APPROVAL FORM

Midlands State University

Established 2000

Our Hands, Our Minds, Our Destiny

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

AN INVESTIGATION OF DEBT MANAGEMENT PRACTICES AS A PERFOMANCE MEASURE. A CASE OF HARARE POLYTECHNIC COLLEGE

BY

BRENDA CHIRENGA

R145119Q

This dissertation is submitted in partial fulfilment of the requirements of the Bachelor of ***Commerce (Honours) Degree in Accounting*** *in the Department of Accounting at MSU.Gweru: Zimbabwe, 2018*

The undersigned certify that they have supervised the student Brenda Chirenga, registration number R145119Q, on dissertation entitled: **An investigation of debt management practices as a performance measure- a case of Harare Polytechnic College,** submitted in partial fulfilment of the requirements of the Bachelor of Commerce in Accounting Honours Degree (HACC) at the Midlands State University.

……………………………......　　　　　**……………………………….**

SUPERVISOR　　　　　**DATE**

………………………………..　　　　　**…………..………………………**

CHAIRPERSON　　　　　**DATE**

RELEASE FORM

Name of author: Brenda Chirenga

Title of project: An investigation of Debt Management practices as a performance measure– A case of Harare Polytechnic College

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

Year of research 2018

Signed: …………………………………………………………………………

Date: ....

Residential address: 5245 19th Close Budiriro 3, Harare

Cell numbers: 0778004119

Email address: brendachirenga@gmail.com

DEDICATION

This project is dedicated to my parents Mr and Mrs E Chirenga. They inspired me to be the best that I can be and they encouraged me in this study. Thank you for everything, I love you. I also dedicate this project to my sister, brothers and friends for their unconditional love and support. My dedication goes to the Lord Almighty for the strength and courage He gave me when I was doing this research.

ACKNOWLEDGEMENTS

My greatest acknowledgement goes to the Lord Almighty for His grace that made me strive towards the completion of this project. I am also indebted to my supervisor Mrs Mwedzi for the continued support and guidance she gave me so that the dissertation was successfully carried out. I am also thankful to my parents, my sister Betha and my brothers Blessing and Brian particularly for the financial support they gave me while I was doing this research. My gratitude is also extended to my friends Ruvimbo Tsveta and Ann Mtemeri for the guidance and assistance they gave me throughout this research also. Finally, I am also thankful to Harare Polytechnic College for their cooperation during my research.

ABSTRACT

This research sought to investigate the debt management practices as a performance measure at Harare Polytechnic College. The college under study was facing liquidity problems due to the ineffective debt management methods employed. There has been an increase in debtors' balances from 2014 to 2016 due to the college failing to recover debts from the students who owed the college and this affected the college financially. The researcher used the qualitative approach to carry out the study. A census approach was used since the target population was very small. The researcher used questionnaires and interviews to collect data for the research. The major findings from the research were that the current debt management were ineffective leading to a decline in performance. The research revealed that the current debt management system is facing challenges leading to its failure to improve liquidity of the college. The research also revealed that there are other practices that can be employed to improve the liquidity. The researcher recommended that the college offer realistic payment plans to improve payment by the debtors. The college should update the current system they are using for debt management so as to enable them to keep relevant information about debtors reflecting correct amounts. Employees should be continuously trained so that they possess the adequate skills for debt management. The college should ensure that it has a single department for all its collections and this makes the management of debt more effective.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

CHAPTER I

INTRODUCTION

1.0 Introduction

The research sought to investigate debt management practices as a performance measure in educational institutions. Due to the increase in debts from clients, it is of paramount importance to introduce debt management practices so as to enhance performance in an organisation. Efforts have been made to determine what previous researchers had to say about debt management as a performance measure.

1.1 Background of the study

The research was carried out to investigate debt management practises as a performance measure. Addaney et al (2016), Titus et al (2016), Emmanuel (2013), Mathew and Modecai (2016), Ozurumba and Anayochukwu (2014) and Kajirwa (2015) indicate that debt management has an effect on a firm's performance as it leads to the success of a business mainly commercial banks. Kagoyire and Shukla (2015), Ksenija (2013), Onyekwelu and Ugwuanyi (2014) and Shadi and Nazaripour (2015) are of the notion that there is a relationship that exists between the performance of commercial banks and debt management because the performance of these banks is influenced by the way they manage their debts. Despite other previous researchers having discovered that there is a relationship between debt management and financial performance, Margret et al (2014), Emmanuel (2013), Ijirshar et al (2016) and Chinaemerem and Anayochukwu (2013) assert that debt management does not wholly affect performance of an organisation as there are other factors which include profitability and organisational growth in the manufacturing sector. On the other hand Duru and Ubesie (2016) indicate that management of debt in manufacturing sectors is not only for maintaining an organisation’s performance but also organize long-term resources for an organisation’s development. Previous researchers focussed on debt management as a performance measure in commercial banks and the manufacturing industry. This research will investigate debt management practices as a performance measure in educational institutions.

Harare Polytechnic has been offering courses from national certificate, national diploma up to higher national diploma. According to the Harare Polytechnic College Finance Minutes (2016), the college has been facing liquidity problems from the years 2014 to 2016. Harare Polytechnic College Finance Minutes (2016) indicated that the college has not been able to recover debts from the students who owed money to the college from national certificate to higher national diploma. This was mainly because the available debt management practice had not been so effective thus much revenue had not been received (Harare Polytechnic Annual Report 2016). Below is a breakdown of the amounts owing from 2014 to 2016.

Table 1.1 Amounts owing as at 31 December 2016

	2014 $	2015 $	% change in 2014-2016	2016 $	%change 2015-2016
National Certificate	412,698.33	482,408.82	14.5	569,708	15.32
National Diploma	13,169.21	14,696.83	12	16,969.83	11.79
Higher National Diploma	4836.71	4836.71	Unchanged	4,836.71	Unchanged
Total	430,704.25	501415.36	26.5	591,514.54	27.11

(Source) Harare Polytechnic Outstanding Debtors statement

As shown by Table 1.2 $ 430,704.25 was owed to the college at the end of 2014, $ 501,415.36 was owed to Harare Polytechnic College at the end of 2015 which showed an increase of 15.3% from 2013. The table above also indicated that the percentage change in the total amounts owing increased by 26.5% between 2014 and 2015 and by 27.11% between 2015 and 2016. The major debtor's balance, in this case the national certificate increased by 14.5% between 2014 and 2015 and increased by a further 15.32% between 2015 and 2016. The amounts owing continue to increase due to the fact that those who owe the college continue to receive services but they are not paying anything and also the debt management of the college is ineffective. Mismanagement of debt implies that the college will not receive adequate funds at year end which will be used for other purposes within the college. This is evidenced by the college not having sufficient funds to cover for their own outstanding bills. It was stipulated in the (Harare Polytechnic Finance Report, 2016) that a total of $102500 was owed to ZINWA, $100520 to ZESA and ZOL $50563 respectively. According to Harare Polytechnic College Finance Minutes (2015), due to the ineffective debt management system at the college, liquidity of the college was greatly affected. The accounts receivable figure which remained unchanged which is the higher national diploma according to Table 1.2 as per observations is as a result of the reduction in the number of students under that category being enrolled at the institution.

Due to liquidity problems at the college, the college is failing to pay off the contract workers as they are not receiving sufficient funds at year end. Also, some of the suppliers to the college demand prompt payments and this therefore means that the college's liquidity is affected (Harare Polytechnic Finance Report 2016). Due to the mismanagement of debt at the college, the college has suffered from bad debts whereby those that owed the college failed to pay off their debts (Harare Polytechnic College Finance Report 2016). Some of the students who became bad debts could not be reached and therefore their debts were referred to as bad. This research will investigate debt management practices as a performance measure in educational institutions.

1.2 Statement of the problem

Harare polytechnic college is experiencing liquidity problems from 2014 to 2016 as a result of an ineffective debt management system at the college that has led to the college failing to recover the amounts owed by the student. Accounts receivable figures continue to increase over the three years and there is no sign of payment due to mismanagement of debt. This has led to the college failing to pay their own debts due to insufficient funds. The research therefore sought to investigate the debt management practices that can be implemented so as to improve liquidity in educational institutions.

1.3 Main research question

How effective is debt management in improving the liquidity of Harare Polytechnic College?

1.4 Research objectives

- To determine the effectiveness of debt management methods employed by Harare Polytechnic to improve performance.
- To identify the challenges being faced by the current debt management system.
- To identify ways to improve the debt management and the effects they have on performance.
- To establish the best practice in debt management.

1.5 Research questions

- How effective are debt management methods employed by Harare Polytechnic to improve performance?
- What are the challenges being faced by the current debt management system?
- What are some of the ways that can be used to improve debt management and the effects they have on performance?
- What is the best practice in debt management at Harare Polytechnic?

1.6 Delimitations of the study

The research will only cover the period between 2014 and 2016. The research will concentrate on debt management practices as a performance measure in educational institutions utilizing Harare polytechnic which is situated in the central business district of Harare. The respondents will be the accounts and finance personnel at the college.

1.7 Limitations of the study

The research focussed on debt management practices on the financial performance and some of the respondents were not willing to give out information due to confidentiality reasons. For confidentiality purposes, the respondents were not allowed to write their names on the questionnaires. Also, respondents took time to respond whilst the information was needed urgently and the researcher therefore constantly made follow ups to ensure that the information was received on time.

1.8 Assumptions of the study

The research members will provide relevant data which is honest and precise and it will help in the research. The researcher assumed that the respondents understood the terms that were used in the interviews so as to enhance the study. The researcher also assumed that the respondents would be interested in finding solutions to the problems indicated by the researcher. It was also assumed that the researcher will gather all the necessary information that was required for the study.

1.9 Definition of key terms

- **Debt-** Debt refers to any money that is owed to an individual or organisation. (Kasidi and Said 2013)
- **Liquidity**- Ibe (2013) refers to liquidity as the ability of a company to pay its short term financial obligations falling due.
- **Accounts receivable-** these refer to monies to be received by the business from customers or clients. (Titus et al 2016)

1.10 Chapter summary

The chapter focused on the background of the debt management on performance and the questions that underlie the research. It also focused on describing the need to research on debt management practices on financial performance. The scenario of Harare Polytechnic College was used. An overview of debt management and financial performance was given in relation to the problems being faced at Harare Polytechnic College. The next chapter discussed literature review on the research problem and it guided the researcher on what should be looked at within the entity under study.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

The chapter describes what other authors published concerning the research topic debt management practises as a performance measure. The chapter mainly highlighted the arguments of scholars concerning the issue at hand and this helped the researcher with key points to consider about debt management practices as a performance measure.

2.1 To determine the effectiveness of the debt management methods employed by the college to improve performance.

2.1.1 Payment Plans

According to Colla et al (2013) and Ako-Nai and Ayoola (2013), accounts receivables need to be given various options for them to pay their outstanding debt so as to improve the liquidity of an organisation. Zouhaier and Fatma (2014), Colla et al (2013) and Titus et al (2016) indicated that if a business that is indebted is on the verge of declaring bankruptcy, normally they request payment plans since they know that they will not continue payment after they go out of business and this indicates that payment plans are not an effective method in debt management. According to Colla et al (2013) and Titus et al (2016), the use of payment plans is not effective in debt management as some of the customers who owe money might make one or two payments and stop paying. This therefore means that the liquidity of the organisation will not be improved as there will be no more cash inflow because payment will have been stopped (Colla et al 2013).

According to Colla et al (2013), Emmanuel (2013) and Titus et al (2016), payment plans do not improve the liquidity of the organisation since some of the people who owe money might fail to pay the amounts they owe in the agreed time frame and this means that the liquidity of the organisation cannot be improved. Zouhaier and Fatma (2014), Emmanuel (2013) and Titus et al (2016) assert that payment plans are not effective in debt management as they are characterised with heavy costs. This is so because if the debtor fails to pay the required amounts in the stipulated time, the debt management officer will have to continue calling the debtor again so as to discover their reasons for not paying required amounts and if there are new agreements that may be needed (Zouhaier and Fatma 2014). According to Emmanuel (2013) and Colla et al (2013), payment plans are not effective in debt management as it leads to loss of track of those who owe money. This is so because with the use of payment plans, the debt management team might forget what it is that is supposed to be paid each month and this will lead to unnoticed errors or mistakes and the liquidity of the organisation cannot be improved (Emmanuel 2013).

However, Margret et al (2014) is of the view that payment plans are effective in debt management and they improve liquidity of an organisation because some of the accounts receivable may pay their amounts as prepayments and this means that the organisation will have money in advance and can be used for other purposes. Also, Abbas (2014) indicated that the use of payment plans is effective in debt management as it provides various options which are affordable so as to help the bills to be paid while managing the customer's debt and this improves the liquidity of an organisation. According to Margret et al (2014) and Abbas (2014), payment plans are effective in debt management as there is an increase and consistent cash flow from the customer paying and this improves the liquidity of the organisation. This research therefore sought at establishing the effectiveness of payment plans in debt management.

2.1.2 Debt settlement

According to Ijirshar et al (2016), Addaney at al (2016) and Colla et al (2013) debt settlement is not effective in debt management. Kagoyire and Shukla (2015), Ijirshar et al (2016) and Titus et al (2016) explained that when a creditor decides that the debt is settled, the organisation is receiving less than what is actually owed to them and this affects the liquidity of the organisation because they are not receiving everything that was owed to them. According to Matthew and Modecai (2016), Ijirshar et al (2016) and Titus et al (2016) debt settlement is ineffective in debt management because the debtor might make false promises of paying and may end up not paying anything at the of the day and this affects the liquidity of the organisation. Onyekwelu and Ugwuanyi (2014), Ijirshar et al (2016) and Titus et al (2016) alluded that debt settlement is not effective in debt management because there is a high risk of the organisation failing to recover all the money that is owed to them because they will have regained the trust that the amount owed will be paid and this does not improve the liquidity of the college.

However, Pigula and Marta (2015), Kajirwa (2015) and Margret et al (2014) assert that debt settlement is effective in debt management because it helps recover a certain amount from the debtor unlike receiving nothing and liquidity of the organisation can be improved. According to Pigula and Marta (2015) and Yazdanfor and Ohman (2015), debt settlement is effective in debt management because it helps an organisation recover the funds from the debtor that would have been lost in the event that the debtor filed for bankruptcy and this improves the liquidity of the organisation. This research sought to establish the effectiveness of debt settlement in debt management at Harare Polytechnic College.

2.1.3 Keeping debtors' accounts

Nwude et al (2016) and Addaney (2016) alluded that keeping debtors accounts is not an effective method in debt management to improve the liquidity of an organisation. According to Margret et al (2014), Pigula and Marta (2015) and Kasidi and Said (2013), inexperienced staff tend to make errors and mistakes when maintaining debtors accounts and this leads to the wrong amounts owing recorded at the end of the year and this does not improve the liquidity of an organisation as the money that will be reflected in the debtors accounts might not be the correct amounts owed. Kasidi and Said (2013), Nwude et al (2016) and Pigula and Marta (2015) assert that keeping debtors accounts is not effective in debt management because the amounts that are owed might be ascertained but there is no guarantee of payment by the debtors and this does not improve the liquidity of the organisation.

