The Impact of Working Capital Management on Financial Performance of Supermarkets in Arusha City - Tanzania

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***Abstract*:-Management of working capital is a crucial function of any business undertaking, supermarkets included. By the reason of its significance, this study investigated the impact of working capital management on financial performance of supermarkets in Arusha city. The study employed a co relational research design, where data was collected by using the questionnaire from 10 supermarkets which were in operation during the time of carrying out this study from January to October 2018. The collected data were analyzed using descriptive and inferential statistics. A t-test, ANOVA, correlation and regression techniques were used to examine the relationships between working capital management and financial performance. Specific objectives were: to determine the kind of policies and strategies of managing working capital employed by supermarkets, to investigate the relationship between current assets and financial performance of supermarkets, to determine the relationship between current liabilities and financial performance of supermarkets and to find out how well average collection period, average payables period, and cash conversion cycle predicted financial performance of supermarkets in Arusha city.**

The study findings revealed that the dominant policy for managing working capital of supermarkets in Arusha city was the conservative policy. Financial performance responded to changes in current assets at a weak negative impact of 20.4%. On the other hand, there was a positive impact of 44% on the relationship between financial performance and current liabilities. Working capital components like average collection period, average payables period and cash conversion cycle were not the best predictors of the variations in the financial performance of supermarkets in Arusha city since the R^2 was around 16%. Hence there was little justification that working capital had an impact on financial performance. It was recommended that supermarkets should consider other policies like aggressive policy not just relying on conservative policy. Future studies should be done to investigate the impact of working capital management on financial performance basing on actual financial data, where by the regression model would include current liabilities and current assets among other independent variables as components of working capital.

***Keywords:* Working capital management, financial performance, current assets, current liabilities, profitability.**

I. INTRODUCTION

Just as for any other business firm, good financial performance of a retailing supermarket is important for it to remain in business profitably, and for proper growth and expansion. As noted in a study by Hernant (2009) that profitability as an indicator of financial performance. According to a survey done by Working Capital Management Global Network (2015) it has been reported that during the 2007/08 global crisis companies were slow to respond to declining sales, resulting in excess inventory, combined with the reduced payment morale. According to the named report, in 2014 working capital has decreased significantly. Top performers in working capital, are also better at generating cash, the report concluded. The European working capital Annual Review (2012) published a report after a survey done in 35 European countries. It was reported that in 2011 the working capital were at an all-time low. It was declared that focusing on working capital can generate important benefits in terms of financial performance hence avoiding working capital problems. It was noted by Shivakumar et al (2016) that ineffective management of working capital was one of the major causes of industrial sickness. So, efficient management of working capital is one of the important indicators of financial soundness. It was argued that managers of the firm should formulate proper policies on working capital management in order to achieve the desired goal. In Africa, supermarkets rose in the mid-1990s renovating the retailing of food. Since then, they have been spread fast in Southern and Eastern Africa, particularly in big-cities and in smaller towns. According to Nair & Dube (2017) by tracking the performance, investment and growth strategies of supermarket chains in South Africa between 2010 and 2016 supermarket industry has grown significantly over the past six years and that South African supermarkets are expanding their investments into the rest of Africa in search of new markets however no problems were reported on working capital issue in South Africa. Kenya is the most highly developed country in terms of existence of supermarkets; the majority of supermarkets are in Nairobi. The spread of supermarkets in Kenya has also reached in developing countries such as Uganda, Tanzania, Rwanda and South Sudan (Mungai, 2016). Uchumi superstores were a leading supermarket chain, consequently as a result of mismanagement of resources and lowly motivated staff led to poor performance of the business (Khisa 2014).The growth of supermarkets in Tanzania began in between the late of 1990s and early 2000s (Weatherspoon and Reardon, 2003). Up to the time of undertaking this study no major studies had been made to determine the progress of financial performance of supermarkets in Tanzania. In Arusha, supermarkets are mainly located in the city of Arusha. Working capital and financial performance can be a question under studies. In Arusha City, supermarket firms have encountered problems of insolvency and unprofitable performances as a result, some of them have been closed (Khisa, 2014; Mungai, 2016; Nyambura, 2017; and Ngugi, 2017). They were closed to avoid more losses. These reports are similar to Kaleem (2015) who noted that working-capital-management problems are the key causes of business failures and that at least 60% of businesses fail in the fourth year due to working capital issues. The above reports motivated the researchers to undertake this study of investigating the impact of working capital management on financial performance of supermarkets in Arusha city. There was no local evidence on the impact of working capital management on financial performance of supermarkets in Tanzania, particularly in Arusha city. It was on such background the researchers sought to investigate the impact of working capital management on financial performance of supermarkets in Arusha City.

