases where the company makes payments of dividends a priority it then affects the amount allocated on the investments directly since the company uses the profits made to pay dividends rather than expanding the same business beyond its present operations to generate more revenues. Investments cannot be allocated for accordingly when they are competing for the resources available in the firm with dividends to be paid for, agency conflict are likely to occur posing a serious threat to the performance of the
business at any period of business operations (Al-Najjar & Kilincarslan, 2017). Firms that want to pursue long-term and profitable investments in the long run are required to establish a sound dividend policies that will strengthen their investments decision and avoid competing forces between the two due to the effect as well as threat they may pose to the performance of the business regardless the sector or industry that the business is operating in do have a serious impact that should be avoided at all costs by building a sound dividend policy program that is in the favor of company operations (Farrukh & Ansari, 2017).

2.4 The Effect of Risk Management on Business Performance
Risk management is an important discipline in the modern business environment especially for firms in energy and petroleum business. In the recent past, companies have put a great deal of emphasis on risk management because it determines the survival and growth prospects of the business (Kern & Moser, 2012). Some companies are in the risk business, therefore, it is necessary that the companies manage their risk exposure and conducting a proper analysis to avoid losses due to the risk that might occur in the course of running business. Risk management refers to the process of identifying, prioritize and assessment of risks in the company which is followed by coordination and application of the available resources in the firm to lower and control the likelihood or lowering the effect of unfortunate events that may lead to the firm not realizing its set objectives (Wieland & Wallenburg, 2012).

According to Yiannaki (2012), risk can be referred as the future effect of hazardous actions that has not been eliminated in a company. It can also be viewed as future uncertainties more often due to result of uncontrolled hazards. When the risks involve skill sets by management, the same situation can result into a different kind of risk making risk to be defined as the mix of the probability of an action that comes along with its results and the loss can be regarded in various ways like direct financial loss to the business or it could be misfortune regarding the business and a loss of assets to the life of business (Sudeep & Srikanta, 2014). Risk management involves eliminating risk items before they become either lethal to successful business companies or a major source of expensive rework of the firm processes.
Risk management has an objective of making sure that business set their goals and not deflected that could prevent the organization from meeting its set objectives and targets (Skipper & Hanna, 2015). In financial institutions the studies indicate that risk management is the backbone to a fair and acceptable banking practices. Most commercial banks in the modern economy are unstable have confronting risks among these are; liquidity risk, remote trade risk and financing risk. Together, these risks among many may in one way or another cause closure of commercial banks due to the inability to meet its financial obligations. Businesses require huge investment, hence having an efficient risk management mechanisms is crucial for the survival of financial institutions (Revilla & Saenz, 2017). In the light to this, risk management is common an even significant in the petroleum industry as opposed to other sectors of any economy.

Studies have demonstrated that different business projects fall up short since the critical issues to be dealt with by the organization are not considered with high importance of a wrongly identified issues being attended to (Sudeep & Srikanta, 2014). Risk managers have a key influence of firms’ vital administration forms. Risk management is a procedure whereby firms address the dangers appending the business methodically as the business tries to achieve the set goals and organizational objectives. The key principle of risk managers is to identify the hazards and the treatment of those specific dangers with their objective and target being to increase the value of all the organization activities (Skipper & Hanna, 2015). Risk management in a company setting can determine the business performance and firms engaging in risky operations tend to attract investors that are risk takers. The relationship that exist between the risk businesses and their returns need to efficiently assessed so that the risk takers investors can get the returns associated with the level risks that they are undertaking by investing their money in that particular investment (Zghidi, 2017).

Implementing an efficient risk management system requires time and managing risk is one of the basic task to be done, once it has been identified and known. Risk and return are directly related meaning that increasing one will subsequently increase the other and vice versa (Skipper & Hanna, 2015). Risk management can also be viewed as the instruments and strategies that are put by the business to keep it away from dangers that may have a negative effect on its business operations. Financial risk management on the other hand, has become a booming industry beginning 90s as a result of increasing the
volatility of the financial markets as well as innovations, the growing trend played by the financial products in the intermediation financial process and significant financial losses facing companies that lack risk management systems like WorldCom and Enron (Gloy & LaDue, 2013). According to Gubbins (2010), risk management as it is commonly perceived does not mean risk minimization since its goal is to optimize the risk reward trade off and the role it plays is to assure than an organization does not have any need of engaging itself in a business that unnecessarily imposes risk upon it.

In the insurance industry, poor management of risk can cause accumulation of claims from customers and ultimately leading to increased losses posing a poor financial performance to the company (Chipa & Wamiori, 2017). The activities of risk management are affected by the risk behavior of managers. Having a robust risk management framework can help companies reduce the exposure to risks and enhancing their business performance. It can also be argued that the selection of a certain risk tools tend to be associated with the company’s calculative culture and the attitudes they have towards the use of risk management models. While some risk functions may focus on the extensive risk measurement and the risk based performance management, others may be attentive on the qualitative discourse and the mobilization of the expert opinions about certain emerging risk issues (Sun & Govind, 2017).

2.4.1 Risk Monitoring
A business risk management plan consist of identification, assessment and development of strategies that help in managing risks. It is a crucial part of any business plan as it plays a bigger role in preparation for and deal with risk factors that come along with economic downturn (Skipper & Hanna, 2015). During economic downturn, business risk management takes into consideration a close monitoring of the business’s performance with the aim of identifying any issues affecting it and putting in place strategies that will help reduction of these issues (Kubitscheck, 2010). In most cases the best way of monitoring the performance is the use of financial statements, they help discover for example dropping of sales and the company is able to analyze the factors that affect sales performance so that one knows how to address the issue as well managing the risk associated with it (Souza, 2012).
On the other hand, a small number of financial institutions now measure and report their risk on a regular basis, although many companies are monitoring operational performance indicators, analyzing their experiences of loss and monitoring the audit as well as regulatory ratings (Bezzina & Grim, 2014). Unlike other risks like market risk and perhaps the credit risk, operational risk factors are largely internal despite lacking a clear mathematical or statistical relationship that exist between risk factors and the likelihood and the size of operating losses that is revenue volatility. A good operational risk management should be a core element of any company’s overall governance and integral part of its enterprise risk management which entails a disciplined and continuously monitored operational risk identification and mitigation efforts that are crucial for success of the business (Olson, 2015).

2.4.2 Contingency Planning

According to Chow and Ha (2011), contingency planning refers to a forward thinking process in a state of uncertainty in which scenarios and objectives are agreed, technical and managerial technical actions are defined and potential response systems are put in place to prevent unfavorable situation or to support a better response to an emergency as well as critical situations that may be facing the company in future. A contingency plan is meant to help the company in coordinating agencies, individuals and the company to effect a rapid and effective response during times of crisis. Contingency planning ensures the availability of having a stand-by resources that provides mechanisms for rapid decision-making that can shorten disaster response to ultimately save the lifespan of the company while at the same time making sure that a desired performance is not affected in one way or another during the crisis (Hall & Skipper, 2012).