According to Margret et al (2014), Pigula and Marta (2015) and Kasidi and Said (2013), due to an increase in number of customers, debtors figures increase and it makes it difficult for the accounts personnel to manage the increase in debtors and therefore performance is not guaranteed. Pigula and Marta (2015), Nwude et al (2016) and Margret et al (2014) assert that keeping debtors accounts is ineffective in debt management because the systems used need to be continuously updated so as to match with the current technology because if there is no continuous upgrade, ascertaining debtors figures becomes a major problem and this does not improve the liquidity of the organisation.

However, Duru and Ubesie (2016) is of the notion that keeping debtors accounts is effective in debt management as it helps the organisation know the correct amounts being owed by certain debtors. Also, Matthew and Modecai (2016) and Duru and Ubesie (2016) explained that maintaining debtors' accounts is effective as it enables the organisation to identify debtors' behaviour in payment and this enables the college to know when to expect certain amounts from their debtors and liquidity can be guaranteed. This research therefore sought to investigate the effectiveness of keeping debtors accounts in debt management at Harare Polytechnic College.

2.1.4 Debtor circularization

According to Emmanuel (2013) and Fuzi et al (2013), debtors can be asked to confirm the amounts they owe by the auditors. The use of debtor circularization as a method of debt management is not effective in enhancing the liquidity of an organisation. Fuzi et al (2013), Dutta (2017) and Emmanuel (2013) assert that debtor circularization does not improve the liquidity of an organisation in that the debtor might agree to the amounts that they owe but might not have sufficient funds to cover for the debts. Mesjasz and Mesjasz (2016), Fuzi et al (2013) and Emmanuel (2013) alluded that some of the debtors might also fail to respond to the auditor's circularization and by so doing, the auditors will not be able to confirm the accounts receivable thus making the method ineffective in debt management.

Emmanuel (2013) and Fuzi et al (2013) assert that some of the debtors might be fraudsters and hence they might refuse to take ownership of the amounts they owe and this implies that no payment will be received from them and this does not improve the liquidity of an organisation. According to Issa (2015), Emmanuel (2013) and Addaney et al (2016), debtor circularization does not improve liquidity of an organisation, rather it leads to increased costs as there will be need to continuously contact the debtor is he or she does not respond to the confirmation of the debt. Also, the management themselves may refuse to allow the auditors to send the confirmations to the debtors and this means that the debtors will not be able to confirm to any amounts and liquidity cannot be improved because they will not make any payment (Issa 2015).

However, Kajirwa (2015) and Ksenija (2013) are of a different view and they say that debtor circularization is effective in that sending the confirmation to the debtor might act as a reminder to them of the debt they had forgotten about and payment will be certain and this improves the liquidity of an organisation. This research sought to investigate if debtor circularization is effective in debt management at Harare Polytechnic College.

2.2 To identify challenges being faced by the current debt management system

2.2.1 Lack of adequate skills

According to Addaney et al (2016), Dutta (2017) and Emmanuel (2013), most workers have insufficient skills in relation to debt management and hence it remains a major challenge in debt management. Abbas (2014), Dutta (2017) and Emmanuel (2013) assert that lack of adequate skills leaves a huge gap between effectiveness and efficiency in the debt management to improve the liquidity of an organisation. According to Dutta (2017), Emmanuel (2013) and Abbas (2014), for debt to be managed effectively, they need to be in line with the current technology and most employees are not well versed with the changes in technology and therefore ignorance remains a major challenge in debt management to improve the liquidity of an organisation.

Addaney et al (2016), Emmanuel (2013) and Abbas (2014) alluded that inadequate knowledge of debt management systems leads to wrong application of debt management methods because they will not know how best to handle debt so that those who owe can pay up on time and therefore it makes it difficult to improve the liquidity of the organisation. According to Abbas (2014) and Emmanuel (2013), most of the employees do not appreciate debt management and the effects it has on the liquidity of the organisation and therefore they are not informed of the advantages it has on performance.

However, Nwude et al (2016) asserts that lack of adequate skills is not really a challenge in debt management. This is so because there are other challenges that affect the debt management and these include the heavy costs associated with debt management (Nwude et al 2016). The research sought to investigate how lack of adequate skills affects debt management at Harare Polytechnic College.

2.2.2 Poor leadership skills

Addaney et al (2013) assert that one of the challenges faced by the debt management system is poor leadership skills and this does not improve the liquidity of an organisation. Leaders usually forget that it is their duty to ensure that what needs to be implemented when managing debt to improve liquidity has been implemented effectively (Margret et al 2014). According to Margret et al (2014), Emmanuel (2013) and Addaney et al (2016), poor leaders fail to guide the subordinates in implementing the correct methods in managing debt and this does not improve the liquidity of an organisation as less revenue will be received. Ibe (2013), Emmanuel (2013) and Margret et al (2014) are of the notion that poor leaders fail to identify those issues that might be standing in the way of making debt management effective in improving liquidity and this poses as a challenge in debt management.

According to Emmanuel (2013) and Ibe (2013), poor leaders fail to make clear the expectations needed to make debt management effect to the subordinates and this hinders the subordinates ability to handle their tasks and liquidity cannot be enhanced. Nwude et al (2016), Emmanuel (2013) and Ibe (2013) assert that poor leadership results in wasted potential and talent and also failure to match the correct people to the correct jobs and this affects the liquidity of an organisation because those who are best at managing debt might not be allocated to debt management department, rather, they might be placed in another department of the organisation. Emmanuel (2013) and Nwude et al (2016) asserts that poor leaders tend to ignore other factors that affect the improvement of liquidity within an organisation.

However, Kasidi and Said (2013) assert that poor leadership does not wholly affect debt management, rather there are other factors that affect the debt management. These factors include the heavy costs associated with debt management and also lack of adequate skills (Kasidi and Said 2013). When employees lack the correct skills in managing debt, it affects the liquidity of an organisation because there will be less revenue received (Kasidi and Said 2013). The research therefore sought to establish if poor leadership skills are a challenge being faced by the current debt management system at Harare Polytechnic College.

2.2.3 Incompetent staff

The debt management methods are failing to improve the liquidity of an organisation due to the incompetence of personnel who are responsible for the handling of debt (Abbas 2014). According to Abbas (2014) and Titus et al (2016), incompetent of staff is a major challenge in debt management because it leads to low productivity and this means that low revenue will be collected for the organisation thus liquidity cannot be improved. Emmanuel (2013), Abbas (2014) and Titus et al (2016) assert that due to incompetence of staff, errors and mistakes tend to increase and an increase in these lead to an increase in expenses and this does not improve the liquidity of an organisation.

Titus et al (2016) and Emmanuel (2013) indicated that when employees lack training they do not understand how best to handle debt and they tend to make mistakes in their execution of tasks and this reduces motivation and liquidity cannot be improved. Colla et al (2013) and Emmanuel (2013) assert that incompetence of staff leads to a loss of clients and this does not improve the performance of an organisation. This is so because the incompetent staff lack the adequate skills of how best to handle clients and some clients will be lost before they have made payments for the amounts they owe (Ahmed 2013).

However, Kajirwa (2015) asserts that incompetence of staff is not really a challenge in debt management. Rather, there is the issue of lack of support from the top management (Kajirwa 2015). Those at the top tend to ignore what those that are responsible for handling debt are doing and this does not improve liquidity because less revenue will be received due to mismanagement of debt (Kajirwa 2015). Also, there is lack of the adequate of skills of how to handle debt which is a great challenge in debt management and lacking skills does not improve the liquidity of an organisation (Kajirwa 2015). The research sought to investigate if incompetent staff is one of the challenges that is faced by the debt management system at the college.

2.2.4 Heavy costs associated with debt management

Nalwade and Parakh (2013) assert that there are huge costs that are associated with debt management and these are a challenge in debt management. According to Nalwade and Parakh (2013), Akenbor and Aqwor (2015) and Oluwagbeminga et al (2014), training of debt management staff to possess the required skills tends to be costly as money will be required for them to go for training and this affects the liquidity of the organisation. Also, there might be need to hire those who possess the adequate skills in debt management and this will mean that the organisation will have extra costs of hiring these personnel (Akenbor and Aqwor 2015).

According to Oluwagbeminga et al (2014), Kagoyire and Shukla (2015) and Akenbor and Aqwor (2015), heavy costs are a challenge in debt management as sometimes there needs to be technological advancement to be able to move in line with current technology because everything is now being computerised to ease the works of people and this affects the performance of the organisation. Akenbor and Aqwor (2015) and Kagoyire and Shukla (2015) are of the notion that the use of latest software to handle debt is costly as this software usually needs to be purchased from outside sources and this hinders the performance of the organisation. According to Oluwagbeminga et al (2014) and Kagoyire and Shukla (2015), day to day contacting of clients who owe money tends to also increase the costs of the organisation and performance cannot be guaranteed. Increased costs of the company also emerge due to extra time that is spent on tasks that were not done properly due to mistakes, usually these tasks will need to be repeated since they will not have been done properly (Kagoyire and Shukla 2015).

However, Premala et al (2015) and Margret et al (2014) are of a different view that debt management is not the only challenge in debt management. There are other challenges that include poor leadership skills whereby poor leaders fail to guide the subordinates in implementing the correct methods in managing debt and this does not improve the liquidity of an organisation as less revenue will be received (Margret et al 2014). The research therefore sought to investigate if there are heavy costs associated with debt management at Harare Polytechnic College.

2.3 To identify ways to improve the debt management and their effect on financial performance

2.3.1 Training personnel

According to Abbas (2014) and Ksenija (2013), training of debt management personnel enhances the financial performance of an organisation. Efficiency in processes is improved through training of employees and it results in a financial gain as evidenced by Abbas (2014). Ksenija (2013) and Emmanuel (2013) alluded that customer satisfaction is increased through the training of employees as employees gain the knowledge on customer services and ways they handle customers can be improved. According to Ksenija (2013) and Abbas (2014), training of employees increases their capacity to adapt to new technologies and methods and therefore debt management can be more effective and liquidity is guaranteed. Through training, there is increased job satisfaction and increased morale among the debt management personnel and they could perform their tasks efficiently thus improving the liquidity of an organisation (Abbas 2014).

According to Ksenija (2013) and Abbas (2014), there is increased productivity and motivation towards work done and this improves the financial performance of an organisation. According to Shadi and Nazaripour (2015) and Ksenija (2013), training of employees leads to increased innovation in strategies since new solutions can be devised on how to manage debt effectively so as to enhance the liquidity of an organisation. The existing knowledge and skills of debt management can be maintained through training and this tends to increase the liquidity of an organisation. (Ksenija 2013).

However, Addaney et al (2016) explained that the training of employees does not improve the performance of an organisation as it can be costly since there will be need to send some of the employees to seminars for them to acquire the adequate skills. According to Addaney et al (2016), training of employees requires sufficient qualifications for those who will be training them. Addaney et al (2016) also asserts that performance cannot be enhanced through the training of employees because it is usually time consuming sending the staff to the seminars for training when they could have been doing other productive work. The research therefore sought to investigate if training employees can be employed by Harare Polytechnic College as a way of improving the debt management as well as its effect of performance of the college.

2.3.2 Rotating Staff

Addaney (2016) asserts that if an organisation has adequate employees in its debt management department, it is advantageous to rotate them so as to improve the performance of an organisation. According to Emmanuel (2013) and Addaney (2016), rotation of debt collecting staff enables them to gain the knowledge and experience in the field and this improves the liquidity of the organisation. Addaney (2016), Duru and Ubesie (2016) and Emmanuel (2013) assert that rotation improves the performance of the organisation because customers will know that they are not dealing with one individual but the whole organisation. According to Duru and Ubesie (2016) rotation improves performance of an organisation as it exposes the debt management staff to different business areas. Addaney (2016) and Duru and Ubesie (2016) explain that rotation of staff provides a fresh perspective on the existing roles and this tends to increase innovation, better problem solving and increased efficiency and therefore performance can be improved. According Emmanuel (2013) and Addaney (2016), exposing employees to different functions and tasks tends to increase their satisfaction levels and performance can be enhanced. Duru and Ubesie (2016) and Emmanuel (2013) assert that rotation of debt management is designed to the employees to a variety of operations so as to help the managers in exploring their hidden talents. If the debt management staff is rotated, it gives them room to identify what they enjoy doing and what they are really good at (Addaney 2016).

However, some of the employees may resist to rotation. This is so because some of these employees who are comfortable in their positions are reluctant to rotate into other spots and this hinders the performance of an organisation (Ozurumba and Anayochukwu 2014). According to Margret et al (2014), rotation tends to hinder performance since it is associated with costs of rotating the staff. This research therefore sought to investigate if rotation of staff can be employed by Harare Polytechnic College as a way of improving the current debt management as well as the effects it has on performance of the college.

2.3.3 Technological advancement

According to Kumal and Kumar (2013) and Ksenija (2013), technological advancement is one of the ways that can be used to improve the debt management so that it enhances performance. Nwude et al (2016) and Ksenija (2013) assert that through the advancement in technology, regular backups can be taken and the available staff will support and maintain debt recording and management and therefore liquidity will be improved. Advancement in technology is very important as it gives a large degree of standardisation in the application of software and the structure of the database and this facilitates consolidation (Kumal and Kumar 2013). According to Kseninja (2013) and Nwude et al (2016), technological advancement improves the performance of an organisation as it shows people a more efficient way of handling debt and results can be obtained. According to Kumal and Kumar (2013), Nwude et al (2016) and Colla et al (2013), technological advancement enables easy access to information about a particular client and communication with clients is improved by sending them emails of the amounts they owe and this improves the performance of an organisation. Emmanuel (2013), Colla et al (2013) and Nwude et al (2016) assert that technological advancement enables machines to produce more output than humans and performance is improved because it is cost saving for a business allowing it to invest in other areas of the organisation such as growth.

However, Ijirshar et al (2016) explains that technological advancement does not always improve the performance of an organisation as it is costly to advance in the new technology. Ijirshar et al (2016) went on further to say that with the society becoming more advanced, more people will begin to heavily rely on the work of computers and if these computers crash the employees become almost disabled until the situation has been resolved and this does not guarantee performance of the organisation. Advancement in technology is not advantageous as it values less human work (Ijirshar et al 2016). The research sought to investigate if technological advancement can be employed by the college as way of improving the current debt management system.

2.3.4 Outsourcing

According to Habib et al (2016) and Addaney (2016), outsourcing can be used as a way of improving debt management and improving the financial performance. According to Fuzi et al (2013), Habib et al (2016) and Emmanuel (2013), outsourcing debts tends to save time. This is so because specialist systems and processes supported by their experiences allows them to solve debt issues instantly and the organisation will receive their payments promptly and therefore it improves the financial performance of an organisation (Fuzi et al 2013). Outsourcing debts saves money and this improves performance because the faster you get paid the increase in cash inflow and thus money will be saved in both long term and short term (Issa 2015). According to Iqbal and Dad (2013), Emmanuel (2013) and Fuzi et al (2013), performance can be improved through outsourcing debts as it improves efficiency because payment arrangements can be managed for free using the latest industry top software system.