1.1 Statement of the Problem

In Arusha City, supermarket firms have encountered problems of insolvency and unprofitable performance as a result; some of them have closed their operations. Supermarkets like Imalaseko, Mr. Price, Shoprite, and Nakumatt which operated in Arusha have been reported to close their operations in the last six years due to working capital problems (Khisa, 2014; Mungai, 2016; Nyambura, 2017; and Ngugi, 2017).They were closed to avoid more losses. These reports are similar to Kaleem (2015) who noted that working-capital-management problems are the key causes of business failures and that at least 60% of businesses fail in the fourth year due to working capital issues. The above reports motivated the researcher to undertake this study of investigating the impact of working capital management on financial performance of supermarkets in Arusha city.

1.2 Research Questions

1. What kind of policies and strategies of managing working capital were employed by supermarkets in Arusha City?
2. How was the relationship between current assets and financial performance of supermarkets in Arusha city?
3. How was the relationship between current liabilities and financial performance of supermarkets in Arusha city?
4. How well average collection period, cash conversion cycle, and average payables period predicted financial performance of supermarkets in Arusha city?

II. REVIEW OF RELATED LITERATURE

This chapter focused on the review of similar studies done by other scholars globally. It was aimed at evaluating the results of working capital and financial performance of supermarkets as revealed in selected studies.

2.1 Working Capital Management and Financial Performance

Working capital management refers to the management of all types of current assets of the business enterprise in which adequacy of current assets as well as current liabilities are optimally identified. It aims at reducing the locking up of funds in working capital so as to improve the return on capital employed (i.e. financial performance in the business). It seeks to formulate proper policies for managing current assets and liabilities as well as the techniques for maximizing the benefits derived from it. The policies for managing the working capital of a firm should be such that the firm can accomplish its three important goals simultaneously: (a) adequate liquidity and (b) maximizing financial performance (Mandal, et al, 2010). The strategic importance of working capital management has awakened various researchers to focus on evaluating the working capital management and financial performance relationships (Lieberman, 2009). In Mandal, et al. (2010) the term 'Profitability' is defined as the ability to earn profits by an enterprise on its stationary resources (i.e. invested capital). It states the relationship between profits and capital. The firm is said to be successful if its profitability exceeds the weighted average cost of capital to the firm.

Globally, Baveld (2012) studied the impact of working capital management on a firm's profitability during the global economic crisis periods 2008 – 2009 in the Netherlands. The objective of the study was to understand, how companies can manage their working capital in the best way during a crisis period, which would lead to the highest financial performance. The main research question was 'How do relatively large public listed firms in The Netherlands manage their working capital during the financial crisis, and which is the most profitable?' After applying the method of OLS regression analysis, in which the number of days accounts receivables, accounts payables, inventories and the cash conversion cycle were analyzed as variables to his empirical study. Baveld (2012) found that the analyses of the number of days accounts receivables indicated a significant negative relationship between these days and firm's profitability during a non-crisis period. No significant relation was found during the crisis period, which indicated that the relation between accounts receivables and a firm's profitability was changed in times of a crisis. Finally, Baveld (2012) concluded that because of the same negative relation for both the non-crisis period and the crisis period, firms don't need to alter their WCM policy concerning accounts payables when faced with a crisis. Currently, there are no local empirical evidence in Arusha, city in regard to supermarkets if are faced with changes, for example, for bank credit terms such as rising interest on borrowed funds, would they alter their WCM policy or not?