Contingency planning also known as business continuity planning is an important element of risk management being implemented in any organization. The fundamental basis of contingency planning is that, all risks cannot be totally eliminated in the business practices that is residual risks will always remain (Svensson, 2014). Despite companies’ efforts to avoid, prevent or mitigating them, some incidents will still occur, is some situations, a combination of adverse events or unanticipated threats and the vulnerability may occur to bypass the best information security controls that have been designed to ensure confidentiality and the availability of information assets that should guide the
organization on the actions that they should take during the times of crisis to keep the business performance on track (Skipper & Hanna, 2015).

It is important to acknowledge that planning and the preparations are key to all contingency planning activities, while many companies may be able to deal with and get through crisis situations to some extent, contingency planning enables them to prepare suitable plans that are essential in advance of any crisis to allow the situation more manageable and even less disruptive on the current day of crisis (Gupta, Kumar, & Chandra, 2018). Furthermore, while it may be sensible to prepare thoroughly for commonplace incidents like power interruptions or the telecommunication services, contingency planning includes an element of preparing for a totally unexpected events such as a pre-determining the crisis management structure and processes to assess and react appropriately to any incident more efficiently than if such preparations had not been put in place (Ogbechie, 2018).

2.5 Chapter Summary
This chapter presents literature review based on the research questions guiding this study in meeting its intended objective. The chapter has presented a literature review on the effect of financial planning on business performance, followed by the effect of dividend policy on business performance and lastly the effect of risk management on business performance. The next chapter of this study will present the research methodology that will be used in conducting the study. The methodology will highlight the research design to be used, population and sampling design, data collection tools, the research procedures that will be involved and data analysis methods.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents the research methodology that this study adopted. The methodology covers the research design of the study, population and sampling design, data collection methods, research procedures, data analysis methods highlighting how data collected from the respondents was analyzed.

3.2 Research Design
Research design is the overall plan or a framework that is used by the researcher in addressing the research problem (Mitchell & Jolley, 2012). This study used descriptive design as its research design in carrying out the study. According to Cooper and Schindler (2014) descriptive design refers to the research design which is used in describing characteristics of a population or the phenomenon being investigated by the researcher. The use of descriptive design in this study was justifiable in that it enabled the researcher to obtain opinions and views from the target respondents at a given particular time without influencing the study environment. The opinions obtained using a research instrument to enable the respondents indicated their opinions effectively.

3.3 Population and Sampling Design

3.3.1 Population
Population refers to a well defined group of objects or individuals of interest that the study intends to investigate for the purpose of answering the research problem (Pagano, 2013). The population of this study was 35 top level managers and middle level managers working at National Oil Corporation Kenya as indicated in table 3.1 below.

Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Level of Management</th>
<th>Population</th>
<th>Distribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>13</td>
<td>37%</td>
</tr>
<tr>
<td>Middle Level Management</td>
<td>22</td>
<td>63%</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: National Oil Corporation Human Resource Office
3.3.2 Sampling Design

3.3.2.1 Sampling Frame
Sampling frame is the list that contains every individual or objects that the study intends to investigate (Baltar & Brunet, 2012). For this study, a sampling frame was obtained from the human resource manager of National Oil Corporation.

3.3.2.2 Sampling technique
Sampling technique refers to a technique that the researcher uses in ensuring that different groups that are in homogenous or heterogeneous in nature are well represented in the final sample size selection that will be used in conducting the study (Cooper & Schindler, 2014). This study used simple random sampling in ensuring that all managers have an equal chance of being selected in the final sample. Simple random sampling technique is a type of probability sampling technique that is used where a sample is selected for the study by giving each member of the population an equal chance of being selected in the final sample (Suri, 2013). Simple random is the most suitable sampling technique in this study since it was given an equal chance to all managers to be selected in the final sample.

3.3.2.3 Sample Size
Cooper and Schindler (2014) define sample size as the smaller number of objects selected from the study population to represent the entire target population that is being studied. In this particular study a census was used to determine the sample size since the population is too small to determine the sample size, hence, the sample size of this study were 35 respondents made of up of top level managers and middle level managers as shown in table 3.2 below.

Table 3.2: Sample Size Distribution

<table>
<thead>
<tr>
<th>Level of Management</th>
<th>Population</th>
<th>Sample</th>
<th>Distribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>13</td>
<td>13</td>
<td>37%</td>
</tr>
<tr>
<td>Middle Level Management</td>
<td>22</td>
<td>22</td>
<td>63%</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Author (2019)
3.4 Data Collection Methods

According to Cooper and Schindler (2014) data collection is the process of gathering information from a target population with the purpose of answering the research objectives and can done through various ways such as questionnaires, interviews and observations. This study used a closed ended questionnaire to collect primary data that was fundamental in meeting the research objectives. The questionnaire was based on a Likert scale prompting responses in five measurement levels that strongly disagree, disagree, neutral, agree and strongly agree. The questionnaire had four main parts, the first part had demographic details of the respondents, the second part had questions based on research objective one, third part had questions based on research objective two while the fourth section had questions addressing the third objective of the study. The entire study was based on primary data alone.

3.5 Research Procedures

Research procedure is a detailed description of step by step approach that the researcher will use in carrying out the study to address the research problem effectively (Cooper & Schindler, 2014). The first procedure of this study sought approval of the research proposal from the appointed supervisor, then acquired letter of introduction to introduce the researcher to the organization under the study while at the same time asking for permission of carrying out the study in their premises. Upon acceptance of the letter, a pilot test was carried out using 3 respondents that did not take part in the final study to test the consistence as well as validity of the research instrument that was used for data collection. If the research instrument was found with any inconsistencies, they were corrected before administering it for actual data collection. After a successful pilot test, the researcher physically visited the office of National Oil Corporation and locate potential respondents filled the questionnaires. The researcher collected the questionnaires and cross-check if there is any missing information. If there were any missing information the questionnaire will be taken back to the respondent and seek for the missing information from the respondent and then coded into SPSS software for analysis to obtain results and findings that was presented in tables and figures.
3.6 Data Analysis Methods

Data analysis is the process of evaluating data that has been gathered from the respondents by using analytical and logical reasoning that examines each component of the data (Cooper & Schindler, 2014). This study used descriptive and inferential statistics to address the research objectives whereby inferential statistics was used in analyzing correlational and regression to establish the relationship that exist between study variables and descriptive statistics in analyzing percentages, frequencies, mean and standard deviation. A statistical Package for Social Science software was used for data analysis. Results and findings obtained from gathered data were presented in tables and figures.

3.7 Chapter Summary

The chapter has presented the research methodology that was used in conducting the study. The study used descriptive survey design as highlighted, population and sampling design of the study has been presented the population being 35 managers and since this population is too small the entire population were studied as a sample size, simple random sampling was used as the sampling technique. A questionnaire was used for data collection, and data presented in tables and figures.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents results and findings based on the research questions guiding the study. The first section of the chapter presents the response rate and demographic information of the respondents, followed by findings on the effect of financial planning on business performance, the effect of dividend policy on business performance and the effect of risk management on business performance.

4.2 Response Rate and Demographic Information
This section highlights the response rate of the study and general information of the respondents involved in the study.