Iqbal and Dad (2013), Alayemi (2015) and Issa (2015) explained that through outsourcing of debt management to specialists, there is fast payment and therefore it helps the organisation reduce their debts percentage to a controllable level and performance can be improved (Iqbal and Dad 2013). According to Fuzi et al (2013), Emmanuel (2013) and Issa (2015), outsourcing of debt to specialists gives staff enough time to focus on their core activities whilst the specialists will be managing the debt for the organisation. Outsourcing debts enhances the financial performance of a company as all the money spent on the collection is recovered (Issa 2015). According to Issa (2015), Habib et al (2016) and Fuzi et al (2013), there is a lot of consideration when following debtors and when they are left in the hands of those who know the law better, it ensures that the organisation maintains compliance and performance is guaranteed.

However, outsourcing might not guarantee the financial performance of an organisation because the organisation will be having less control over the actions of the specialist (Kajirwa 2013). According to Kajirwa (2013), since the debt collecting agent will not be working worth the organisation alone, it might not be a priority and this does not improve the performance of the organisation. This research therefore sought to investigate if outsourcing can be adapted by Harare Polytechnic College as a way of improving the debt management as well as its effect on the financial performance of the college.

2.4 Best practices in debt management

2.4.1 Centralization

According to Kajirwa (2013), Issa (2015) and Addaney et al (2016), if a company creates a centralized collection environment for all its debts, debts can be managed effectively and millions will be collected thus increasing the financial performance of an organisation (Issa 2015). Addaney et al (2016), Kajirwa (2013), Margret et al (2014) and Dutta (2017) indicate that collection function consolidation reduces redundancy, debt management is improved significantly and the collection process is standardised at a superior level of efficiency effectiveness thereby improving the liquidity of an organisation. According to Kajirwa (2013), Colla et al (2013) and Issa (2015), centralization facilitates the debt management process by giving a unified view of all debts across different clients thereby decreasing the duplication of efforts and this improves the performance of an organisation. According to Issa

(2015) and Addaney et al (2016), through centralization of debt management, it is more likely that uniformity will be brought about in debt management thereby increasing the performance of the organisation. Issa (2015), Kajirwa (2013) and Addaney et al (2016) asserts that through centralisation of debt management, it is more likely that there is a lower risk of others within the department deviating from protocol thus increasing performance of an organisation.

However, Habib et al (2016) and Nwude et al (2016) indicate that centralization does not always enhance performance because having a single debt management department managing multiple locations might tarnish the relationship with clients. This research sought to investigate whether centralization can be adopted as a way of enhancing the performance of Harare Polytechnic College.

2.4.2 Debt Factoring

Emmanuel (2013), Pigula and Marta (2015) and Margret et al (2014) state that as a last resort, an organisation can engage in debt factoring so as to enforce payment of debts thereby increasing the liquidity of an organisation. According to Margret et al (2014), Dutta (2017) and Emmanuel (2013), the debt factoring agency will recover 50-90% of the invoiced amount per agreement and the college will receive money quickly thereby increasing the performance of an organization. To improve liquidity of a business, money that is owed is immediately received from the factor and the business will be able to pay off their own debts on time and struggles to pay bills and payroll can be alleviated (Margret et al 2014).

Pigula and Marta (2015), Emmanuel (2013) and Margret et al (2014) are of the notion that through debt factoring, an organisation is protected from bad debts if they choose the receivable without recourse whereby the factor takes the risk of all unpaid amounts and all bad debts will fall unto the factor and therefore the performance of the organisation will increase. Through debt factoring, the factor takes over the management of all the invoices and the overhead cost of the organisation are reduced and therefore the liquidity of the organisation can be improved (Margret et al 2014). According Emmanuel (2013) and Dutta (2017), the staff that is supposed to handle debt can resort to other important work whilst the factor takes charge of the debt and this improves the financial performance of the organisation.

However, Ksenija (2013) and Ibe (2013) said that debt factoring does not always increase the performance of an organisation as there is a high risk of harming customer relations because if the factor is not professional enough, there are high chances of damaging the relationship with clients. Also, Ksenija (2013) indicate that financial performance is not always enhanced because if the clients are slow-paying, the factoring fee tends to go up because a company is charged each day the invoice is not paid. This research sought to establish if debt factoring can be adopted by Harare Polytechnic College to enhance its financial performance.

2.4.3 Segmentation

According to Colla et al (2013), segmentation can be implemented as a practice in debt management to enhance performance. Dutta (2017), Colla et al (2013) and Emmanuel (2013) said that effective accounts receivable segmentation results from organizing the accounts receivable in accordance with attitude, the capacity to pay as well as solvency and location so as to enhance performance of the organisation. According to Colla et al (2013), Emmanuel (2013), Dutta (2017) and Titus et al (2016), proper accounts receivable segmentation gives the debt management team close and intelligent knowledge of the accounts and also the classification.

Segmentation of debtors enhances financial position of an organisation as more focus can be placed on those debtors who are slow payers and those not willing to pay (Colla et al 2013). Dutta (2017) asserts that by targeting the right segment, performance of the organisation can be enhanced. According to Emmanuel (2013), Colla et al (2013) and Dutta (2017), segmenting debtors can increase the performance of an organisation because the larger number of delinquent accounts if they are cautiously and intelligently classified can be handled according to a fixed practice so that a large part of work can be done by managers' assistants. Through segmentation, better communication with debtors can be enhanced (Colla et al 2013)

However, Colla (2013) asserts that if effective classification of debtors is not achieved early, categorization becomes a difficult mission and this therefore makes it important to do follow ups on these debtors and monitor the number of days any debtor falls past due. According to Margret et al (2014), segmentation of debtors can also be costly to the organisation to identify all the segments and this will not enhance the financial performance of the organisation. This research sought to establish whether segmentation of debtors can be implemented by Harare Polytechnic to enhance performance.

2.4.4 Credit Rating

According to Addaney (2016), credit rating agents are there to disclose certain information about a potential client to organisations before they make a decision to sale on credit. Duru and Ubesie (2016), Margret et al (2014) and Emmanuel (2013) are of the notion that credit rating scores enhance performance as they are used to estimate the ability of the customer to repay the obligations as they fall due. According to Emmanuel (2013) and Murcia et al (2014), credit rating helps make decisions by finding out what would have been the best rule to apply on a section of previous applicants. Credit rating evaluation has been accepted internationally to be an advanced method for assessing a trustworthy borrower when contrasted with the conventional techniques for hazard appraisal (Emmanuel 2013).

According to Emmanuel (2013), Murcia et al (2014) and Addaney (2016), credit rating expands the credit volume and enhances access to credit and it assists adverse choice issues and brings down the cost of credit for decent borrowers and through this performance can be guaranteed. Credit rating also gives investors an idea about the creditability of the issuer organisation and the risk factor that is attached to a certain instrument and this enhances performance since higher rating implies willingness to invest in these instruments (Murcia et al 2014). With credit rating, those with high credit rating gives guarantee to the investors about the safety of the instruments and less risk of bankruptcy and this enhances the financial position of an organisation (Emmanuel 2013). According to Addaney (2016), Emmanuel (2013) and Murcia et al (2014), the rating agency frequently reviews the rating given to a certain instrument so this gives the investors space to decide whether to keep the instrument or to sell it and this enhances performances.

However, Bayar (2014) is of the notion that credit rating does not always enhance financial performance as it might be biased or misinterpreted. This is so because the companies that have lower rating tend not to use the rating while raising funds from the public Bayar (2014). Bayar (2014) went on further to say that sometimes getting the investigation team may be affected by human bias for personal weakness of the staff and this affects the rating. This research therefore sought to investigate if credit rating is can be adopted by Harare Polytechnic College as a way of increasing the financial performance.

2.5 SUMMARY

The purpose of this chapter was to bring together as one piece of information other scholarly material concerning the debt management practices on financial performance. The researcher looked at best practices in debt management, challenges being faced by the current debt management system, other aspects that can improve an organisation’s performance other than debt management as well as the effectiveness of the debt management practices employed by the college This guided the researcher on what to particularly look for within Harare Polytechnic College, the organisation being used as a research unit. The next chapter will be looking at the research methodology that was used to gather research data.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

The chapter explains the research methodology that was used in the research. The chapter will explain the diverse procedures and instruments that were used by the researcher in gathering the data to attain the main idea of which the research was conducted. The research focussed on the justification of the research design, the target population, the data sources, the research instruments used as well as data collection. The chapter also presented the reliability and validity of the findings as well as data analysis and presentation tools. All this was also supported by what literature explained in respect of the methods used in carrying out the study.

3.1 Research design

According to Creswell (2013), a research design is a method that justifies how information is going to be gathered. According to Wyk (2012), there are basically three types of research designs which are explanatory study, descriptive study and exploratory study. The descriptive research design aims at giving an accurate presentation with more details of the variables under study. The researcher used a descriptive study as it was an appropriate method for this research. The method is explained more in the next paragraph.

3.1.1 Descriptive research

Creswell (2013) asserts that a descriptive research helps ascertain the current situation more better for example it helps identify what really happened in a given scenario. Descriptive research was helpful as it added more flesh to the ideas that were put forward by previous researchers. Creswell (2013) also supported by saying that a descriptive research design helps to bring the information regarding factors that underlie a research problem. The method therefore suited the research since the researcher sought to bring out the information on why the current debt management system at Harare Polytechnic College had not been effective in improving the liquidity of the college. With descriptive research, the researcher gathered information in such a way that the organisational problems within Harare Polytechnic College could be understood better so as to come up with effective solutions.

3.2 Qualitative Approach

According to Kumar (2011), qualitative approach is a planned subjective procedure that is aimed at explaining life's experiences and circumstances so as to give them meaning. Creswell (2013) asserts that a qualitative approach is used to define a situation which cannot be measured in numerical terms. The qualitative approach helped the researcher to gain an understanding on how ineffective debt management affected the financial performance of Harare Polytechnic College based on the experiences and views of the employees within the organisation. Employees within Harare Polytechnic College were in a better position to highlight the effectiveness of the current debt management system, the challenges being faced by the system as well as the ways that can improve the current debt management system, at the college and such authenticity made the whole research outcome dependable.

3.3 Research population

Creswell (2013) asserts that population is the total sum of elements that are available for study. Harare Polytechnic College was used as the research unit and particularly the accounts and finance section of the college thus focussing on the employees of the organisation. The employees of the college have first hand information on how the current debt management has affected the liquidity of the college.

3.3.1 Census

Census method of collecting data is a technique that uses each and every item or unit constituting the universe that has been selected for data (Thanasegaran 2012). The researcher asked the whole members in the accounts and finance department to respond to questionnaires because the number is small. The staff in the Accounts and Finance Department at Harare Polytechnic College is 20 thus a census was carried out since coming up with a sample from 20 people would produce results that are not conclusive.

Table 3.1 Population census

	POPULATION	CENSUS	%	INTERVIEWS
ACCOUNTANT	5	5	100	1
ACCOUNTANT ASSISTANCE	5	5	100	1
FINANCE COMMITTEE	10	10	100	1
TOTAL	**20**	**20**	**100**	**3**

Table 3.1 above illustrates a census of 20 employees from the Accounts and Finance Department. The researcher planned to carry out three interviews as revealed by table 3.1 above.

3.4 Primary data

According to Hox and Boeije (2013), primary data refer to raw data without interpretation which represents an official opinion. In this researcher, the primary data was gathered through the use of interviews and questionnaires from the accounts and finance personnel within Harare Polytechnic College. The data collected in this research was original so as to enable the researcher to investigate the debt management systems on performance in educational institutions. The information gathered by the researcher was free from errors since it was first hand information. The information gathered through primary data turned out to be more solid since it was gathered directly from the research population.

3.5 Research instruments

Hox and Boeiji (2013) indicated that research instruments are data collection tools that are used to gather information which is relevant for analysis.

3.5.1 Questionnaires

Hox and Boeije (2013) indicate that questionnaires are data instruments which involve different set of questions that helps the gathering of information from respondents. In this research, the researcher used both closed ended and open ended questions to collect relevant data for the purposes of research as they allowed the researcher to structure the questions concerning the research objectives. Closed ended questions enabled the capturing of relevant information for the research as evidenced by (Hox and Boeije 2013). According to Hox and Boeije (2013), open ended questions give room for free expression of oneself without the influence of the researcher. This provided the strategies in answering the questions thus the right information required was obtained and responses were easier to understand (Hox and Boeiji 2013). The use of questionnaires enhanced the research as they do not reveal the names of the respondents and this enabled them to express their own views and opinions freely.

3.5.2 Likert scale

A likert scale refers to a response scale categorising the participants’ choice (Bertram 2012). The researcher used the likert scale as it enabled the respondents to show the degree to which they disagree or agree. In order for the researcher to achieve different opinions on the best practices in debt management and ways of improving the debt management methods, the likert scale questions were used so that the respondents could chose from the opinions. This is supported by (Bertram 2012) who said that respondents are required to select from the list provided by the researcher. The researcher used the likert scale as it was reliable and less time consuming.

Table 3.2 Likert scale

Attitude	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree

(Source) Creswell 2013

Table 3.2 above illustrates the five different categories of the respondents' decisions.

3.5.3 Interviews

According to Wyk (2012), an interview refers to an objective conversation between two or more individuals with an aim of giving feedback regarding a particular subject. Personal interviews were held so as to provide a more reliable study. The researcher used open ended questions during the interviews and these involved the accounts and finance members within Harare Polytechnic College. The use of interviews equipped the researcher with an in depth understanding of opinions, ideas and views of respondents concerning debt management practices. The use of interviews eradicated the chances of no response since the researcher was the one who personally carried out the interview

3.6 Reliability and Validity

3.6.1 Reliability

Data reliability refers to the extent to which questionnaires and interviews used for data collection are able to consistently produce the same findings on more than one repeated trials (Thanasegaran 2012). Thanasegaran (2012) stated that the minimum response rate should be

60% whilst Kumar (2011) asserts that it should be at least 70% to produce reliable results. The researcher attained a 90% response rate which is reliable in analysing data. The researcher used interviews and questionnaires to ensure the reliability of the data collected. The interviews were also done on finance and accounts personnel who are well versed with the subject of debt management and financial performance. The researcher used a census population which accommodated everyone within the accounts and finance department and this improved the reliability of the data as there is no likelihood of bias.

3.6.2 Validity

According to Thanasegaran (2012), validity refers to the extent to which the questionnaires and interviews used to gather data measure what they purport to measure. The research questions and objectives were used in creating the questionnaires and the interview guides thus ensuring the validity of the research instruments because they focused on providing feedback that was relevant to the issue under study. After gathering the data, the researcher went through checking the accuracy and validity of the data before analyzing it. This was done so as to ensure that data collected was free form mistakes and errors that might have been made during filling of the questionnaires.