In West Africa a study was done by Kaleem (2015) to study working capital management practices in Ghana. The results showed that the supermarkets in Ghana face liquidity challenges, low profitability, worse competitive position, increased funds tied up in working capital (idle and unproductive cash) and finally lack of ability to unlock capital to finance growth. In conclusion Kaleem (2015) recommended that supermarkets should re-examine the factors that determine their working capital so that they would come up with best practices of working capital that can mitigate against the liquidity challenges, low profitability, worse competitive position, increased funds tied up in working capital and finally lack of ability on the part of the supermarket to unlock capital to finance growth. Since Kaleem (2015) did not explain those best practices of working capital it may become difficult for supermarkets in Arusha to understand his suggestions. A study need be done to investigate the impact of working capital management on financial performance employed by supermarkets in Arusha so that professional suggestions may be given on better working capital management practices that can bring about better financial performance.

In South Africa, Kasozi (2017) carried out a study on the effect of working capital management on profitability: A Case of Listed Manufacturing Firms in South Africa. Basing on the author's empirical evidence, drawn from regression estimators on relationship between practices of working capital management and financial performance it was found that the practices had a significant impact on both profitability and liquidity. The effect of working capital management on profitability was significant to the supermarkets in Arusha city.

In East Africa, Odhiambo (2014) conducted a study on the effect of working capital management and profitability of retail stores in Migori County Kenya. He established the relationship between working capital management and profitability. The author run a multiple regression analysis to establish if there was a relationship between working capital management and profitability. Profitability was measured by return on assets (ROA) which was considered as net income of the retail stores divided by their total assets. The study recommends that the same research should be carried out in another place different from Migori, to see if the results will be the same as the ones obtained in Migori. This appeal was consistent to the researcher's dissertation to carry a study on the impact of working capital management on financial performance (profitability) of supermarkets in Arusha city.

In Tanzania, a study was carried out by Hussein (2006) on working capital management, minimizing the need for cash. That researcher explains that apart from helping to reduce financing costs, good management of working capital will also contribute to profitability by reducing a range of other potential costs. It is pointed out that some businesses like supermarkets, pubs and some other retailers do not have to carry debtors. All their sales are for cash (pp. 20). Hence no need of minimizing investment in debtors. What they need is to minimize investment in cash. He argued that funds tied up in actual cash do not generate any income for the business and therefore must be kept to a minimum. According to him, cash can be minimized only if the supermarkets can easily access trade credit for financing of goods or services, i.e. maximizing the benefit of creditors. Then cash should be available to meet the degree of liquidity required. Hussein is in parallel with Pandey (2005) who maintained that cash should be kept at minimal levels while maintaining an optimal balance between liquidity and profitability. However, the study by Hussein (2006) did not investigate how working capital affects financial performance of supermarkets. This study investigated the impact of working capital on financial performance of supermarkets in Arusha City so that empirical findings gathered may help in generating professional recommendations to financial managers of supermarkets in Arusha City.

2.2 Summary of Literature Review and Literature Gap

From the theoretical review, we could determine the theories area relevant in guiding the current study. For instance, the profit theory as stated above is relevant to this study in terms of population size (demand side of products) and availability of trained personnel to manage supermarkets. Since there is no empirical evidence as to the whether the culture of the people of Arusha visits supermarkets to acquire household goods, in relation to the way they shop from local markets and small scale shops, this study tried to fill that gap. Empirical evidences agree with the Value Chain theory that working capital management affects financial performance. However, the literature review above lacked local evidence for the supermarkets industry on the impact of working capital management on financial performance of supermarkets in Tanzania, particularly in Arusha city. Therefore this study sought to address that gap in order to add empirical recommendations on existing literature.

III. RESEARCH METHODOLOGY

This chapter clarifies the research methods, the strategies employed in collection of data from respondents and how the findings has been analyzed in order to answer the research questions.

3.1 Research Design

As a quantitative study, this study adopted correlation research designs. This was adopted due to the need to investigate the impact of working capital management on financial performance of supermarkets in Arusha city. There was a need to describe the kind of policies and strategies of managing working capital employed by supermarkets in Arusha city so as to know what was guiding the practice in place. An investigation on whether financial performance changed if exposed to efficiency and effective working capital management was to be done. Correlation research design enabled the researcher to investigate the impact of working capital components as independent variables on financial performance as dependent variable. Finally, there was a need to determine how well the selected components of working capital management such as average collection period (ACP), average payment period (APP), and cash conversion cycle (CCC) were good predictors of variations in financial performance. Hence, regression analysis was made in addition to correlation design. In this study the population consisted of employees working in the accounting and finance departments in the major supermarkets in Arusha city. They were accounts officers, purchases officers, store keepers and managers totaling to 30 employees from 10 surveyed supermarkets in Arusha city. Statistical Package for Social Sciences (SPSS) version 22 was used to enter the values for the variables in order to analyze the data. Since the Significance level was $\alpha = 0.05$.