4.2.1 Response Rate
This study had an overall response rate of (94%) accounting for 33 questionnaires that were dully filled out of 35 that were issued to the target respondents. A response rate of 94% was sufficient for data analysis since it was above 70% response rate, hence, data analysis was carried out for this particular study.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>33</td>
<td>94</td>
</tr>
<tr>
<td>Did Not Respond</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2.2 Demographic Information
This section highlights general information of the respondents involved in this study. The variables include; gender, age range, educational level, work department and the number of years in the organization.
4.2.2.1 Gender Distribution
The study sought to establish gender distribution of the respondents involved in this study, as shown in Figure 4.1, 39% were female and 61% male. It implies that gender of the respondents was relatively well represented.

Figure 4.1: Gender Distribution

4.2.2.2 Age Bracket of the Respondents
Figure 4.2 illustrates age range of the respondents. 12% aged 48 years and above, 55% aged between 41-47 years, 17% aged between 34-40 years and 16% aged between 26-33 years. This implies that majority of the respondents were within the most productive age bracket.

Figure 4.2: Age Bracket of the Respondents
4.2.2.3 Highest Level of Education
Figure 4.3 below shows the level of education of the respondents, 6% had a diploma, 49% had a bachelor’s degree and 45% had a master’s degree. This implies that the respondents were well qualified to perform their job responsibilities.

Figure 4.3: Level of Education

4.2.2.4 Number of Years in the Organization
Figure 4.4 shows the number of years the respondents have been in the organization, 24% of the respondents had been in the organization for between 0 to 5 years, 33% between 5 to 10 years, 28% between 11 to 15 years, 15% worked for between 16 to 20 years. It implies that the majority of the respondents are familiar with the organization.

Figure 4.4: Number of Years in the Organization
4.2.2.5 Work Department

The respondents were asked to indicate their work department, Figure 4.5 shows the work department of the respondents, 14% work in the accounting department, 13% worked in Finance department, 16% worked in logistics, 17% worked in administration, 18% worked in human resource department, 11% worked in supply planning and 10% worked in ICT department. It implies that there was a relative good representation of the company’s work department.

![Figure 4.5: Work Department](image)

4.3 The Effect of Financial Planning on Business Performance

In this section, the study addressed the findings on the effect of financial planning on business performance. The findings are presented as follows:

4.3.1 Financial Planning and Company’s Expenses

The respondents were asked whether financial planning helped them cover their expenses adequately, 9% were neutral, 30% agreed, and 61% strongly agreed as shown in Table 4.2 below. It implies that financial planning helps a company to cover its expenses adequately.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>3</td>
<td>9.0</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>30.0</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>61.0</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.3.2 Financial Planning and Investments

The respondents were asked whether financial planning enables the company to select potential investments, 33% of the respondents agreed and 67% strongly agreed as shown in Figure 4.6 below. It implies that financial planning influences selection of potential investments.

![Diagram showing the percentages of respondents' agreement on financial planning and investments.]

**Figure 4.6: Financial Planning and Investments**

4.3.3 Financial Statements

When the respondents were asked to indicate whether financial planning enhanced their financial statements in the company, 6% disagreed, 30% agreed and 64% strongly agreed as shown in Figure 4.7 below. It implies that financial planning enhances financial statements.

![Diagram showing the percentages of respondents' agreement on financial planning and financial statements.]

**Figure 4.7: Financial Statements**
4.3.4 Profit Targets
When the respondents were asked to indicate whether financial planning enables the organization to meet profit targets, 6% were neutral, 33% agreed and 61% strongly agreed as shown in Table 4.3 below. It implies that financial planning enhances profit targets.

Table 4. 3: Profit Targets

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
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<td>6.0</td>
</tr>
<tr>
<td>Agree</td>
<td>11</td>
<td>33.0</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>61.0</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.5 Credit Accessibility
On the question whether financial planning had improved credit accessibility of the company, 40% agreed and 61% strongly agreed as shown in Table 4.4 below. It implies that financial planning improves credit accessibility.

Table 4. 4: Credit Accessibility

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>13</td>
<td>39.4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>60.6</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.6 Financial Planning and Investors’ Attraction
On the question whether financial planning attracts potential investors, 27% agreed and 73% strongly agreed as shown in Figure 4.8. It implies that financial planning attracts potential investors.
4.3.7 Financial Obligations

The researchers sought to find out whether financial planning enables the organization to meet its financial obligations, 6% were neutral, 24% agreed and 70% strongly agreed as shown in Table 4.5 below. This implies that financial planning enables the company to meet its financial obligations.

Table 4.5: Financial Obligations

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
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</thead>
<tbody>
<tr>
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</table>

4.3.8 Cost Control Decisions

On the question whether financial planning enhances cost control decisions, 3% disagreed, 46% agreed and 52% strongly agreed as shown in Table 4.6. It implies that financial planning enhances cost control decisions in the organization.

Table 4.6: Cost Control Decisions

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Disagree</td>
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<tr>
<td>Agree</td>
<td>15</td>
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<td>Strongly Agree</td>
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<td>51.5</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.3.9 Cost Allocation and Financial Planning

The respondents were asked to indicate whether financial planning enhances cost allocation in the organization, 39% agreed and 61% strongly agreed as shown in Figure 4.9 below. This implies that financial planning enhances cost allocation.

![Figure 4.9: Cost Allocation and Financial Planning](image)

4.3.10 Financial Planning and Risk Identification

The respondents were asked to indicate whether financial planning enables the company to identify risk, 39% agreed and 61% strongly agreed as indicated in Table 4.7 below. It implies that financial planning enhance risk identification.

### Table 4.7: Financial Planning and Risk Identification

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
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<td>39.4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>60.6</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
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</tbody>
</table>

4.3.11 Financial Planning and Leverage

On the question whether financial planning enhances the organization’s leverage, 30% agreed and 70% strongly agreed as shown in Table 4.8 below. It implies that financial planning enhances organization’s leverage.
Table 4. 8: Financial Planning and Leverage

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
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<td>69.7</td>
</tr>
<tr>
<td>Total</td>
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<td>100.0</td>
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</tbody>
</table>

4.3.12 Alignment between Costs and Investment Decisions

On the question whether financial planning enhances the alignment between costs and investment decisions as shown in Figure 4.10. It implies that financial planning enhances the alignment between costs and investment decision.

Figure 4. 10: Alignment between Costs and Investment Decisions

4.3.13 Cost Control and Operational Efficiency

The respondents were asked to indicate whether cost control informed by cost control enhances operational efficiency in the company, 58% agreed and 42% strongly agreed as indicated in Table 4.9 below. It implies that cost control enhances efficiency informed through financial planning.

Table 4. 9: Cost Control and Operational Efficiency

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
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</thead>
<tbody>
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<td>Agree</td>
<td>19</td>
<td>57.6</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>14</td>
<td>42.4</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.3.14 Financial Planning and Risk Assessment

On the question whether financial planning enhances risk assessment in the organization, 3% disagreed, 3% were neutral, 30% agreed and 64% strongly agreed as shown in Figure 4.11 below. It implies that financial planning enhances risk assessment.