3.7 Data presentation and analysis

3.7.1 Data presentation

The data that was collected was sorted into respective categories in relation to research questions and objectives. Statistical methods of analyzing the data were used and responses were tabulated. According to Kumar (2011), diagrams have a great impact on presentation of data as they are favoured mostly by people rather than figures only. The researcher used pie charts, graphs and tables to present data into a meaningful way because they provide a clear summary of the data collected and they are easy to understand. Primary sources were used to gather the research data using the qualitative approach and it was presented in a consistent manner with research objectives and questions.

3.7.2 Data analysis

The responses that were gathered from the research were sorted in line with research questions and descriptions were used to show circumstances as they happened at Harare Polytechnic College. The analysis of the data presented was done by comparing the data that was collected from research instruments and information from the literature review. The researcher also used percentiles in classifying responses of the participants and this improved the analysis of data collected.

3.8 Summary

The chapter looked at the procedures that were used in the collection of raw data. The descriptive research design was used for this study. The qualitative approach was also used in the study. Raw data was collected through the use of interviews and questionnaires. Validity and reliability of the data gathered was also covered in this chapter. The next chapter focussed on the results of the research findings.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

The purpose of this chapter was to present data collected, analyse it and come up with research findings. The information collected was presented through the use of bar graphs, pie charts and tables. The research findings included; the effectiveness of the current debt management system, challenges faced by the debt management system as well as the best practices in debt management. The analysis was based on the primary data that was collected through the use of questionnaires and interviews.

4.1 Reliability and Validity

The information collected was reliable since the researcher managed to reach out the targeted people of the research. The researcher managed to return 18 questionnaires from a total of 20 questionnaires sent. This made the information gathered reliable because the researcher managed to attain a 90% response rate which is supported by Thanasengaran (2012) who explained that the researcher must get at least 60% response rate from the target population. The researcher collected primary data from the employees within Harare Polytechnic College making the information gathered reliable.

4.2 Questionnaire response rate

The response rate indicated the number of questionnaires that were distributed and the ones that were returned back to the researcher by respondents. In total, the researcher distributed 20 questionnaires to accountants, accountant assistants and the finance committee. The following table describes the response rate.

Table 4:1 Questionnaire Response Rate

Respondents	**Number of questionnaires sent**	**Questionnaires returned**	**Response rate**
Accountant	5	5	100%
Accountant assistant	5	4	90%
Finance committee	10	9	90%
Total	20	18	90%

Table 4:1 above illustrates the distribution of questionnaires and it showed that 20 questionnaires were sent and 18 were returned. The researcher concluded that 90% response rate is adequate and justifiable to draw reasonable conclusion from them. Although the research did not attain a 100% response rate, the researcher therefore concluded that 90% response rate was reliable and reasonable enough since it is supported by Thanasegaran (2012) who indicated that the researcher must get at least 60% response rate from the target population.

4.3 Effectiveness of the current debt management methods

4.3.1 Payment plans

Table 4:2 Responses on Payment Plans

	Failure to meet deadlines	**No payment received**	**Gives enough time to look for money**	**Helps trace those who fail to pay**
Respondents	2	11	3	2
% Respondents	11%	61%	17%	11%

According to Table 4:2 above, 11%(2/18) respondents said that payment plans are ineffective in debt management as the debtors might fail to meet the deadlines. Table 4:2 above also illustrates that 11/18(61%) respondents said that payment plans are ineffective as there is no payment received. According to Table 4:2 above, 17%(3/18) respondents argued that payment plans are effective as they give the debtor enough time to look for money. 2/18(11%) respondents indicated that payment plans are effective as they help trace those who fail to pay. From the information presented, two of thirteen respondents who indicated that payment plans are ineffective explained that those who owe the college might fail to meet their deadlines they agreed on and performance and cannot be enhanced. Eleven of the thirteen respondents explained that even though they agree on a certain period of payment, no payment is received until that day and therefore performance is not guaranteed. These respondents are supported by Colla et al (2013) who indicated that with payment plans, some of those who owe money might fail to meet their obligations on time and it will therefore mean that the amounts that are owed will not be received on time and liquidity cannot be improved. Titus et al (2016) also argues that payment plans are ineffective as some customers might make one or two payments and then stop continuing to pay and this does not improve the liquidity of an organisation.

Three of five respondents argued that payment plans are effective as they give those who owe the college enough time to look for money so as to pay off their debts. Two of the five respondents indicated that with payment plans, it is possible to trace debtors those who fail to honour their obligations on time. This is supported by Abbas (2014) who indicated that the use of payment plans is effective in debt management as it provides various options which are affordable so as to help the bills to be paid while managing the customer's debt and this improves the liquidity of an organisation. Students at Harare Polytechnic College are offered payment plans but it is not effective as liquidity continues to decrease. With a modal response rate of 72% who agree that the payment plans are ineffective, the concluded that payment plans are not effective in debt management at Harare Polytechnic College.

4.3.2 Debt settlement

Table 4:3 Responses on debt settlement

	Less cash received	**Failure to honour promises**	**No response**	**Quick infusion of cash**
Respondents	5	4	2	7
% respondents	28%	18%	11%	43%

As indicated by Table 4:3 above, 5/18(28%) respondents argued that debt settlement is ineffective as there is less cash received. 17%(3/18) respondents indicated that debt settlement is ineffective as some of the debtors might fail to honour their promises. Table 4:3

above also illustrated that 11%(2/18) respondents did not respond to the questionnaire. According to Table 4:3 above, 7/18(43%) respondents indicated that debt settlement is effective as there is a quick infusion of cash. From the information presented above, five of the nine who indicated that debt settlement is ineffective explained that with debt settlement, the creditor will receive less money than what is actually owed. Four of the nine respondents explained that some of the debtors might fail to honour the promises they have made to settle the debt. This is supported by Ijirshar et al (2013) who explained that when a creditor decides that the debt is settled, the organisation is receiving less than what is actually owed to them and this affects the liquidity of the organisation because they are not receiving everything that was owed to them. Two respondents did not answer the questionnaire because they were not familiar with debt settlement.

Seven respondents argued that debt settlement is effective in debt management. These respondents argued that with debt settlement there is a quick infusion of cash and liquidity can be enhanced. This is supported by Pigula and Marta (2015) who asserts that debt settlement is effective in debt management because it helps recover a certain amount from the debtor unlike receiving nothing and liquidity of the organisation can be improved. With the modal response rate of 46% who said that debt settlement is ineffective and the researcher concluded that debt settlement is ineffective in debt management at Harare Polytechnic College.

4.3.3 Keeping debtors' accounts

Table 4:4 Responses on keeping debtors accounts

	No payment	**No guarantee of payment**	**No response**	**Helps in making follow ups**	**Payments are made**
Responses	6	4	1	2	5
%Respondents	33%	22%	6%	11%	28%

According to Table 4:4 above, 6/18(33%) respondents argue that keeping debtors accounts is ineffective as the balances owed are known but no payment made. 4/18(22%) respondents said that keeping debtors accounts is ineffective since there is no guarantee of payment. According to Table 4:4 above, 1/18(6%) respondents did not respond to the questionnaires. Table 4:4 above illustrates that 2/18(11%) respondents said that keeping debtors accounts is effective since it helps make follow ups on debtors. Table 4:4 above also illustrates that 28%(5/18) respondents said that payments are made since the amounts that are owed are known. From the information presented above, six of ten respondents who indicated that keeping debtors accounts is not effective explained that the balances of the amounts owing might be known but no payments have been made and this does not improve the liquidity of the organisation. Four of the ten respondents explained that there is no guarantee of payment even if the debtors know the amounts they are supposed to pay and therefore liquidity cannot be improved. Their view is supported by Pigula and Marta (2015) who asserts that keeping debtors accounts is not effective in debt management because the amounts that are owed might be ascertained but there is no guarantee of payment by the debtors and this does not improve the liquidity of the organisation. One respondent did not respond to the questionnaire because they were not aware of how keeping debtors' accounts work.

Two of seven respondents were of the view that keeping debtors accounts is effective as it helps in making follow ups. Five of the respondents argued that payment is certain since the debtor knows the actual amount that they owe. This is supported by Duru and Ubesie (2016) who explained that maintaining debtors' accounts is effective as it enables the organisation to identify debtors' behaviour in payment and this enables the college to know when to expect certain amounts from their debtors. Harare Polytechnic College is keeping debtors accounts but they are using a manual system and this makes the system ineffective as it is sometimes difficult to ascertain the correct debtor's balances. With the modal response rate of 55% who agree that keeping debtors accounts is ineffective, the researcher concluded that keeping debtors accounts in not effective in managing debt at Harare Polytechnic College.

4.3.4 Debtor circularization

Table 4:5 Responses on debtor circularization

	No payment received	**No response from debtors**	**Not effective**	**No response**	**Know existence of the debtor**
Respondents	8	3	2	3	2
%Respondents	44%	17%	11%	17%	11%

According to Table 4:5 above, 8/18(44%) respondents said that debtor circularization is ineffective as there is no payment received. Table 4:5 above indicates that 3/18(17%) respondents argued that debtor circularization is ineffective as some of the debtors might not respond to the confirmations. 11%(2/18) of the respondents indicated that debtor circularization is ineffective in debt management. Table 4:5 also illustrates that 17%(3/18) respondents did not respond to the questionnaire. 11%(2/18) respondents indicated that debtor circularization is effective as it helps know the existence of the debtor.

From the information presented above, eight of thirteen respondents who indicated that debtor circularization is ineffective explained that there is no payment received even if the debtors have been sent confirmations to confirm their amounts owing. Three of the thirteen respondents explained that some of the debtors might not respond to the confirmations sent to them and this does not improve the liquidity of the organisation. Two of the thirteen respondents indicated that the use of debtor circularization is not effective in debt management. This is supported by Emmanuel (2013) who asserts that debtor circularization does not improve the liquidity of an organisation in that the debtor might agree to the amounts that they owe but might not have sufficient funds to cover for the debts. Also, Fuzi et al (2013) supports by saying that some of the debtors might be fraudsters and hence they might refuse to take ownership of the amounts they owe and this implies that no payment will be received from them and this does not improve the liquidity of an organisation.

Two respondents indicated that debtor circularization is effective as it helps notify the existence of the debtor and also for the debtor to agree the amounts owed. Their view is supported by Ksenija (2013) who said that debtor circularization is effective in that sending the confirmation to the debtor might act as a reminder to them of the debt they had forgotten about and payment will be certain and this improves the liquidity of an organisation. Debtors at Harare Polytechnic College are asked to confirm their balances but very few respond to these and this affects the management. With the modal response rate of 61% who said that debtor circularization is ineffective, the researcher concluded that debtor circularization is ineffective in debt management at Harare Polytechnic.

4.4 Challenges faced by the current debt management system

4.4.1 Lack of adequate skills

Table 4:6 Responses on Lack of adequate skills

	Increase in mistakes	**Wrong implementation of systems**	**Ineffective debt management**	**No effect**
Response	4	6	3	5
% respondents	22%	33%	17%	28%

According to Table 4:6 above, 22%(4/18) respondents are of the view that lack of adequate skills is a challenge in debt management as it increases errors and mistakes. Table 4:6 above also illustrates that 6/18(33%) respondents support that lack of adequate skills leads to the implementation of wrong debt management techniques. 17%(3/18) respondents support that lack of adequate skills is a challenge as it leads to ineffective debt management as indicated by Table 4:6 above. 5/18(28%) respondents are of the view that lack of adequate skills has no effect on debt management and it does not pose as a challenge. Four out of thirteen respondents who supported that lack of adequate skills is a challenge in debt management explained that it leads to an increase in mistakes and errors. Six of these respondents argued that lack of adequate skill leads to the wrong implementation of techniques in debt management. Three of the thirteen respondents explained that lacking adequate lead to ineffective management of debt. This is supported by Emmanuel (2013) who alluded that inadequate knowledge of debt management systems leads to wrong application of debt management methods because they will not know how best to handle debt so that those who owe can pay up on time and therefore it makes it difficult to improve the liquidity of the organisation

Five of eighteen respondents argued that lacking skills has no effect on debt management. Their view is supported by Margret et al (2014) who argues that there are other challenges that affect the debt management and these include the heavy costs associated with debt management and these hinder performance because there will be costs associated with the training of employees to attain adequate skills and this affects the liquidity. Most of the personnel employed at Harare Polytechnic College do not possess the required skills and they are not sent on workshops and seminars to increase their knowledge and this will not improve their skills in the handling of tasks. This is supported by the 13/18 respondents who agreed that lack of adequate skills is a challenge in debt management and the researcher therefore concluded that lack of adequate skills is a challenge in debt management at Harare Polytechnic College.

4.4.2 Poor leadership skills

Table 4:7 Responses on Poor leadership skills

	Wrong implementation of systems	**Failure to trace debtors**	**Ineffective execution of tasks**	**No proper leadership**	**No response**	**not a challenge**
Responses	2	2	2	6	1	5
%Respondents	11%	11%	11%	33%	6%	28%

According to Table 4:7 above, 2/18(11%) respondents support that poor leadership skills are a challenge in debt management as they lead to wrong implementation of techniques. According to Table 4:7 above, 2/18(11%) respondents are of the view that there will be failure to trace the debtors if there is poor leadership skills. 2/18(11%) respondents indicate that there will be ineffective execution of tasks by those at the lower if there are poor leadership skills. 33%(6/18) respondents indicate that pool leadership skills result in poor leadership to those at the lower. 1/18(6%) respondents did not respond. 28%(5/18) respondents indicate that it is not the problem of poor leadership skills that makes the debt management not being effective. From the information presented above, two of the twelve respondents who supported that poor leadership skills are a challenge in debt management explained that it leads to the wrong implementation of systems by those at the lower levels and liquidity cannot be improved. Two of the twelve indicated that it leads to ineffective execution of tasks by those at the lower as they will be reluctant to do their work effectively. Six of the respondents who said that poor leadership skills are a challenge in debt management explained that if those at the top lack leadership skills, they will not enforce the proper leadership that is required of them. This is supported by Addaney et al (2013) who indicated that poor leaders fail to guide the subordinates in implementing the correct methods in managing debt and this does not improve the liquidity of an organisation as less revenue will be received

One respondent did not respond to the challenge of poor leadership skills in debt management. Five respondents were of the view that poor leadership skills are not a challenge in debt management. This is supported by Kasidi and Said (2013) who asserts that leadership does not wholly affect debt management, rather there are other factors that affect the debt management and these include lack of adequate skills because when employees lack the required skills they tend to use wrong applications of debt management and this affects the liquidity of the organisation. The top management at Harare Polytechnic College do not make follow ups on those in the accounts department responsible for managing debt to see if they are being effective in their execution of tasks and this has therefore led to the debtors' figures increasing and liquidity of the college decreasing. With a modal response rate of 66% agreeing that poor leadership skills affect the debt management at the college, the researcher concluded that poor leadership skills are a challenge in debt management.