Coefficient of correlation (R) was used to establish the relationship between financial performance and the various components of working capital as the independent variables. Coefficient of determination (R^2) was used to measure the total variation of dependent variable accounted for the variation in the independent variables. t –test was used to test the significance of WCM variables as predictors of financial performance of supermarket firms. The significance of the overall model explaining performance through the independent variables was measured by F test. Karl Pearson’s coefficient of correlation was used to measure the degree of relationship between working capital management and financial performance of supermarkets.

3.2 Population and Sampling Procedures

In this study the population consisted of employees working in the accounting and finance departments in the major supermarkets in Arusha City. They were found to be 30 employees in 10 supermarkets who participated in the study. Since the sample was relatively small, the researchers include the entire population in the study. Stratified sampling was the technique used to determine the stratum of accounts officers, purchases officers, store keepers and the general managers as targeted respondents.

3.3 Validity and Reliability of Research Instrument

Validity was tested. The more panelists (beyond 50%) perceive the statements "essential," the greater the extent of its content validity. With these assumptions in mind, the following formula for the content validity ratio (CVR) was used: CVR = [E – (N/2)] / (N/2) in which the E was the number of panelists indicating "essential" and N was the total number of panelists. The range was $-1 < E < 1$. The closer to 1 the more essential the statement was and the closer to -1 the more non-essential the statement was (Taylor, 2017). After summing up all results for each statement from 5 experts the CVR was 0.6. This implied content validity.

The content validity index (CVI) was computed as follows:

$$\text{CVI} = \frac{\text{Items rated relevant / very relevant by both rates}}{\text{Total number of items in the instrument}}$$

$$= \frac{28}{33} = 85\ \%$$

Since the content validity index resulted in more than 70%, i.e. 85% the survey was valid (Taylor, 2017). The result for the test of reliability was summarized in table 1.

Table 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.469	0.599	27

Cronbach's Alpha based on standardized items for this study is 0.599 i.e. 0.60 (table 3.2) suggesting acceptable for reliability. This is supported by Hair et al (2014) who suggests that Cronbach’s coefficient values of more than 0.7 are considered good but values of more than 0.5 are acceptable.

3.4 Data Analysis Procedure

Descriptive statistics was used in analysis of data in answering research question 1. Measures of central tendencies such as arithmetic mean, mode, median and measures of dispersion such as standard deviation and variance was used in describing the kind of policies and strategies of managing working capital employed by supermarkets in Arusha City. Percentages and tables were used to summarize the responses of the respondents.

Summarized perception means was used in the analysis and interpretation of research questions 2, 3 and 4.The data collected was analyzed through the use of regression analysis and correlation analysis. Multiple regression analysis was employed in the analysis to investigate the impact of the components of working capital management on financial performance of supermarkets in Arusha city.

IV. RESULTS AND DISCUSSION

This chapter examines the data collected from the field of study and presents it in such a way that it is understandable by research audience.

4.1 Policies and strategies of managing working capital

The objective of research question one was to determine the kind of policies and strategies of managing working capital employed by supermarkets in Arusha city. Descriptive statistics showed that 50.0% of supermarkets in Arusha city employed conservative policy, 26.7% of supermarkets manage working capital by following no policy, 20.0% of supermarkets employed moderate policy, and 3.3% of supermarkets in Arusha city employed aggressive policy as shown here in table 2.