![Financial Planning and Risk Assessment](image)

**Figure 4.11: Financial Planning and Risk Assessment**

4.4 The Effect of Dividend Policy on Business Performance

This study sought to determine the effect of dividend policy on business performance. The findings are presented as follows:

4.4.1 Dividend Policy Payment

The respondents were asked whether they have established dividend policy to guide dividend payments to the shareholders, 49% agreed and 51% strongly agreed as shown in Table 4.10 below. It implies dividend policy guides dividend payments to the shareholders.

**Table 4.10: Dividend Policy Payment**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
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</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.4.2 Potential Investors
On the question whether the company policy attracts potential investors into the organization, Figure 4.12 shows that 33% agreed and 67% of the respondents strongly agreed. This implies that dividend policy enhances investor's attraction.

![Figure 4.12: Potential Investors](image)

4.4.3 Dividend Policy and Profitability
On the question whether dividend policy influences profitability of the company, Figure 4.13 shows that 6% disagreed, 49% agreed and 45% strongly agreed. Thus means that dividend policy has an influences on the company’s profitability.

![Figure 4.13: Dividend Policy and Profitability](image)

4.4.4 Dividend Policy and Shareholder’s Value
When the respondents were asked to indicate whether dividend policy enhanced shareholder’s value, the majority of the respondents strongly agreed at 61% and 39%
agreed as shown in Table 4.11. This implies that dividend policy enhances shareholder’s value.

**Table 4.11: Dividend Policy and Shareholder’s Value**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
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<td>39.4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>60.6</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.4.5 Dividend Policy and Stock Price

The respondents were asked to indicate whether dividend policy influences their stock price in the market, 3% disagreed, 6% were neutral, 64% strongly agreed and 27% agreed as shown in Table 4.12. Implies that dividend policy has an influence on the company’s stock price.

**Table 4.12: Dividend Policy and Stock Price**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
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<tr>
<td>Neutral</td>
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<td>6.1</td>
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<tr>
<td>Agree</td>
<td>9</td>
<td>27.3</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>21</td>
<td>63.6</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.4.6 Dividends and Firm’s Future Prospects

The respondents were asked whether their potential investors see dividend changes as a signal for the firm’s future prospects, Table 4.13 shows that 6% were neutral, 42% agreed and 52% strongly agreed. This implies that dividend changes can be a signal to the investors on firm’s future prospects.

**Table 4.13: Dividends and Firm’s Future Prospects**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
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<td>6.1</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>42.4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>17</td>
<td>51.5</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.4.7 Dividend Policy and Firm’s Investments
On the question whether dividend policy influences performance of the company’s Investments, 36% agreed and 64% strongly agreed as indicated in Figure 4.14 meaning that dividend policy influences the performance of the company’s investments.

Figure 4. 14: Dividend Policy and Firm’s Investments

4.4.8 Dividend Policy and Market Share Values
When the respondents were asked whether dividend policy establishes their market value shares in the market, 3% disagreed 6% were neutral, 27% agreed and 64% strongly agreed as presented in Figure 4.15 below. It implies that dividend policy is essential in establishing market value shares of the company in a market.

Figure 4. 15: Dividend Policy and Market Share Values
4.4.9 Dividend Policy and Investor’s Confidence
On the question whether dividend policy creates confidence among company investors, 42% agreed and 58% strongly agreed as summarized in Table 4.14 below. It implies that dividend policy create confidence among potential investors.

Table 4. 14: Dividend Policy and Investor’s Confidence

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
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<td>57.6</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
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</tbody>
</table>

4.4.10 Credit Standing
The respondents were asked whether dividend policy improves their credit standing, Figure 4.16 shows that 6% disagreed, 24% agreed while 70% of the respondents strongly agreed. It implies that dividend policy influences a company’s credit standing.

Figure 4. 16: Credit Standing

4.4.11 Dividend Policy and Credit Granting
When the respondents were asked whether divided policy influences credit granting, Table 4.15 shows that 64% agreed and 36% strongly agreed as shown in Table 4.15 below. It implies that dividend policy enhances credit granting from financial institutions.
Table 4. 15: Dividend Policy and Credit Granting

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
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<td>63.6</td>
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<tr>
<td>Strongly Agree</td>
<td>12</td>
<td>36.4</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
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</tbody>
</table>

4.4.12 Return on Investment

The respondents were asked to indicate whether dividend policy influences a return on investment in the organization, 6% were neutral, 55% agreed and 39% strongly agreed as shown in Table 4.16. It implies that dividend policy influences return on investment for shareholders.

Table 4. 16: Return on Investment

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
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<td>Strongly Agree</td>
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<td>39.4</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
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</tbody>
</table>

4.4.13 Return on Equity

On the question whether dividend policy influences the company’s return on equity, 3% were neutral, 52% agreed and 45% strongly agreed as shown in Table 4.17 below. This implies that dividend policy influences return on equity.

Table 4. 17: Return on Equity

<table>
<thead>
<tr>
<th>Scale</th>
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<tr>
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<td>51.5</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>15</td>
<td>45.5</td>
</tr>
<tr>
<td>Total</td>
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</tbody>
</table>

4.5 The Effect of Risk Management on Business Performance

This study sought to determine the effect of risk management on business performance. The respondents were asked questions relating to the risk management practices in the
company to express their views on the extent to which they agree or disagree based on a five point Likert scale. The findings are presented as follows:

4.5.1 Risk Assessment
The respondents were asked whether the company undertakes risk assessment on potential investments, Table 4.18 shows that 58% of the respondents agreed and 42% strongly agreed. This implies that the company undertakes risk assessment on potential investments.

Table 4. 18: Risk Assessment

<table>
<thead>
<tr>
<th>Scale</th>
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<td>Strongly Agree</td>
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<td>42.4</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
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</table>

4.5.2 Risk Identification Process
The respondents were asked to indicate whether their organization has a formal risk identification process, 3% of the respondents strongly disagreed, 9% disagreed, 58% agreed and 30% strongly agreed as shown in Table 4.19 below.

Table 4. 19: Risk Identification Process

<table>
<thead>
<tr>
<th>Scale</th>
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<tr>
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<td>57.6</td>
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<tr>
<td>Strongly Agree</td>
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<td>30.3</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
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</tbody>
</table>

4.5.3 Internal Auditors Involvement
The respondents were asked to indicate whether the internal auditors are involved in risk assessment, 6% were neutral, 36% agreed and 58% strongly agreed as indicated in Table 4.20 below. This implies that the organization involves internal auditors in risk assessment process.
Table 4. 20: Internal Auditors Involvement

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percent</th>
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<tbody>
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<td>Neutral</td>
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<td>57.6</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
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</tbody>
</table>

4.5.4 Planning and Risk Exposure

On the question whether the organization is involved in a more detailed planning to avoid risk exposure, 36% agreed and 64% strongly agreed as shown in Figure 4.17 below. It implies that the organization is involved in a more detailed planning to avoid risk exposure.

![Figure 4.17: Planning and Risk Exposure](image)

4.5.5 Alternative Approaches to Risk Avoidance

When the respondents were asked to indicate whether the company had put in place alternative approaches of avoiding risk, 30% agreed and 70% strongly agreed as shown in Figure 4.18 below.

![Figure 4.18: Alternative Approaches to Risk Avoidance](image)
4.5.6 Operations Reviews
The respondents were asked to indicate whether the company undertakes operations reviews to avoid risk, the majority of the respondents strongly agreed at 70% and 30% agreed as shown in Table 4.21 below.