4.4.3 Incompetent staff

Table 4:8 Responses on incompetent staff

	Increase errors and mistakes	**No follow ups**	**Not a challenge**
Responses	10	5	3
% respondents	56%	28%	16%

According to Table 4:8 above, 56%(10/18) respondents agree that incompetent staff lead to the increase in errors and mistakes and this poses as a challenge in debt management. 5/18(28%) respondents support that incompetent staff is a challenge in debt management as it leads to increase in no follow ups of debtors. According to Table 4:8 above, 16%(3/18) respondents say it is not a challenge in debt management as it has no effect. From the information presented above, ten of fifteen respondents supported that incompetent staff is a challenge in debt management as it leads to an increase and errors at the workplace. Five of the respondents argued that incompetent staff remains a challenge as it leads to no follow up on debtors due to laziness. This is supported by Abbas (2014) who said that due to incompetence of staff, errors tend to increase and an increase in these lead to an increase in expenses and this does not improve the liquidity of an organisation.

Three of the respondents indicated that incompetent staff is not a challenge in debt management. This is supported by Addaney (2016) who explained that there are other challenges that affect debt management which include poor leadership skills because if the leadership skills are poor, they tend to ignore what those that are responsible for debt are doing and this does not improve the liquidity of the organisation as less revenue will be received. The staff employed in the accounts department is not effective in their execution of tasks and they do not put management of debt as a priority and this leads to no effective debt management as indicated by the increase in debtors balances over the years with no sign of payment. With 15/18 respondents arguing that incompetent staff is a challenge in debt management, the researcher therefore concluded that incompetent staff is a challenge in debt management.

4.4.4 Heavy costs associated with debt management

Table 4:9 Responses on heavy costs associated with debt management

	Reduced revenue	**Extra costs**	**No effect**
Responses	11	3	4
% responses	61%	17%	22%

According to Table 4:9, 61%(11/18) respondents indicated that heavy costs associated with debt management are a challenge in debt management as they lead to reduced revenue. 17%(3/18) respondents indicate that heavy costs are a challenge as they increase operational coats of the college. 4/18(22%) respondents reviewed that heavy costs associated with debt management are a challenge in debt management. From the information presented above, eleven of fourteen respondents supported that heavy costs associated with debt management are a challenge in debt management as they lead to reduced revenue. Three of the fourteen argued that for debt management systems to be implemented successfully they are costly and also training of employees to attain required skills is costly. This is supported by Oluwagbeminga et al (2014) who said that training of debt management staff to possess the required skills tends to be costly as money will be required for them to go for training and this affects the liquidity of the organisation.

Four respondents indicated that there are no heavy costs associated with debt management. These respondents indicated that if debt is managed effectively there will be no costs associated with it as the correct systems will be used. This view is supported by Premala et al (2015) who said that debt management is not the only challenge in debt management as there are other challenges that include poor leadership skills whereby poor leaders fail to guide the subordinates in implementing the correct methods in managing debt and this does not improve the liquidity of an organisation as less revenue will be received. As a means to manage debt effectively, Harare Polytechnic College is embarking on a programme that will ensure a computerised system to manage debt and this costly to the college. With a modal response rate of 78% who agree, the researcher concluded that there are heavy costs associated with debt management.

4.5 Ways that can improve the current debt management system

4.5.1 Training employees

Raw Data: Responses on training of employees

	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly disagree**
Respondents	8	7	1	1	1

Fig 4:1 Responses on training of employees

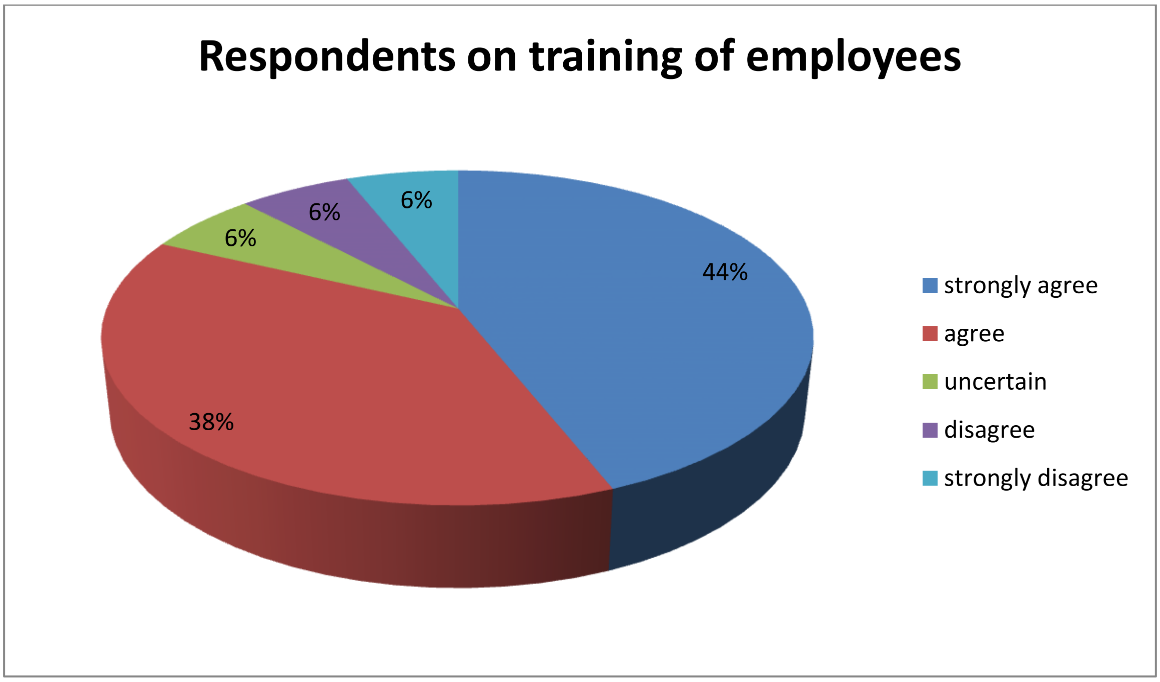


Fig 4:1 above illustrates that 8/18(44%) respondents strongly agree that training can be used as a way of improving the current debt management system and 7/18(38%) of the respondents also agree that training of employees improves the debt management system. As evidenced by Fig 4:1 above, 1/18(6%) of the respondents are uncertain that training of employees improves the current debt management system of the college. According to Fig 4:1 above, 1/18(6%) of the respondents disagree that training of employees improves the debt management system at the college. Fig 4:1 above also stipulates that 1/18(6%) of the respondents strongly disagree that training of employees improves the current debt management system. From the information presented above, fifteen of the eighteen respondents agreed that through training of employees, the debt management system can be improved. This is supported by Ksenija (2013) who is of the view that if employees are trained, they can easily increase their own ability to adapt to new technology and methods and debt management can be more effective and performance can be guaranteed.

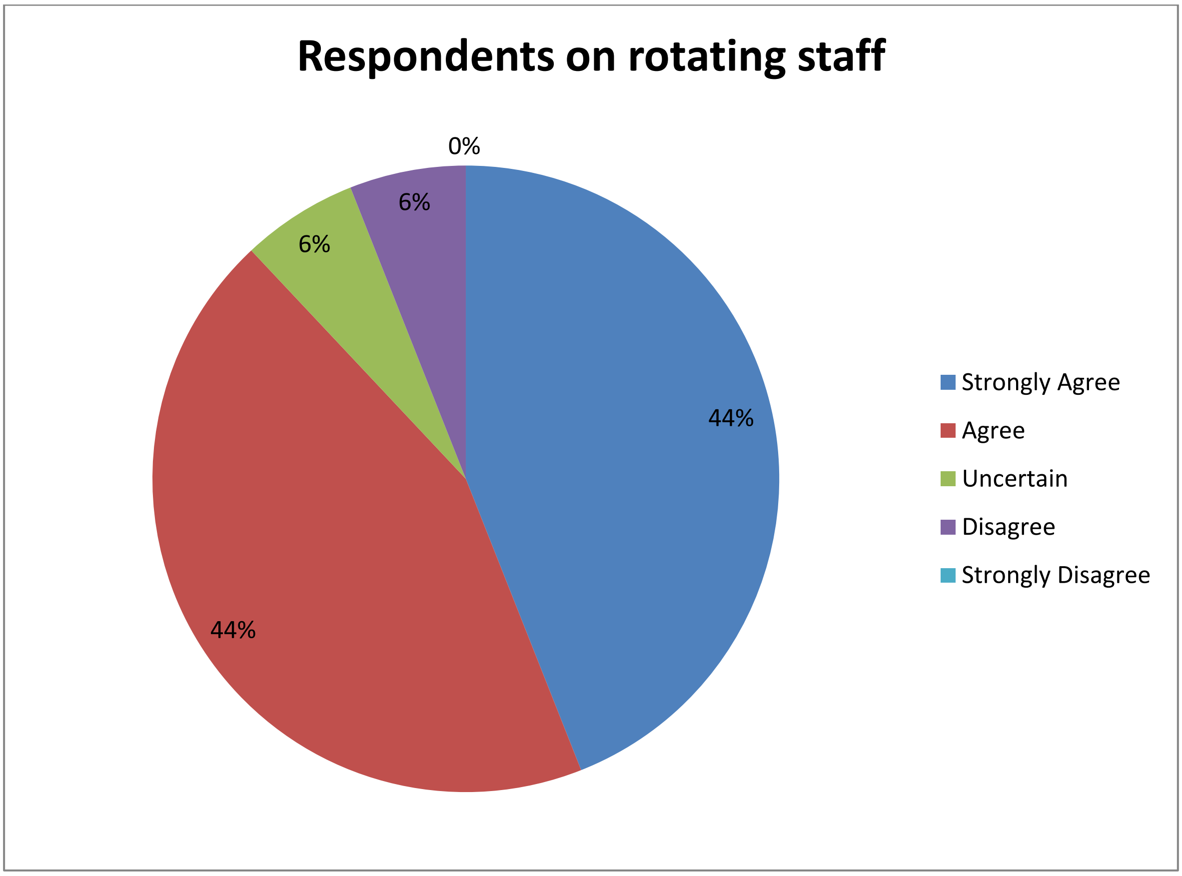
One of eighteen respondents is uncertain on whether training of employees improves the debt management. One of eighteen respondents disagrees and one strongly disagree that training employees improves the current debt management system. These are supported by Addaney et al (2016) who assert that training of employees does not enhance performance as there will be need for adequate qualifications for those who will be training them. Employees at Harare Polytechnic College are lacking training and this had led to these individuals failing to manage debt properly as indicated by the increase in debtors balances each year. Based on the modal response rate of 82% respondents who agree, the researcher concluded that that training of employees improves the current debt management system.

4.5.2 Rotating staff

Raw data: Responses on rotating staff

	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly disagree**
Respondents	8	8	1	1	0

Fig 4:2 Responses on Rotating Staff



According to Fig 4:2 above, 8/18(44%) of the respondents strongly agree that rotating staff improves the current debt management system. Fig 4:2 above also illustrates that 44%(8/18) of the respondents agree that rotating staff improves the current debt management system. Fig 4:2 also illustrates that 6 %(1/18) respondents are uncertain on whether rotating staff improves the debt management system. 6 %(1/18) respondents disagree that rotating staff improves the debt management system as indicated by Fig 4:2 above. The above Fig 4:2 also indicates that 0%(0/18) respondents strongly disagree that rotating staff improves the current debt management system. Ten of fifteen respondents strongly disagree that rotating staff improves the current debt management system and five of the fifteen respondents agree that rotating staff improves the current debt management system. Addaney (2016) supports this by saying that rotating the debt management staff gives them room to identify what they are good at and what they enjoy doing and it provides fresh perspectives on existing roles and this leads to innovation and greater efficiency and liquidity can be improved.

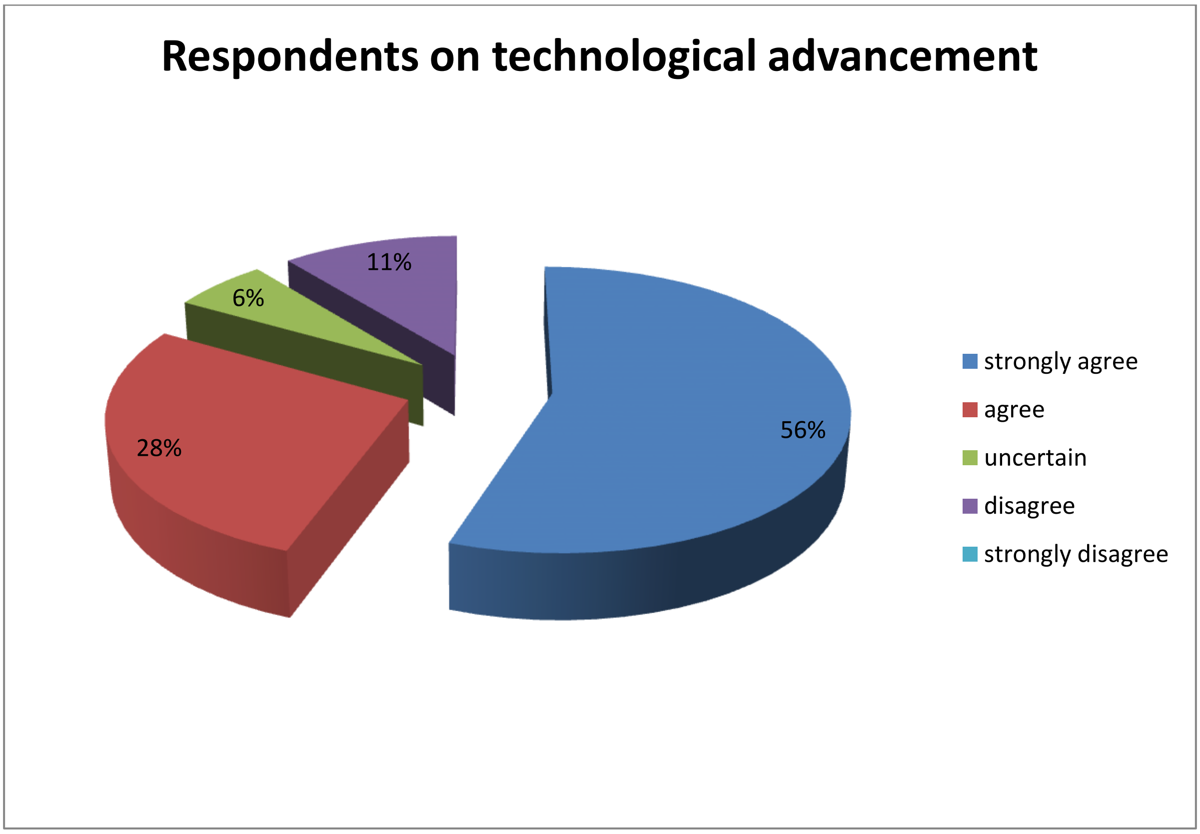
One of eighteen respondents disagrees and one of eighteen respondents strongly disagree that rotating staff improves the current debt management system. These are supported by Ozurumba and Anayochukwu (2014) who illustrates that some of the staff may resist to rotation because some of the employees will be comfortable in their positions and are often reluctant to rotate into other spots and this hinders the performance of the organisation. Most of the accounts personnel are not annually rotated (Finance Minutes 2015). They spend more than a year on one desk dealing with the same job and one who will be managing debt is not rotated and this will therefore lead to boredom and debt is not managed effectively. With the modal response rate of 88% who agree and strongly agree, the researcher concluded that rotation of staff improves the current debt management system.