Table 2: Policies and Strategies of managing working capital

DEMOGRAPHY	CHARACTER	FREQ.	PERCENT	CUM. PERCENT
WC Policy	Aggressive	1	3.3	3.3
	Conservative	15	50.0	53.3
	Moderate	6	20.0	73.3
	No policy	8	26.7	100.0
Source of WC	Trade creditors	24	80.0	80.0
	Long term loans	1	3.3	83.3
	Equity Capital	5	16.7	100.0
Policy Review	Any time	5	16.7	16.7
	Annually	19	63.3	80.0
	Never at all	6	20.0	100.0
Agency problem	Strongly Disagree	4	13.3	13.3
	Disagree	4	13.3	26.7
	Not sure	7	23.3	50.0
	Agree	13	43.3	93.3
	Strongly Agree	2	6.7	100.0

The frequency by which the policies governing the working capital management were reviewed was by 63.3% annually, 16.7% reviewed their policies anytime while 20.0% of supermarkets in Arusha city did not review their working capital management policies. The main source of working capital in Arusha city was trade creditors. Supermarkets in Arusha relied more on trade credits by 80.0% while equity financing of working capital needs were 16.7% and long term debts for financing working capital needs of supermarkets in Arusha city were only 3.3% as shown in table 2.

The main source of financing working capital in Arusha city was trade credits by 80.0% while equity financing of working capital was 16.7% and long term debts for financing working capital needs of supermarkets in Arusha city were 3.3%. This implied that capital structure of supermarkets in Arusha city was dominated by debt financing for 83.3%. This could lead to financing problems in case the creditors withdraw from supplying the trading goods on credit to supermarkets as noted in Pandey (2005). It seemed that supermarket entrepreneurs in Arusha city supplied very little working capital (i.e. 3.3%) and relied on managers to manage working capital from trade creditors as the main source. This is not in line with the suggestionmade by Shaikh (2011) that entrepreneurs should supply sufficient capital for managers and other technical personnel to manage the businesses successfully.

The descriptive data in table 2 showed that 50% of respondents agreed that there were agency problems hindering better financial performance of supermarkets in Arusha city while 26.6% respondents disagreed and 23.3% were not sure. Hence agency problems existed in supermarkets in Arusha city. The results are also supported by Elliott and Elliott(2011) that many businesses face agency problems (opposing decisions on issues such as working conditions, salaries, fringe benefits, etc). These impair better financial performance.

4.2 Current assets and financial performance of supermarkets in Arusha

The objective of research question two was to investigate the relationship between current assets and financial performance of supermarkets in Arusha city. Pearson correlation showed a p - value of - 0.204 implying that current assets and financial performance of supermarkets in Arusha city was slightly negatively correlated (table 3). A weak negative impact "20.4%" between current assets and financial performance existed. It implied that as current assets were increasing financial performance was decreasing and vice-versa. The t-test results showed that the test statistic was not significant at 0.280 which is much higher than the level of significance (α) of 0.05 in that case the researchers failed to reject the null hypothesis. From that statistical evidence it can be concluded that there was no much evidence to prove from the sample an existence of a relationship between current assets and financial performance of supermarkets in Arusha city (table 3).

Table 3: Correlations between Current Assets and Financial performance

		Current Assets	Financial Performance
Current Assets	Pearson Correlation	1	-.204
	Sig. (2-tailed)		.280
	N	30	30

Financial Performance	Pearson Correlation	-.204	1
	Sig. (2-tailed)	.280	
	N	30	30

4.3 Current liabilities and financial performance of supermarkets

Pearson correlation (r) showed a value of 0.44 which implied that current liabilities and financial performance of supermarkets in Arusha city were moderately positively correlated (table 4). There existed a moderate positive relationship between current liabilities and financial performance. It implied that as current liabilities were increasing, the financial performance was also increasing and vice-versa. The t-test results showed that the test statistic was significant at 0.015 which is much lower than the level of significance (α) of 0.05. In that case the researchers rejected the null hypothesis. It implied that there was enough evidence from the sample to prove the research hypothesis that there was an existence of a relationship between current liabilities and financial performance of supermarkets in Arusha city.

It could be concluded that when supermarkets increase current liabilities (trade creditors) financial performance increased as well however correlation does not necessarily imply causation. If cash management practices are poor and account payables are enlarging the solvency position may not be sound (Pandey, 2005). Therefore, sound cash management need be employed continuously if supermarkets in Arusha city would want to increase current liabilities in order to improve their financial performance.

Table 4: Correlations between current liabilities and financial performance

		Management of Current Liabilities	Financial Performance
Management of Current Liabilities	Pearson Correlation	1	.440*
	Sig. (2-tailed)		.015
	N	30	30
Financial Performance	Pearson Correlation	.440*	1
	Sig. (2-tailed)	.015	
	N	30	30

*. Correlation is significant at the 0.05 level (2-tailed).