Table 4. 21: Operations Reviews

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
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<tbody>
<tr>
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<td>69.7</td>
</tr>
<tr>
<td>Total</td>
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<td>100.0</td>
</tr>
</tbody>
</table>

4.5.7 Forward Contracts
The respondents were asked whether their company engages in forwards contracts to hedge against fuel price fluctuations of petroleum, 6% were neutral, 52% agreed and 42% strongly agreed as shown in Table 4.22. This implies that the company engages in forward contacts to hedge against fuel price fluctuations.

Table 4. 22: Forward Contracts

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>Neutral</td>
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<td>6.1</td>
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</tr>
<tr>
<td>Strongly Agree</td>
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<td>42.4</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
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</tbody>
</table>

4.5.8 Potential Threats and Risk Assessment
The respondents were asked to indicate whether risk assessment in their organization takes into consideration potential threats in the business environment, 6% disagreed, 27% agreed and 67% strongly agreed as shown in Table 4.23 below. It implies that risk assessment takes potential threats into consideration.

Table 4. 23: Potential Threats and Risk Assessment

<table>
<thead>
<tr>
<th>Scale</th>
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<tr>
<td>Agree</td>
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<td>27.3</td>
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<tr>
<td>Strongly Agree</td>
<td>22</td>
<td>66.7</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.5.9 Risk Assessment and Cost Reduction

The respondents were asked whether risk assessment enhances cost reduction in their firm, 3% strongly disagreed, 3% disagreed, 30% agreed and 64% strongly agreed as shown in Figure 4.19 below. This implies risk assessment enhances cost reduction.

**Figure 4. 19: Risk Assessment and Cost Reduction**

4.5.10 Risk Assessment and Resource Allocation

The respondents were asked to indicate whether risk assessment enhances resource allocation in the firm, 3% disagreed, 3% were neutral, 36% agreed, and 58% strongly agreed as shown in Figure 4.20. It implies that risk assessment enhances resource allocation.

**Figure 4. 20: Risk Assessment and Resource Allocation**
4.5.11 Profitability

The respondents were asked to indicate whether risk assessment enhances profitability in the organization, 6% were neutral, 36% agreed and 58% strongly agreed as shown in Table 4.24 below. It implies that risk assessment enhances profitability.

Table 4.24: Profitability

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
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<td>57.6</td>
</tr>
<tr>
<td>Total</td>
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</tbody>
</table>

4.5.12 Organizational Efficiency

The respondents were asked to indicate whether risk assessment enhances organizational efficiency in the organization, 6% disagreed, 3% were neutral, 30% agreed and 61% strongly agreed as shown in Table 4.24. It implies that risk assessment enhances efficiency in the organization.

Table 4.25: Organizational Efficiency

<table>
<thead>
<tr>
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<td>60.6</td>
</tr>
<tr>
<td>Total</td>
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</table>

4.5.13 Risk Assessment and Competition

When the respondents were asked to indicate whether the firm undertakes risk assessment to address competition, 9% disagreed, 27% agreed and 64% strongly agreed as indicated in Figure 4.21 below. It implies that risk assessment is used in addressing competition.
Figure 4.21: Risk Assessment and Competition

4.6 Correlational Analysis

In order to determine the relationship between the study variables, a correlational analysis was conducted. The findings of the correlational analysis revealed that there is a positive correlation between financial planning and business performance, $r (0.540)$; $p$-value $< 0.01$. The findings have also revealed a significant relationship between dividend policy and business performance, $r (0.604)$; $p$-value $< 0.01$. The findings of correlation analysis has revealed a significant relationship between risk management and business performance, $r (0.611)$; $p$-value $< 0.01$. This implies that all the study variables were statistically significant. The findings are summarized in Table 4.25 below.

Table 4.26: Correlational Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pearson Correlation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>33</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Planning</td>
<td>Pearson Correlation</td>
<td>.540**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.001</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend Policy</td>
<td>Pearson Correlation</td>
<td>.604**</td>
<td>-.027</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.881</td>
<td>.881</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Risk Management</td>
<td>Pearson Correlation</td>
<td>.611**</td>
<td>.524**</td>
<td>.278</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.002</td>
<td>.117</td>
<td>.117</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>33</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
4.7 Regression Analysis

A regression analysis was conducted to determine the level or the relationship when the study variables were combined. The findings revealed an adjusted R square of (0.678), meaning that about (68%) or variability in business performance is attributed to financial planning, dividend policy and risk management as shown in Table 4.26 below. The remaining (32%) variability on business performance was attributed to other factors not examined by this study.

Table 4.27: Regression Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.842²</td>
<td>.708</td>
<td>.678</td>
<td>.11802</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Risk Management, Dividend Policy, Financial Planning

The Analysis of Variance (ANOVA) was carried out to examine whether the means of the variables were statistically significant. The findings indicated a statistically significant mean variable, $F_{(3,29)} = 23.466; \text{p-value} < 0.000$ as summarized in Table 4.27 below. The mean variables fall within the satisfactory significance level of 0.05. This means that mean variables were statistically significant.

Table 4.28: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>.981</td>
<td>3</td>
<td>.327</td>
<td>23.466</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>.404</td>
<td>29</td>
<td>.014</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1.385</td>
<td>32</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Business Performance

The coefficient model indicates that dividend policy had the highest Beta coefficient $\beta$ (0.551); p-value = 0.00; followed by financial planning with Beta coefficient $\beta$ (0.431); p-value = 0.001 and finally risk management which had a Beta coefficient $\beta$ (0.230); p-value = 0.046. Since the p-values < 0.05, hence, statistically significant. The findings are presented in Table 4.28.
Table 4. 29: Coefficients Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-1.345</td>
<td>.706</td>
<td></td>
<td>-1.904</td>
</tr>
<tr>
<td>Financial Planning</td>
<td>.434</td>
<td>.120</td>
<td>.434</td>
<td>3.601</td>
</tr>
<tr>
<td>Dividend Policy</td>
<td>.633</td>
<td>.123</td>
<td>.551</td>
<td>5.162</td>
</tr>
<tr>
<td>Risk Management</td>
<td>.227</td>
<td>.123</td>
<td>.230</td>
<td>1.837</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Business Performance

4.8 Chapter Summary

This chapter has presented results and findings obtained from the respondents of this study. The major findings of the study shows that risk management had the strongest relationship with business performance, r (0.611); p-value < 0.01. The relationship between financial planning and business performance was statistically significant, r (0.540); p-value < 0.01. Finally the relationship between dividend policy was also statistically significant, r (0.604); p-value < 0.01. The next chapter presents discussion, conclusion and recommendations based on the study findings.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, discussion, conclusions and recommendations based on the research questions guiding the study. The first section will cover the summary of the study, followed by the discussion, conclusions and finally the recommendations.

5.2 Summary

The purpose of this study was to determine the impact of implementing financial management practices on performance of National Oil Corporation in Kenya. The study was guided by the following research questions: what is the effect of financial planning on performance of National Oil Corporation in Kenya? What is the effect of dividend policy on financial performance of National Oil Corporation in Kenya and what is the effect of credit risk management on financial performance of National Oil Corporation in Kenya?