4.5.3 Technological advancement

Raw data: Responses on technological Advancement

	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly Disagree**
Respondents	10	5	1	2	0

Fig 4:3 Responses on Technological Advancement



According to Fig 4:3 above, 56%(10/18) respondents strongly agree that technological advancement improves the current debt management system. Fig 4:3 above also illustrates that 5/18(28%) respondents agree that through technological advancement, debt management can be improved. As evidenced by Fig 4:3 above, 1/18(6%) respondents are uncertain on whether technological advancement improves the debt management system. 11%(2/18) respondents disagree that technological advancement improves the debt management system as evidenced by the Fig 4:3 above. 0/18(0%) respondents strongly disagree that technological advancement improves the current debt management system. From the information presented above, 56% respondents who strongly agree and 28% who agree confirm that technological advancement improves the current debt management system. In support of this, Nwude et al (2016) said that technological advancement improves the performance of an organisation as it shows people a more efficient way of handling debt and results can be obtained.

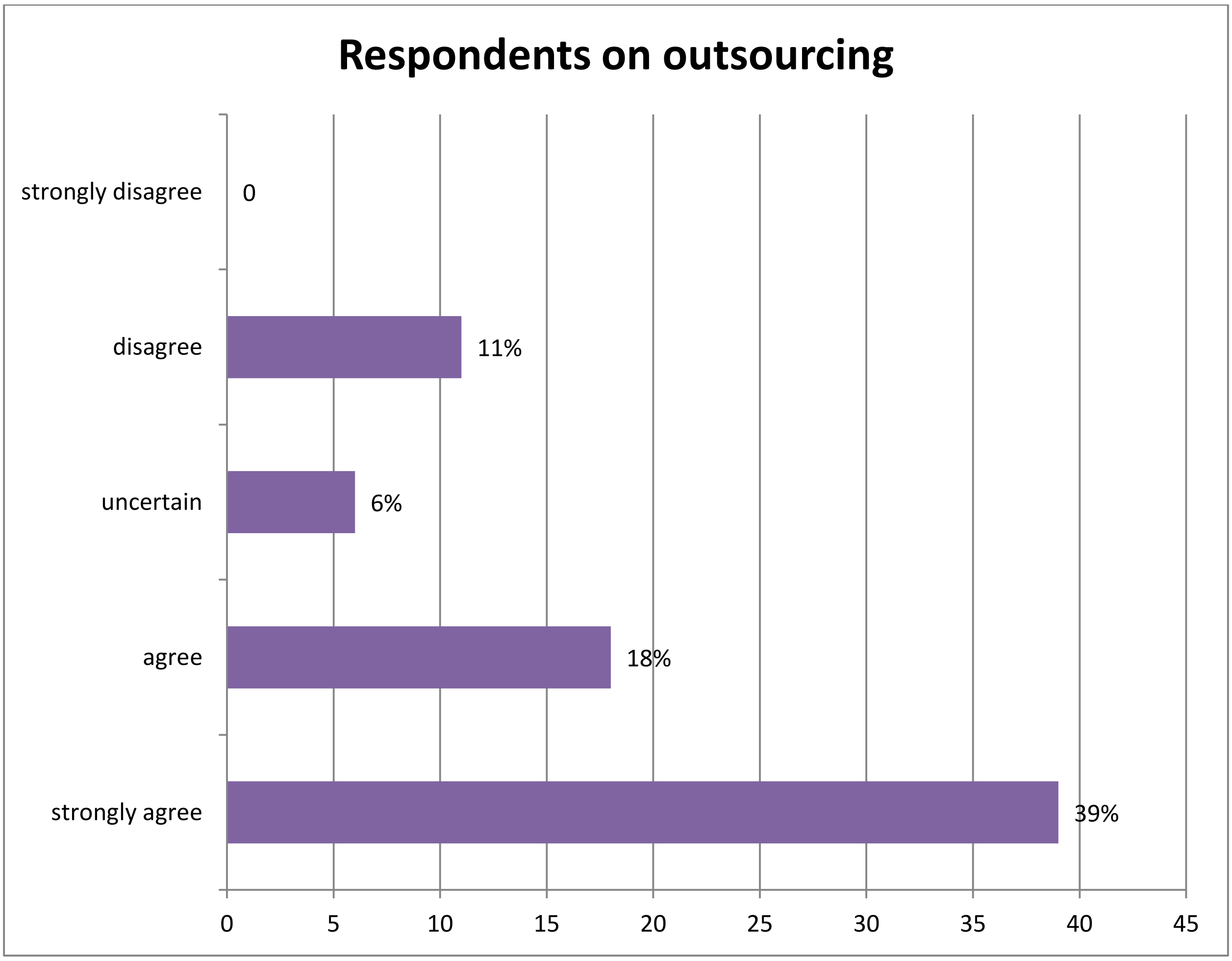
Two of eighteen respondents and zero of eighteen respondents disagree that technological advancement improves the debt management at the college. The two respondents that disagree are supported by Ijirshar et al (2016) who indicated that since the society is becoming more advanced by the day, it implies that people depend more on the use of computers and therefore if the computer crushes people will become almost disabled until the issue is resolved. Harare Polytechnic College is still lagging behind in terms of technology as it is still using the manual system to bill its debtors. This has led to the mismanagement of debt as evidenced by their system of keeping debtors accounts manually which is currently not effective. With the moderate response rate of 84% respondents who agree that technological advancement improves the debt management system, the researcher concluded that indeed technological advancement improves the current debt management system.

4.5.4 Outsourcing

Raw data: Responses on outsourcing

	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly disagree**
Respondents	7	8	1	2	0

Fig 4:4 Responses on outsourcing



According to Fig 4:4 above, 7/18(39%) respondents strongly agree that outsourcing of debts improves the current debt management system. Fig 4:4 above also indicates that 44%(8/18) respondents agree that outsourcing improves the current debt management system. As evidenced by Fig 4:4 above, 1/18(6%) respondent is uncertain that outsourcing improves the current debt management system. 11%(2/18) respondents disagree that outsourcing improves the current debt management system as evidenced by Fig 4:4 above. Fig 4:4 above also indicates that 0%(0/18) respondents strongly disagree that outsourcing improves the current debt management system. From the information presented above, fifteen of the eighteen respondents agree that outsourcing improves the debt management at the college. These respondents are supported Fuzi et al (2013) who alluded that outsourcing allows staff more time to go back to their core business activities whilst specialists will do the debt recovery and this improves the debt management system.

One of the eighteen respondents is uncertain on whether outsourcing of debts improves the debt management of the college. Two of the eighteen respondents disagree that the use of outsourcing improves the debt management at the college. The views of these respondents is supported by Emmanuel (2013) who indicated that outsourcing does not improve the debt management system as there will be less control over the actions of the specialist. Harare Polytechnic College is having trouble managing its current debt as evidenced by the increase in debtors balances each year. The personnel are failing to manage debt as there are many students employed at the college and there is staff shortage at the college. With the modal response rate of 83% who agree that outsourcing improves the current debt management system, the researcher concluded that outsourcing improves the current debt management system.

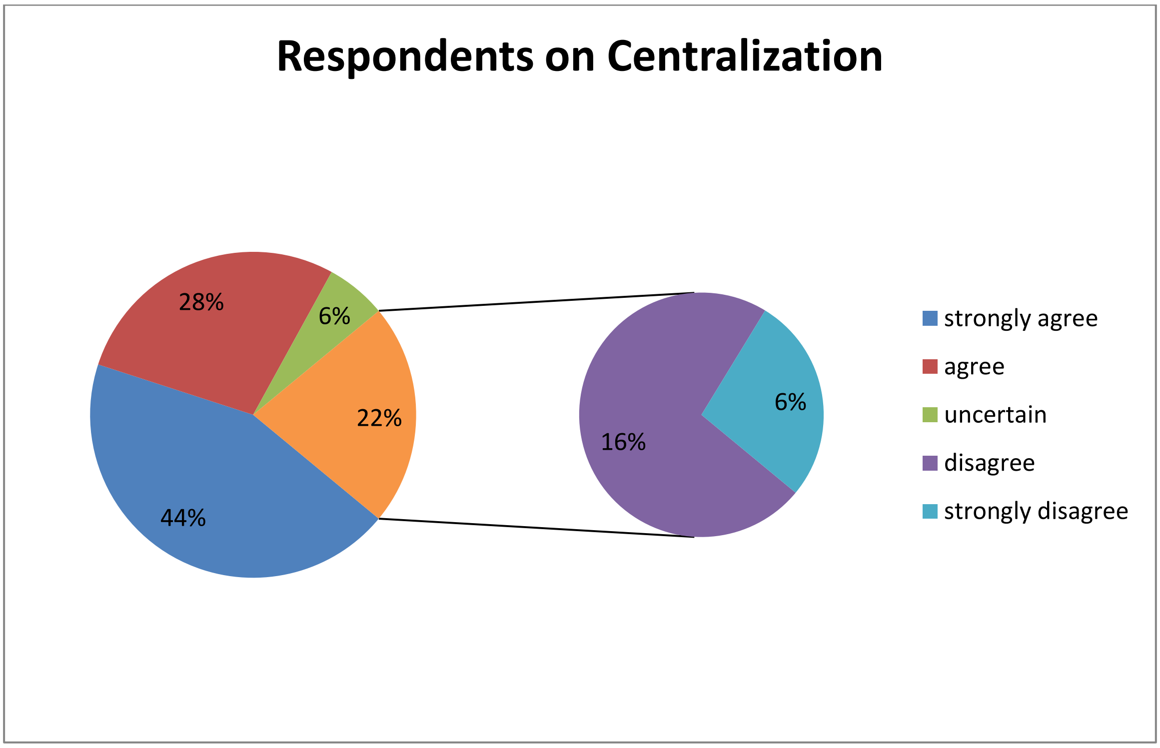
4.6 Best practices in debt management

4.6.1 Centralization

Raw data: Responses on centralization

	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly disagree**
Respondents	8	5	1	3	1

Fig 4:5 Responses on centralization



According to Fig 4:5 above, 8/18(44%) respondents strongly agree that centralization can be used as a best practice in debt management. 28%(5/18) respondents also agree that centralization is the best practice in debt management. From the information provided by Fig 4:5 above, 1/18(6%) respondents are uncertain on whether centralisation is best practice on debt management. 3/18(16%) respondents disagree that centralization is the best practice in debt management as indicated by Fig 4:5 above. There is also 1/18(6%) respondents strongly disagree that centralization is the best practice in debt management as evidenced by Fig 4:5 above. From the information presented above, eight of eighteen respondents strongly agree that centralization is a best practice and five respondents agree that is a best practice in debt management. This is supported by Addaney at al (2016) who indicates that consolidation of collection functions reduces redundancy, significantly improve debt management and streamline and standardise the collection process at a superior level of efficiency and effectiveness thereby improving the performance of an organisation.

One of the eighteen respondents who are uncertain about whether centralization is the best practice in debt management are not sure of how centralization operates and where not in a position to comment on whether it is effective or not. Three respondents disagree and one strongly disagree that centralization is the best practice in debt management as it does not improve the liquidity of the college. Their view is supported by Habib et al (2016) who indicate that centralisation of the debt management does not always enhance performance in that having a single debt managing department managing multiple locations might damage the relationship with clients. Given the current situation at Harare Polytechnic college whereby the current debt management system is not being effective, centralizing debts is effective in managing debt as evidenced by the 13/18 respondents who agreed that it is a best practice in debt management. The researcher therefore concluded that centralization is the best practice in debt management.

4.6.2 Debt factoring

Raw Data: Responses on Debt Factoring

	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly disagree**
Respondents	7	6	2	2	1

Fig 4:6 Responses on debt factoring

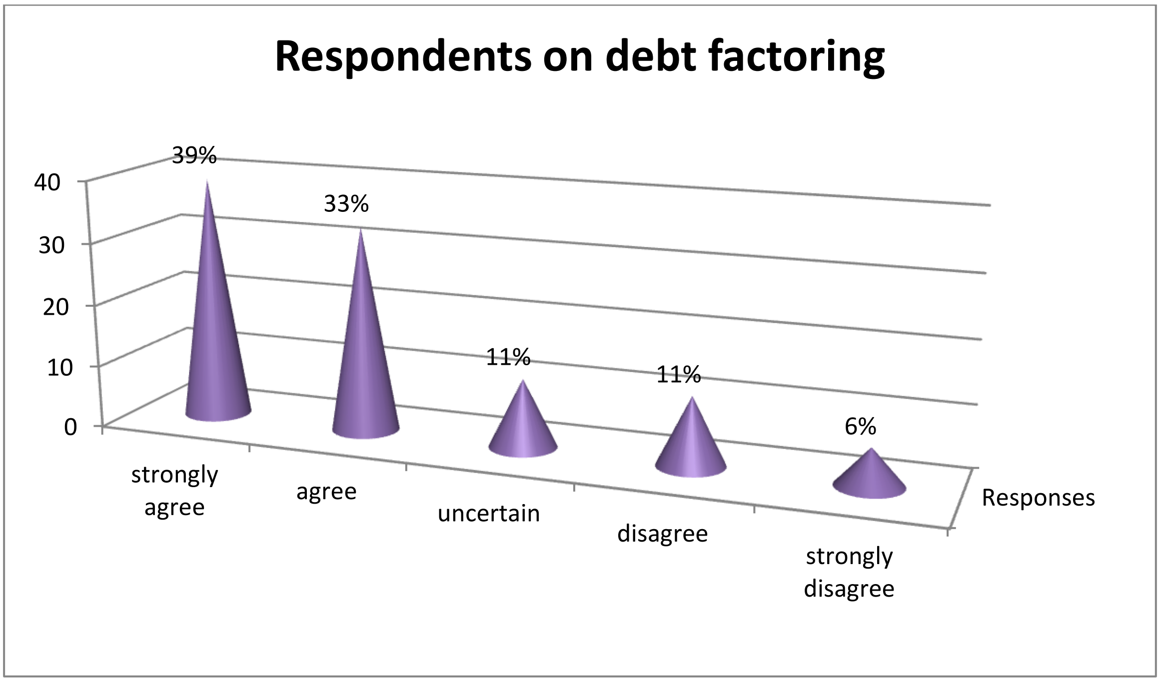


Fig 4:6 above indicates that 36%(7/18) respondents strongly agree that debt factoring is the best practice in debt management. According to Fig 4:6 above, 6/18(33%) respondents agree that debt factoring is the best practice and it enhances the financial performance of the organisation. 2/18(11%) respondents are uncertain on whether debt factoring can enhance the financial performance of the college. 11%(2/18) respondents disagree that debt factoring is the best practice in debt management. According to Fig 4:6 above, 1/18(6%) respondents strongly disagree that debt factoring is the best practice in debt management. From the information presented above, seven of eighteen respondents strongly agree and six of the eighteen respondents agree that debt factoring is a best practice in debt management as it improves the liquidity of the college. This notion is supported by Emmanuel (2013) who explained that the debt factoring agency will recover 50-90% of the invoiced amount per agreement and the college will receive money quickly thereby increasing the performance of an organization