4.5 Working capital components and financial performance

It shows that there was a moderate correlation of 0.397, i.e. around 40% with a standard error of 0.452 between financial performance and the predictors in supermarkets in Arusha city. The researchers determined how well the model fitted the data. The value of R squared was 0.158 (around 16%). Since this value is small, it indicated that the model did not fit the data very well; implying that the proportion of variation in the dependent variable explained by the regression model is little. In addition to R^2, the researchers observed that the value of adjusted R^2 was 0.061 implying that there was a very little goodness of fit of the model in the population of supermarkets in Arusha city.

Table 5: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.397[a]	.158	.061	.452

a. Predictors: (Constant), the days the business takes to pay creditors, the days taken to receive cash from customers, the days it takes to convert inventories into cash.

Furthermore, besides R-squared (as presented in table 5), the researchers used ANOVA to check how well the model fitted the data.In table 4.6, we can see a significance level of 0.104. This value is larger than 0.05 which was the level of significance. This means that the variables were not significantly different from zero. The significance value of F statistic is 1.625 which is larger than 0.05. This implied that the independent variables did not predict the variation in the dependent variable (financial performance). After checking all factors for the fitness of the model, the researchers concluded that the regression model had little significance.

Table 6: ANOVA

Model	Sum of Squares	Model	Df	Mean Square	F	Sig.
1	Regression	1	3	.332	1.625	.208[b]
	Residual		26	.205		
	Total		29			

a. Dependent Variable: Financial Performance of supermarkets in Arusha city
b. Predictors: (Constant), The days the business takes to pay creditors, The days taken to receive cash from customers, The days it takes to convert inventories into cash.

The model for the financial performance is: FP = 4.174 + 0.172ACP – 0.242APP – 0.213CCC

It was observed that the constant showed a value of 4.174 with a p-value of 0.00. All p-values of the variables are above 0.05. Therefore, they are all statistically insignificant. Since all predictors are not statistically different from zero (0) then financial performance would be rated 4.174. As the predictors change, little variations R^2“16%” were observed to influence variations in financial performance. Since the value of R square was small it implied that the model fitted the data however not very well. It means that the proportion of variation in the dependent variable explained by the regression model was very little to gather enough evidence to prove that the independent variables as a whole predicted well the variation in the dependent variable.

4.6 Coefficients of Variables

The relative importance of each predictor variable in predicting financial performance from the results of the t statistics in table 4.7,revealed that there was no useful predictor in the model since there was no a t-value below -2 or above +2. Hence the model had little usefulness in predicting financial performance of supermarkets in Arusha city. On the other hand, days taken to convert inventories into cash had a 0.288 level of significance, the days taken to receive cash from customers has a significant value of 0.180, the days the business take to pay creditors had a level of significance of 0.405, this indicate that all the values were not significant since their p-values were more than 0.05. Therefore, the researchers failed to reject the null hypotheses that (i) ACP was not useful for FP of supermarkets in Arusha city. (ii) APP was not useful for FP of supermarkets in Arusha city (iii) CCC was not useful for predicting FP of supermarkets in Arusha city.

Table 7 Regression coefficients of variables

Model		Un-standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.174	.335		12.453	.000
	The days it takes to convert inventories into cash	.172	.158	.329	1.085	.288
	The days taken to receive cash from customers	-.213	.155	-.334	-1.379	.180
	The days the business takes to pay creditors	-.242	.286	-.288	-.846	.405

a. Dependent Variable: Financial Performance

V. CONCLUSIONS

From the analysis of the data gathered the general objective of this dissertation to investigate the impact of working capital management on financial performance of supermarkets in Arusha city was found to be “16%”. The impact seemed to be little. There existed weak impact in financial performance when working capital components were changed.

Recommendations

Based on the study findings, it is recommended that, supermarket companies should ensure that, management of working capital is done very well in all its components. Average collection period, average payables period, and cash conversion cycle should be managed well to enhance financial performance. Future studies should be done to expand knowledge and add literature to the existing ones. Generally, by adding a stock of empirical knowledge to the existing literature will help in the endeavors to close the gap of lacking reliable literature on the impact of working capital management on financial performance of supermarkets. This could help in improving the financial management skills and improving the financial performances of supermarkets in Arusha city and beyond.

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