Descriptive design was used as the research design for this particular study, a population of 35 managers was used and a sample size was determined through census. The study used simple random sampling technique, primary data was gathered to address the research objectives using a closed ended questionnaire. Data analysis was done using Statistical Package for Social Sciences (SPSS) software and data presented in tables and figures.

The first research objective sought to determine the effect of financial planning on business performance. The analysis of the findings revealed that there exists a significant relationship between financial planning and business performance, $r (0.540); p\text{-value} < 0.01$.

The second research objective sought to determine the effect of dividend policy on business performance. The analysis of the findings have revealed that there exists a significant relationship between divided policy and business performance, $r (0.604); p\text{-value} < 0.01$. 
The third research objective sought to determine the effect of risk management on business performance. The analysis of the findings have revealed that there exists a significant relationship between risk management and business performance, \( r (0.611); p \)-value < 0.01.

5.3 Discussion

5.3.1 The Effect of Financial Planning on Business Performance
This study revealed that financial planning has an influence on business performance. The findings are in line with Gupta et al (2018) who argues that financial planning plays a vital role to the success of any company since it offers the business plan with rigor, through a confirmation that the set objectives are achievable from the financial point of view and helps the top management to set financial targets for the company as well as ideal compensation for the staff as a reward for constantly meeting the intended objectives of the company. According to Jain and Yadav (2013) financial planning is regarded as the core of financial management. The complex nature of business environment demands that the management should place greater emphasis on financial planning to secure and employ capital resources in the amount and the proportion necessary to increase the efficiency of remaining factors of production (Jain & Yadav, 2013). Financial planning is required both in the dynamic and perfect economic conditions to help top management to avoid waste by applying policies and procedures which make it possible a closer coordination between the various functions of business (Rasid & Ismail, Management accounting systems, enterprise risk management and organizational performance in financial institutions, 2014).

The study revealed that financial planning enhances profitability in the organization. The findings confirms to the work of Rasid and Rahman (2017) arguing that many companies adopt different strategies among which is the financial planning and control, financial planning and control is an integral part of the financial management that deals with the management of firm’s funds with a view of maximizing profitability and the wealth of shareholders. Durst and Wilhelm (2012) the aim of financial planning is to determine whther the company has been where it is currently, and where it wants to go. It also determines the deviations from the most likely outcomes. Financial planning is concened with the study of the issues involved in the acquisition and use of the funds by a company as well as the function of profit planning for the business organization. Planning can be
viewed as a tool through which objectives and goals are determined and the future course of actions geared towards attaining them, while control is regarded as a management action that ensures conformity with a plan or a budget in hand (Chapman, Murray, & Mellor, 2017).

The study revealed that financial planning influences investment decisions of a firm. Brijal et al (2014) asserted that financial planning depicts a blueprint of what the company proposes to do in the future, despite having various variations in the scope, degree of formality as well as the level of sophistication in financial planning across organizations, a focus on the common elements such as sales forecast, economic assumptions, asset requirements and the mode of financing the investments need to be considered accordingly. According to Karadag (2017) firms develop financial plans to meet various budgets and investment strategic goals within a financial year. These plans do have a higher degree of certainty compared to the long term plans that the firm has. Short-term financial plans for instance, they are often amended as financial and investment goals change. Firms and individuals alike tend to use short-term financial plan to help them manage their short-term cash deficits and when it becomes evident that a severe cash shortage may occur, a cash-flow forecast then becomes necessary to aid investment decisions the firm is undertaking. Long-term financial plans can be prepared to monitor long-term financial objectives of the organization, its expansion activities, capital structure and the investments to be pursued in the long run. Long-term financial planning offers a strategy for the future financial growth and ultimately the viable investments that will gear the expansion of the company beyond its current position and these kind of decisions have extended lead times and calling upon a long-term view on how the strategy should be implemented (Chen, Joshi, & Cheng, 2015).

The study findings have established that financial planning enhances cost controls in the organization. According to Kharazmi and Teymour (2013) argue that one of the most critical benefits of having financial planning in the organization is the capability to control costs since creation of annual budgets helps the company to see their biggest expenses, plan for them, reduction if necessary and monitoring expenses to find out whether they are meeting the objectives of the company. The success of any firm highly depends on the manner the distribution and production functions are controlled based on cost. A critical function of financial planning is cost control. Without having cost control
measures within the framework of financial planning, employees and departments can easily lose sight of their roles and start to pursue their own interests as opposed to those of the shareholders at the expense of the organization (Lekkakos & Serrano, 2016). Cost controls are met through proper budgeting that takes into consideration activities of different departments which are coordinated so that unnecessary wastage of the resources is reduced. Budgeting on the other hand, requires that every manager establishes a good rapport between the activities of their department and that of other departments and any balance that is identified in a relationship between departmental activities should be corrected (Neely, Bourne, & Adams, 2013).

5.3.2 The Effect of Dividend Policy on Business Performance
The study revealed the existence of a significant relationship between dividend policy and business performance. Yegon and Sang (2014) suggest that dividend policy of any company occupies a major role in the financial planning of an organization and serves as a mechanism for control of managerial opportunism. As a firm makes profits it can always do one of the two things with the surplus obtained that is it can either pay back its investors as dividends or it can decide to retain it within the firm as addition to the shareholder’s equity which is known as retained earnings. However, the company can also decide to apportion the surplus to both and earnings are strictly the free cash flows that is available for distribution to the investors after the expenses and taxes have been catered for (Farrukh & Ansari, 2017). If the company decides to redistribute the earnings to the investors then the investors do have the option of reinvesting it themselves or even spending it while if the firm wishes to raise more capital for reinvestment then it can raise it through equity or debt from the capital market. Dividend policy is regarded as more commonly an instrument of wealth distribution to the shareholders than it is an instrument of wealth creation to the stakeholders (Al-Najjar & Hussainey, 2009).

The study findings have also revealed that dividend policy change can be a signal of the firm’s future prospects. According to Al-Najjar and Kilincarslan (2017), the relationship that exist between current earnings of the business and the dividend rate is a vital factor for determining the amount of dividends to the stockholders, other factors include; growth prospects of the firm’s industry and more significantly the growth of and earning prospects of the company, working capital requirements, internal fund flows based on the past experience, the relative significance attached by the top management to long-term
capital gains in comparison with the current dividend income for the shareholders and their views of its shareholder’s preference between a reasonably stable or fluctuating dividend rates. Dividend policies differ across companies and even nations, a strong and sustainable dividend payout can be synonymous with sound management since prospective investors and shareholders find it that the firm is making reliable financial decisions and it is one of the main reasons why firms are stubborn when it comes to cutting their dividend as doing so indicates that the management has not been able to run the business efficiently (Puleo, Smith, & Casey, 2013).

According to Al-Ajmi and Hussain (2011) suggest that mature companies on the other hand, will tend to have a high dividend payout since they have financial capabilities to payout more to its shareholders while new companies would prefers to have a lower dividend payout ratio so that they can retain earnings that can be used for future company growth. Another argument to justify the payment of dividends is that the dividends are cash in hand while capital gains is the cash in the bush and the capital gains to be received in the future can be risker than the dividends received today.