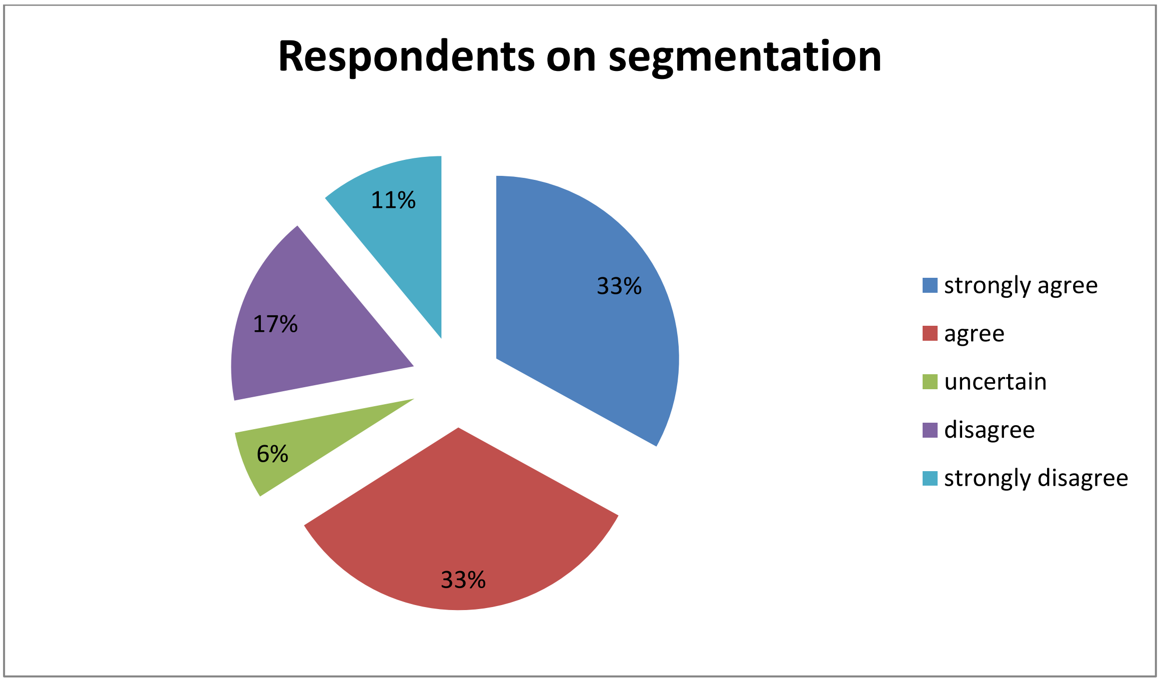
Two of the eighteen respondents are uncertain on whether debt factoring can improve the financial position of the college. Two of eighteen respondents and one of eighteen respondents disagree that debt factoring is ineffective in debt management and therefore it does not improve the liquidity of the college. This is supported by Ksenija (2013) who said that debt factoring does not always increase the performance of an organisation as there is a high risk of harming customer relations because if the factor is not professional enough, chances are that the relationship with clients can turn negative. With the current debt management systems at Harare Polytechnic College not being effective, factoring debts can be implemented as the best practice in debt management. With the modal response rate of 72% respondents agreeing that debt factoring is the best practice in debt management the researcher concluded that debt factoring is a best practice in debt management.

4.6.3 Segmentation

Raw data: Responses on segmentation

	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly disagree**
Respondents	6	6	1	3	2

Fig 4:7 Responses on segmentation



According to Fig 4:7 above, 6/18(33%) respondents strongly agree that segmentation is the best practice in debt management. Fig 4:7 also indicates that 33%(6/18) respondents agree that segmentation enhances the financial performance of the college. As indicated by Fig 4:7 above, 6%(1/18) respondents are uncertain on whether segmentation is the best practice in debt management. According to Fig 4:7 above, 3/18(17%) respondents disagree that segmentation is the best practice in debt management. According to Fig 4:7, 2/18(11%) respondents strongly disagree that segmentation of debtors is the best practice in debt management. From the information presented, it is indicated that six of eighteen respondents strongly agree and six of the eighteen respondents agree that segmentation is best practice in debt management and it improve liquidity. This is supported by Dutta (2017) who indicate that segmenting debtors can increase the performance of an organisation because the larger number of delinquent accounts if they are carefully and intelligently classified can be handled according to a fixed routine so that a large part of work can be done by managers' assistants.

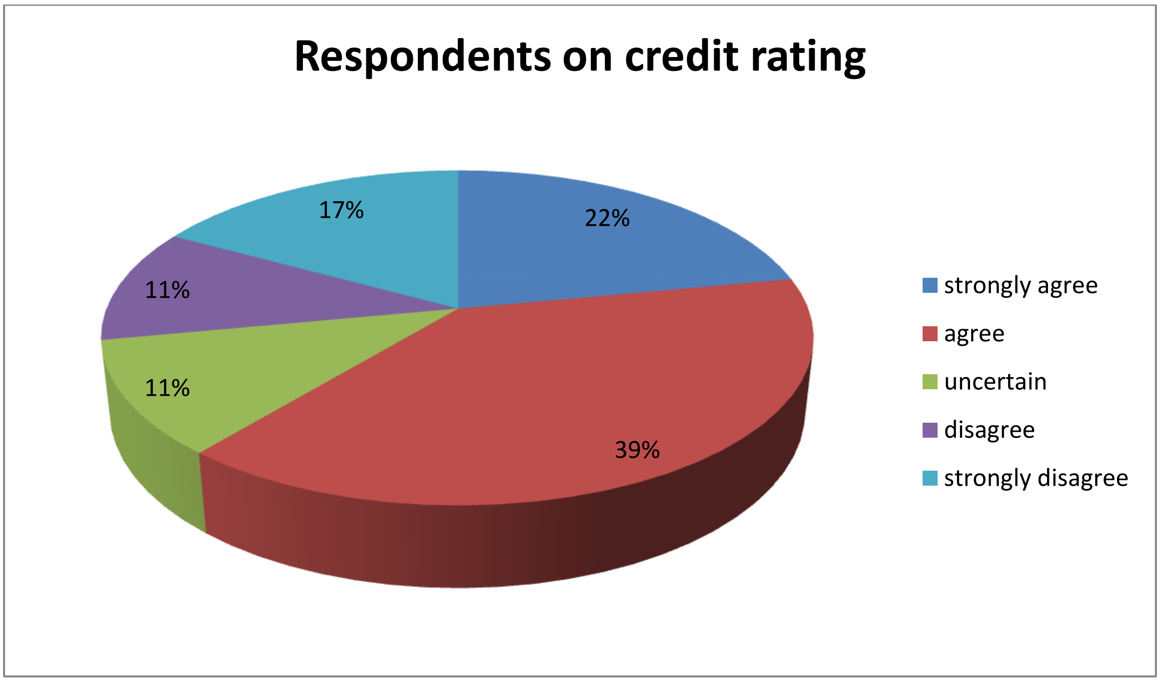
One of eighteen respondents is uncertain on whether segmentation is the best practice in debt management as the respondent is not aware of segmentation and its implication on the financial performance of an organisation. Five of eighteen respondents disagree that segmentation is the best practice in debt management. Their notion is supported by Colla et al (2013) who assert that if effective classification of debtors is not achieved early, classification becomes a difficult task and this therefore makes it important to do follow ups on these debtors and monitor the number of days any debtor falls past due. Given that the use of segmentation helps classify debtors, Harare Polytechnic College can implement segmentation as a best practice in debt management. With a modal response rate of 66%, the researcher concluded that segmentation is a best practice in debt management.

4.6.4 Credit rating

Raw data: Responses on credit rating

	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly disagree**
Respondents	4	7	2	2	3

Fig 4:8 Responses on credit rating



According to Fig 4:8 above, 4/18(22%) respondents strongly agree that credit rating is the best practice in debt management. 7/18(39%) respondents agree that credit rating is best practice in debt management as indicated by Fig 4:8 above. According to Fig 4:8 above, 11%(2/18) respondents are uncertain on whether credit rating is the best practice in debt management. Fig 4:8 above also indicates that 11%(2/18) respondents disagree that credit rating is the best practice in debt management. It is also indicated by Fig 4:8 above that 17%(3/18) respondents strongly disagree that credit rating is the best practice in debt management. From the information presented above, four of eighteen respondents strongly agree and seven of eighteen respondents agree that credit rating is a best practice in debt management. Their view is supported by Murcia et al (2014) who said that credit rating gives investors an idea about the creditability of the issuer company and the risk factor that is attached to a particular instrument and this enhances performance since higher rating implies willingness to invest in these instruments.

Two of eighteen respondents are uncertain on whether credit rating improves the financial performance of an organisation. Two of the eighteen respondents disagree and three of eighteen respondents strongly disagree that credit rating is effective in debt management. This notion is supported by Bayar (2014) who said that credit rating does not always enhance financial performance as it might be biased or misinterpreted due to the fact that companies that have lower rating or grading do not advertise or use the rating while raising funds from the public. Credit rating enables Harare Polytechnic College to know the creditability of the debtors. With the response rate of 61% who agree that credit rating is the best practice as it enhances performance, the researcher concluded that credit rating is one of the best practices in debt management.

4.7 Interview responses

As indicated in chapter 3, an interview guide was made for some of the participants in the accounts and finance department at Harare Polytechnic College. The trio had a deeper understanding of the research problem and all three interviews were successfully held.

4.7.1 How effective is the debt management methods employed by Harare Polytechnic College?

The first respondent pointed out that indeed the debt management systems being used at the college are ineffective. The respondents explained that even though they were using their systems to manage debt, they were not effective and was evidenced by the debtor's amounts at the end of each reporting period. The respondent also argued that the college is lacking a proper system that can help them manage debt effectively. The respondent spoke about payment plans. The respondent also pointed out that even though the college is offering payment plans to the students, some of them are failing to honour the terms and therefore at the end of the day no revenue will be received in respect of the debt. The respondent is supported by Titus et al (2016) who explained that payment plans do not improve the liquidity of the organisation since some of the people who owe money might fail to pay the amounts they owe in the agreed time frame and this means that the liquidity of the organisation cannot be improved.

The second respondent explained that the management systems at the college are not being effective as they are characterised by less revenue received at the end of the period. The respondent supported the first respondent by saying that the debtors amounts continue to increase each year which is indicative of that no effective management of debt is available at the college. The respondent spoke about keeping debtors accounts. The respondent also pointed out that although the accounts department are keeping debtors accounts, they are failing to ascertain the actual amounts due to lack of an adequate system that is computerised to manage debt. The second respondent's point is supported by Pigula and Marta (2015) who explained that keeping debtors accounts is not effective in debt management because the amounts that are owed might be ascertained but there is no guarantee of payment by the debtors and this does not improve the liquidity of the organisation.

The third respondent was of the same view as the first and second respondent. The respondent indicated that the debt management method that is being used by the college is not effective. The respondent said that the systems they are using are not effective and revenue that is received is reduced each year. The respondent also pointed out that due to the ineffective of these systems, the college is now unable to pay its debts that it owes to various suppliers. Lastly, the respondent indicated that the college needs to adapt to new systems that will ensure that debt is managed effectively so as to enhance the financial performance of the college.

From the interview responses, the researcher therefore concluded that the debt management methods employed by the college are ineffective. The fact is also revealed by the questionnaire responses. The interview also reviewed that keeping of debtors accounts is ineffective in debt management. This is revealed by the questionnaires. Another factor that is revealed by the interview responses is the fact that ineffective management of debt reduces revenue collected. Revenue that is collected will then be used to pay the college's financial. The interview also revealed that the current debt management is ineffective as there is failure to pay the college's own debts they owe to suppliers. This is not revealed in the questionnaire. The interview also revealed that the college is lacking a system that is computerised to manage its debts effectively. This is not revealed in the questionnaire.

4.7.2 What are the challenges being faced by the current debt management system?

The first respondent said that the major challenge that is being faced by the debt management system is lack of adequate skills. The respondent mentioned that personnel employed in the accounts department lack the adequate skills in terms of debt management and therefore they will continue to make mistakes and errors. The respondent pointed out that due to the fact that they lack the appropriate skills needed it means that they will not be able to account for debt effectively and wrong amounts will be recorded and therefore a debtor might be sent the wrong amounts that they owe. The first respondent's view is supported by Margret et al (2014) who alluded that inadequate knowledge of debt management systems leads to wrong application of debt management methods because they will not know how best to handle debt so that those who owe can pay up on time and therefore it makes it difficult to improve the liquidity of the organisation. The respondents also indicated that there is lack of a sound strategy in managing debt.

The response of the second respondent was that debt management is characterised by heavy costs. The respondent pointed out that for debt to be managed effectively there needs to be a system that is computerised that will ensure that all amounts are accounted for effectively. The respondent further highlighted that for the college to have such a system, it is very costly to implement and therefore it means that the college will have extra costs. The respondent also said that personnel that manage debt need to be trained continuously so that they are possess the correct skills and this increase the costs of the college. The respondent's view is supported by Oluwagbeminga et al (2014) who is of the notion that training of debt management staff to possess the required skills tends to be costly as money will be required for them to go for training and this affects the liquidity of the organisation. The respondents also pointed out that there is insufficient knowledge of debt management techniques at the college and this is a great challenge.

The third respondent pointed out that those who are at the top sometimes are not really concerned with what the lower levels are doing. For instance, the respondent pointed out that the top management do not do follow ups on how debt is being managed. The researcher pointed out that when it comes to debt management, everyone needs to be involved so as to ensure that proper systems and the current systems are being maintained properly. The respondent also illustrated that if those at the top do not have the actual skills needed, communication with the subordinates is affected and decisions will not be passed effectively. This view is supported by Margret et al (2014) who indicated that poor leaders fail to identify those issues that might be standing in the way of making debt management effective in improving liquidity and this poses as a challenge in debt management.

From the interview responses, the researcher concluded that top management at Harare Polytechnic College do not make follow ups on those in the accounts department responsible for managing debt to see if they are being effective in their execution of tasks and this has therefore led to the debtors' figures increasing and liquidity of the college decreasing. This is also illustrated in the questionnaire responses. The responses from the interview also revealed that another challenge that heavily affects debt management is the heavy costs that affect the debt management. This is also revealed in the questionnaire responses. The interview responses also revealed that there is insufficient knowledge of debt management techniques at the college. This is not revealed in the questionnaires. The interview also revealed that there is no sound strategy in management at the college. This is not revealed in the questionnaires.