The findings of the study has established that dividend policy influences profitability of the organization. Khan and Burton (2011), indicates that good dividend payouts is a signal that companies are generating real earnings and they it is a strong of profitability. There is a positive and significant relationship that exist between dividend payout and the performance of companies listed in Kenya (Addo, 2017). Typically, when the firm declares dividends to the shareholders, it is a sign that the firm is making profits and every time when they are declared it stimulates overconfidence, optimism, while lack of dividends declaration create a feeling of a loss, regrets and some even wanting to sell their investments, hence, pressuring the managers in making these decisions on when they should pay their dividend and how they should raise equity (Abanis, 2013).

Khan and Buton (2011), in their study they pointed out that the present year earnings and the previous year’s dividends do influence the dividend payout pattern of the company. These conclusions were established by carrying out a mathematical model on the dividend paid out by companies and it showed that the dividend policy used by these firms has an effect on the market value of the firm. In addition, studies have been done on emerging markets with the aim of establishing whether dividends affect profitability. In Nigeria, managers’ perception of the factors that influence the dividend policy showed a
similar findings that the pattern of past dividends, the level of present earnings, financial leverage, availability of alternative source of liquidity all together influence the dividend policy decision adopted by the company (Brijal, Enow, & Isaacs, 2014).

The findings of the study indicated that dividend policy has an influence on the performance of the firm’s investments. According to Amidu and Abor (2016), there exist a relationship between investment decisions and dividend since both compete for the internal sourced funds and given that the funds are obtained through debt and they are expensive and not available for all the companies. A theory that has been proposed to explain the relevance of dividend policy and the effect it has on performance with no universal agreement that has been concluded, has come up with various findings about the existing relationship between dividend payout and the organizational business performance (Booth & Zhou, 2015). Investments are critical for the company to generate more profits as well as revenues that will enable them to pay the desirable amount of dividends to its shareholders but unfortunately the dividends compete with investments decision on the funds that are available internally to either pay higher dividends or invest in potential projects (Farrukh & Ansari, 2017).

5.3.3 The Effect of Risk Management on Business Performance
The findings of the study have established a significant relationship between risk management and business performance. According to Kern and Moser (2012) risk management is an important discipline in the modern business environment especially for firms in energy and petroleum business. In the recent past, companies have put a great deal of emphasis on risk management because it determines the survival and growth prospects of the business. Some companies are in the risk business, therefore, it is necessary that the companies manage their risk exposure and conducting a proper analysis to avoid losses due to the risk that might occur in the course of running business. Risk management refers to the process of identifying, prioritize and assessment of risks in the company which is followed by coordination and application of the available resources in the firm to lower and control the likelihood or lowering the effect of unfortunate events that may lead to the firm not realizing its set objectives (Wieland & Wallenburg, 2012).

According to Skipper and Hanna (2015) risk management has an objective of making sure that business set their goals and not deflected that could prevent the organization from meeting its set objectives and targets. In financial institutions the studies indicate
that risk management is the backbone to a fair and acceptable banking practices. Most commercial banks in the modern economy are unstable have confronting risks among these are; liquidity risk, remote trade risk and financing risk. Together, these risks among many may in one way or another cause closure of commercial banks due to the inability to meet its financial obligations. Businesses require huge investment, hence having an efficient risk management mechanisms is crucial for the survival of financial institutions (Revilla & Saenz, 2017). In the light to this, risk management is common an even significant in the petroleum industry as opposed to other sectors of any economy.

The study findings indicate that risk management enables the company to avoid risk exposure. The findings are in line with Glory and LaDue (2013) risk management can also be viewed as the instruments and strategies that are put by the business to keep it away from dangers that may have a negative effect on its business operations. Financial risk management on the other hand, has become a booming industry beginning 90s as a result of increasing the volatility of the financial markets as well as innovations, the growing trend played by the financial products in the intermediation financial process and significant financial losses facing companies that lack risk management systems like WorldCom and Enron. According to Gubbins (2010), risk management as it is commonly perceived does not mean risk minimization since its goal is to optimize the risk reward trade off and the role it plays is to assure than an organization does not have any need of engaging itself in a business that unnecessarily imposes risk upon it.

The findings of the study indicated that risk management enhances risk monitoring in the organization. According to Skipper and Hanna (2015) a business risk management plan consist of identification, assessment and development of strategies that help in managing risks. It is a crucial part of any business plan as it plays a bigger role in preparation for and deal with risk factors that come along with economic downturn. During economic downturn, business risk management takes into consideration a close monitoring of the business’s performance with the aim of identifying any issues affecting it and putting in place strategies that will help reduction of these issues (Kubitscheck, 2010). In most cases the best way of monitoring the performance is the use of financial statements, they help discover for example dropping of sales and the company is able to analyze the factors that affect sales performance so that one knows how to address the issue as well managing the risk associated with it (Souza, 2012).
The findings of the study have also revealed that risk management enhances planning of organizational activities. According to Chow and Ha (2011), contingency planning refers to a forward thinking process in a state of uncertainty in which scenarios and objectives are agreed, technical and managerial technical actions are defined and potential response systems are put in place to prevent unfavorable situations or to support a better response to an emergency as well as critical situations that may be facing the company in future. A contingency plan is meant to help the company in coordinating agencies, individuals and the company to effect a rapid and effective response during times of crisis. Contingency planning ensures the availability of having a stand-by resources that provides mechanisms for rapid decision-making that can shorten disaster response to ultimately save the lifespan of the company while at the same time ensuring that a desired performance is not affected in one way or another during the crisis (Hall & Skipper, 2012).

5.4 Conclusion

5.4.1 The Effect of Financial Planning on Business Performance
This study concludes that there is a significant relationship between financial planning and business performance of the organization. The study concludes that financial planning enhances investment decisions towards the kind of investments that the company intends to pursue as they undertake planning on how the investments will be financed in the long run. The study also concludes that financial planning enables the organization to meet its target profits by incorporating the decisions into the financial plan projecting the optimum sales of the company to generate the target profit.

5.4.2 The Effect of Dividend Policy on Business Performance
The study concludes that there exists a significant relationship between dividend policy and business performance. The study concludes that dividend policy attracts potential investors since the policies create awareness on how they are likely to benefit from their shares into the company through dividends and how their money will be put into use. The study also concludes dividend changes can be a signal of the company’s future prospects as well as growth in the business environment.
5.4.3 The Effect of Risk Management on Business Performance
The study concludes that there is a positive correlation between risk management and business performance of the company. The study concludes that risk assessment enhances cost reduction in the company since wastage is identified and all the necessary steps are taken to minimize it through risk assessment. The study concludes that risk assessment is essential in identifying potential threats that can have a negative implication on the firm’s operations in the long run. The study also concludes that risk management enhances profitability since the firm is able to calculate the risk as well returns on the investments and make informed decisions that will come along with a desired profits or revenues.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 The Effect of Financial Planning on Business Performance
The study recommends that National Oil Corporation should align its financial plan with the corporate strategy of the company in order to create synergy that is essential in attaining a desirable business performance in the long run. The company should also communicate its financial plan throughout the organization by bringing all employees on board to make sure that the entire organization is working towards the same goal.

5.5.1.2 The Effect of Dividend Policy on Business Performance
Since the study has established a significant relationship between dividend policy and business performance, therefore, the study recommends that National Oil Corporation should focus on aligning the dividend policies in line with the needs of the shareholders while at the same time focusing on the needs of the organization. The study recommends that National Oil Corporation should formulate favorable dividend policy that will attract potential investors to invest more into the company.

5.5.1.3 The Effect of Risk Management on Business Performance
The study recommends that National Oil Corporation should involve external auditors in their risk management practices to make sure that there is no bias in making decisions concerning risk management in the company.
5.5.2 Recommendations for Further Studies

The study sought to determine the impact of implementing financial management practices on business performance with National Oil Corporation of Kenya as a case study. Therefore, further studies should be done on the impact of financial management practices in other sectors such as pharmaceuticals, retail sector, real estate, manufacturing, hospitality, and telecommunication industry.
REFERENCES


Evidence from Turkey. *Journal of Entrepreneurship in Emerging Economies* Vol. 38 No. 1, pp. 131-156


APPENDICES
APPENDIX I: RESEARCH QUESTIONNAIRE

SECTION I: General Information

This section contains demographic questions of the respondents. Kindly indicate your answer in the box provided to the best of your knowledge by ticking (√) in the space provided.

1. Kindly indicate your gender in the space provided.
   - Male
   - Female

2. Kindly indicate your age range in the space provided.
   - 26-33 Years
   - 34-40 Years
   - 41-47 Years
   - 48 and Above

3. Kindly indicate your highest level of education.
   - Certificate
   - Diploma
   - Bachelor's
   - Master’s degree
   - Doctorate degree

4. Kindly indicate your department of work.
   - Accounting
   - Finance
   - Logistics
   - Administration
   - Human Resource
   - Supply Planning
   - ICT

5. For how long have you worked at National Oil Corporation of Kenya?
   - 0-5 years
   - 5-10 years
   - 11-15 years
   - 16-20 years
   - Above 20 years
SECTION II: THE EFFECT OF FINANCIAL PLANNING ON BUSINESS PERFORMANCE

Kindly indicate the extent to which you agree with the following statements on the effect of financial planning on business performance. Kindly (✔) tick where appropriate based on a Likert Scale of 1 to 5. 1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree.

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Financial planning enables the company to adequately cover its expenses.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Financial planning enables the company to select potential investments to be pursued.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Financial planning has enhanced good financial statements in your company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Financial planning enables the company to meet its profit targets.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Financial planning has improved your credit accessibility.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Financial planning in your organization has attracted potential investors.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Financial planning enables your organization to meet its financial obligations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Financial planning enhances cost control decisions in the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Cost allocation in the organization is informed by financial planning practices in place.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Financial planning enables the organization to identify risk associated with its investments.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Financial planning enhances the organization’s leverage.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
12. Financial planning supports alignment between costs and investment decisions being undertaken.

13. Cost control informed by financial planning enhances operational efficiency within the organization.

14. Financial planning enhances risk assessment in the organization.

SECTION III: THE EFFECT OF DIVIDEND POLICY ON BUSINESS PERFORMANCE

Kindly indicate the extent to which you agree with the following statements on the effect of dividend policy on business performance. Kindly (✓) tick where appropriate based on a Likert Scale of 1 to 5. 1-strongly disagree, 2- disagree, 3-neutral, 4-agree and 5-strongly agree.

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Your company has an established divided policy to guide dividend payment to the shareholders.</td>
<td></td>
<td></td>
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<td>2.</td>
<td>Your dividend policies attract potential investors into the firm.</td>
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<td>3.</td>
<td>Your dividend policy tends to limit your profitability.</td>
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<td>4.</td>
<td>Your dividend policy produces maximum value for shareholders.</td>
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<td>5.</td>
<td>Your dividend policy affects your stock prices in the stock market.</td>
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<td>6.</td>
<td>Potential Investors see dividend changes as signals about a firm’s future prospects.</td>
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<td>7.</td>
<td>Dividend policy dictates the performance of your investments.</td>
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<td>8.</td>
<td>The dividend policy in your organization establishes the market value of your shares.</td>
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</tbody>
</table>
9. Your dividend policy creates confidence among your investors.

10. Your dividend policy improves your credit standing.

11. The dividend policy in your organization enhances credit granting from financial institutions.

12. The dividend policy in your organization influences your return on investment.

13. The dividend policy in your organization influences the company’s return on equity.

SECTION IV: THE EFFECT OF RISK MANAGEMENT ON BUSINESS PERFORMANCE

Kindly indicate the extent to which you agree with the following statements on the effect of risk management on business performance. Kindly (√) tick appropriately on a scale of 1-5. 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree.

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Your company undertakes risk assessment on its potential investments.</td>
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<td>2</td>
<td>Your organization has a formal risk identification processes.</td>
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<td>3</td>
<td>Your company engages the services of internal auditors to avoid occurrence of risks.</td>
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<td>4</td>
<td>A more detailed planning is done by your management to avoid risk exposure.</td>
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<td>5</td>
<td>The company has put in place alternative approaches of avoiding risk.</td>
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<td>6</td>
<td>Operations reviews are conducted to avoid risk exposure.</td>
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</tbody>
</table>
7. Your company engages in forward contracts to hedge against price fluctuations of petroleum.

8. Risk assessment in your organization takes into consideration potential threats in the business environment.

9. Your organization saves costs due to risk assessment.

10. Risk assessment enhances resource allocation in the company.

11. The company makes profits due to calculated risks in the business environment.

12. Risk assessment enhances efficiency in your working environment.

13. The organization embraces risk assessment practices to address competition from other firms.

Thank you for your time.
APPENDIX II: RESEARCH COVER LETTER

TO WHOM IT MAY CONCERN

19TH JULY 2019

Dear Sir/Madam,

REF: PERMISSION TO CONDUCT RESEARCH- HUSSEIN OSMAN GABAIRE
STUDENT ID NO. 642487.

The bearer of this letter is a student of United States International University (USIU)-Africa
pursuing a master’s Degree in Business Administration
As part of the program, the student is required to undertake a dissertation on the “Impact of
implementing financial management practices on performance of National Oil
Corporation in Kenya.” requires him to collect data.

Please note that information provided will be treated with utmost confidentiality and will
only be used for academic purposes.

Kindly assist the student get the appropriate data and should you have any queries contact the
undersigned.

Yours Sincerely

[Signature]

Prof. Amos Njogu
Dean School of Graduate Studies, Research and Extension
Tel: 0730 116 442
Email: amnjogu@usiu.ac.ke
APPENDIX III: NACOSTI RESEARCH PERMIT

This is to certify that Mr. Hussein Gabaire of United States International University Africa, has been licensed to conduct research in Nairobi on the topic IMPACT OF IMPLEMENTING FINANCIAL MANAGEMENT PRACTICES ON PERFORMANCE OF NATIONAL OIL CORPORATION IN KENYA for the period ending: 29/July/2020.

License No: NACOSTI/P/19/460

Applicant Identification Number: 676836

VERIFICATION QR CODE

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