4.7.3 What other ways can be used to improve the debt management?

The first respondent pointed out that to improve the current debt management system at the college, the college need to move in tandem with the current technology. The respondent indicated that if a proper accounting system is implemented at the college to manage debt, this enables the debtors to be traced in a short period of time. The respondent also pointed out that due to the fact that the college is still using a manual system for all its accounts receivables, a system needs to be implemented that will ensure the smooth flow of operations. The respondents view is supported by Margret et al (2014) who indicated that poor organisational structure negatively affects the debt management systems because if there is a long structure, communication down the hierarchy may be distorted and decisions may change.

The second respondents indicated that the personnel employed in the accounts department need to be continuously trained so that they can be equipped with the current knowledge on debt management. The respondent also pointed out that by getting adequate training, it enables the personnel to be able to adapt to new technology and it helps them to be able to use these systems appropriately. This is supported by Ksenija (2013) who said that if the employees are trained, they can easily increase their capacity to adapt to new technology and methods and debt management can be more effective and performance can be guaranteed. The respondent also pointed out that the college needs to employ more staff for proper management of debts.

The third respondent emphasised that personnel handling debt should not remain at the same spot for more than a year. The respondent indicated that staff has to be rotated so that they cannot spend the whole year doing the same thing and at the end of the day it becomes boring and therefore they will fail to manage debt properly and performance cannot be enhanced. The respondent also supported what the second respondent said that the personnel need to be continuously trained.

From the interview responses, the researcher concluded that there are ways that can improve the challenges that are being faced by the current debt management system at Harare Polytechnic College. This is supported by the responses in the questionnaire. The interview responses also revealed that technological advancement, training staff and rotating staff improves the current debt management system of the college and this was again showed in the questionnaire responses. All these are revealed in the questionnaires. The interview also reviewed that the college can employ more staff so as to enable the proper management of debt, such that there will be no boredom as one person will now be dealing with less individuals. This is not revealed in the questionnaires.

4.7.4 What are the best practices in debt management?

The first respondent mentioned that for the debt management at Harare Polytechnic College to be effective, they need to establish a single system that will be responsible for managing debt. The respondent also indicated that the college needs to have a single system and therefore those that will be involved in managing debt will observe consistency in managing debt and therefore mistakes and errors will be reduced. The respondent's view is supported by Kajirwa (2013) who explained that if an organisation centralises its debt management, it is more likely that consistency will be brought about in debt management thereby increasing performance.

The second respondent was of the view that for the college's debt management to be effective, it needs to sell its debts to third parties so that they can effectively manage their debt. The respondent also indicated that staff at the accounts department are very few and therefore it is helpful to sell the debts to third parties so that the personnel will not have much job to do. The respondent also pointed out that by selling debts to third parties, there is a quick infusion of cash and the college can pay off its own debts on time. The view is supported by Emmanuel (2013) who indicates that debt factoring is of great advantage to an organisation as it is a quick infusion of cash thus increasing the performance of an organisation.

The third respondent pointed out that the college needs to identify the debtors and their behaviour in making payments. The respondent indicated that there are other debtors that take time to pay and these need to be carefully looked at. The respondent indicated that it is important to know the behaviour of the debtors so that they can know how to handle them. Some of the debtors are fast payers and these ones do not need much attention as they can easily honour their debts. The view of this respondent is supported by Dutta (2017) who said that segmenting debtors can increase the performance of an organisation because the larger number of delinquent accounts if they are carefully and intelligently classified can be handled according to a fixed routine so that a large part of work can be done by managers' assistants

From the interview responses, the researcher concluded that there are best practices which make the management of debt at Harare Polytechnic. The interview revealed that identifying debtor types is a best practice in debt management. This is revealed in the questionnaire. The interview also revealed that centralizing debt is a best practice in debt management. This is also revealed in the questionnaires. From the interviews, it was revealed that debt can be sold to outsiders to enable easy handling of debt. This is also revealed by the questionnaire's response. These practices are suitable for Harare polytechnic College since the current systems being used are ineffective.

4.8 Summary

This chapter looked at the presentation and analysis of the data obtained from research instruments. The chapter also included the presentation of data researched in the form of pie charts, graphs and tables and these were discussed. The research data was also analysed by comparing the data gathered from research instruments to the information in the literature review. The following chapter will focus on the summaries of all chapters, conclusions as well as the recommendations.

CHAPTER V

SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter highlighted the major research findings about the debt management practices on financial performance at Harare Polytechnic College. A summary of preceding chapters was also given to explain this research in brief. The researcher also gave recommendations based on research findings on how best Harare Polytechnic College can implement best practices in debt management so as to enhance performance.

5.1 Summaries of chapters

Chapter one was the introduction to the background of the study whereby the researcher gave out a brief background of the problems that led to the carrying out of the research. Chapter one also covered statement of the problem which brought about the research gap where the researcher pointed that the research was on exploring literature on the debt management practices on performance. The objectives of the study aimed at evaluating the effectiveness of the current debt management system, identifying the challenges faced by the current debt management system, the ways to improve the current debt management system as well as the best practices in debt management. The chapter also included the assumptions, limitations and delimitations of the study.

Chapter two mainly concentrated on the literature review from different scholars which was very useful towards the main research question. The chapter revealed that the current debt management methods employed are ineffective. Colla et al (2013) and Emmanuel (2013) indicated that with payment plans, some of those who owe money might fail to meet their obligations on time and it will therefore mean that the amounts that are owed will not be received on time and liquidity cannot be improved. The chapter explained the challenges faced by the current debt management system. Addaney et al (2016) argued that most of the employees who lack adequate skills and knowledge of debt management tend to use the wrong debt management techniques and performance of the organisation will not be improved. It was also revealed in the chapter that there are various ways that can be employed to improve the current debt management system. Nwude et al (2016) said that if there is advancement in technology, regular backups could be taken and available staff will support and maintain debt recording and management and therefore liquidity will be enhanced. The chapter also revealed the best practices in debt management to improve the performance of an organisation. Fuzi et al (2013) and Habib et al (2016) indicated that consolidation of collection functions tends to reduce redundancy, significantly improve debt management and simplify and standardise the collection exercise at an advanced level of efficiency and effectiveness and thereby leading to an improvement in the performance of an organisation.

Chapter three showed the research methodology used by the researcher. The researcher chose a descriptive research design as the appropriate method for the study. The researcher used the qualitative approach as it dealt with an understanding examination of attitudes of individuals towards a particular problem that cannot be measured but only observed. This approach was used as it allowed Harare Polytechnic College employees to express their own opinions through interviews. The research instruments used to collect data were the questionnaires and interviews.

Chapter four looked at the presentation and analysis of data obtained through research instruments. The presentation of data was done through the use of tables, pie charts and graphs. The analysis of the data presented was done by comparing the data that was collected from research instruments and information from the literature review.

5.2 Major research findings

5.2.1 Effectiveness of the current debt management methods used by Harare Polytechnic College

The researcher discovered that the current debt management methods employed by the college are ineffective and they do not improve the liquidity of the college. All the methods that they are using are not helping in the recovery of debt from students. This had led to less money being collected at the end of the period. The researcher found that the payment plan method being used is not effective as it is resulting in no payments by the students. It was also revealed that debt settlement is resulting in less cash received from the total amount owed. Debtor circularization is not effective in debt management as revealed by the research.

5.2.2 Challenges faced by the current debt management system

The research also revealed that the current debt management system is facing challenges which include lack of adequate skills and heavy costs which are associated with debt management. It was revealed in the research that lack of adequate skills leads to increase in errors and mistakes and therefore because they will not be using the proper management methods. It was revealed that these challenges hinder the debt management system from being effective and therefore liquidity is failing to be improved as these challenges lead to less revenue being collected at the end of the period. It was revealed that incompetence of staff is a challenge in debt management.

5.2.3 Ways that can improve the current debt management system

The research pointed out that there are several ways that can be used to improve the current debt management system at Harare Polytechnic College and these include advancing in technology, outsourcing as well as rotation of staff. It was discovered that by using these ways, debt management can be improved and the challenges being faced by the system can be eradicated. Also, by using these ways, the current system that is being used can be improved thereby leading to an increase in the revenue collected. The research revealed that training of employees enables them to attain adequate skills and this improves the debt management. It was also revealed that rotating of staff improved the debt management.

5.2.4 Best practices in debt management

The research revealed that centralization, segmentation, debt factoring and credit rating are the best practices in debt management. The research pointed out that if these practices are implemented effectively, debt can be managed effectively and therefore liquidity of the college can be improved. The research revealed that the college can sell their debts to a debt factor for effective handling of debt.

5.3 Recommendations

The college should offer payment plans that are realistic so that those who owe can get enough time to look for money and pay off the debts. The college should also make sure that the system they are using to maintain the debtors accounts is up to standard. This will enable them to keep the debtors information up to date reflecting the correct amounts being owed. Debtors' accounts should also be maintained regularly to improve the performance of the organisation. The leaders at the college should ensure that they exercise proper leadership skills so that those who are responsible for managing can implement the proper methods in managing debt. This will help the subordinates to be guided in the proper implementation of methods of managing debt and performance can be improved.

The employees should be continuously trained so that they possess the current skills of debt management. This helps them be up to date with current technology and also be able to manage debt effectively. The college is recommended to adapt an effective system that manages debt effectively. The college should ensure that it has a single department for all its collections and this makes the management of debt more effective it is being done in a single unit. Some of the debts should be sold to a debt factor to enable easy management of the debts. Also, the college should assess the credit score of their clients before admitting them at the college to avoid admitting those with a bad credit score.

5.4 Summary

The purpose of this chapter was to summarise the information in previous chapters. The conclusions from the analysis of the data collected were also given in this chapter to highlight the major findings of this research. Finally, the researcher also expressed opinions on what can be done to improve the current debt management systems at Harare Polytechnic College.

REFERENCE LIST

Journals

1. Abbas, Z. (2014) *Identification of Factors and their Impact on Employees Training and Organisational Performance in Pakistan,* 7(6), 93-109.
2. Addaney, M., Awuah, S. B. and Afriyie, A. (2016) *Debt Management and the Performance of Small Scale Enterprises,* Journal of Asian Business Strategy, 6(5), 101-112.
3. Akenbor, C.O. and Agwor, T.C., (2015) *Standard Costing and Cost Control in Nigerian Oil and Gas Industry,* Journal of Modern Accounting and Auditing, 11(4), 185-193.
4. Ako-Nai, R. I. And Ayoola, A. O. (2013) *Oil and Debt Management in Nigeria,* Journal of Politics and Law, 6(2), 178-184.
5. Alayemi, S. (2015) *Factoring as Financing Alternative,* American Journal of Economics, Finance and Management, 1(5), 503-509.
6. Bayar, Y. (2014) *Recent Financial Crisis and Regulations on the Credit Rsting Agencies,* Research in World Economy, 5(1), 49-58.
7. Chinaemeremi, O. C. and Anayochukwu, O. B. (2013) *Impact of External Debt Financing on Economic Development in Nigeria,* Research Journal of Finance and Accounting, 4(4), 92-92.
8. Colla, P., Flippo, I. and Kai, L. (2013) *Debt Specialization,* The Journal of the American Finance Association, 65(5), 2117-2141.
9. Duru, A. and Ubesie, M. C. (2016) *Effect of Management of receivables ration on corporate profitability of industrial or domestic products in Nigeria,* European Journal of Accounting, Auditing and Finance Research, 4(11), 84-97.

10. Dutta, S. J. (2017) *Sovereign Debt Management and the globalization on Finance,* 22(1), 3-22.
11. Emmanuel, O. O. (2013) *A Macro Analysis of Bank Performance in Debt-Burdened Countries,* American Journal of Business and Management, 2(2), 165-172.
12. Fuzi, S., Nurulain, M. S. and Rugayah, H. (2013) *Electronic Government Outsourcing Issues in Malaysia,* Journal of Outsourcing and Organisational Information Management, 2013(2013), 1-9.
13. Habib, H. J., Khan, F. and Wazir, M. I. (2016) *Impact of Debt on Profitability of Firms,* City University Research Journal, 6(1), 70-80.
14. Hafez, S.M., Aziz, R.F. and Elsebak, H.M.M. (2015) *Optimal Techniques for Cost Reduction and Control in Construction Sites,* Journal of Human Resource Management, 3(3), 17-26.
15. Ibe, S. O. (2013) *The Impact of Liquidity Management on the profitability of Banks in Nigeria,* Journal of Finance and Bank Management, 1(1), 37-48.
16. Ijirsha, V. U., Joseph, F. and Godoo, M. (2016) *The relationship between External Debt and Economic Growth in Nigeria,* International Journal of Economics and Management Sciences, 6(1), 2-5.
17. Issa, R. S. (2015) *Managing Outsourcing Strategy in Complex Project,* World Journal, 4(3), 1-20.
18. Iqbal, Z. And Dad, A. M. (2013) *Outsourcing: A Review of trends, Winners and Losers and Future Directions,* International Journal of Business and Social Science, 4(8), 91-107.
19. Kagoyire, A. and Shukla, J. (2016) *Effect of Credit management on performance of Commercial Banks,* Journal of business and management, 4(4), 1-2.

20. Kajirwa, H. I. (2015) *Effect of Debt on Firm Performance,* Global Journal of Advanced Research, 2(6), 1025-1029.
21. Kasidi, F. And Said, A. M. (2013) *Impact of External Debt on Economic Growth,* Advances in Management and Applied Economics, 3(4), 59-82.
22. Ksenija, D. M. (2013) *Impact of Accounts Receivable Management on Profitability during financial crisis*, 2(2), 20-29.
23. Kumal and Kumar, A. (2013) *Impact of Technology advancement on Human Resources Performance,* International Journal on Arts and Humanities, 2(2), 43-47.
24. Margret, K., Abiola, M. A. and Okorie, U. (2014) *Challenges of debt management in Guaranty Trust Bank PLC*, International Journal of advanced research statistics, management and finance, 2(1), 44-59.
25. Matthew, A. and Mordecai, B. D. (2016) *The Impact of Public Debt on Economic Development in Nigeria,* Asian Research Journal of Arts and Social Sciences, 1(1), 1-16.
26. Mesjasz, L. and Mesjasz, C. *Determinants of Complexity of sovereign Debt Negotiation*, Journal of Economics and Management, 25(3), 64-78.
27. Murcia, F. C., Murcia, F. D., Rover, S. and Borba, T. A. (2014) *The Determinants of Credit Rating*, 11(2), 188-209.
28. Nalwade, Y.D. and Parakh, S.D. (2013) *Impact of cost control and cost reduction techniques on manufacturing sector,* Indian Streams Research Journal, 3(5), 1-8.
29. Nazaripour, M. And Shadi, H. (2015) *Impact of Debt Financing and Effective Debt Management on Performance Assessment in Tehran Stock Exchange,* Mediterranean Journal of Social Sciences, 6(6), 101-108.

30. Nwannebuike, U. S., Ike, J. U. and Onuka, O. I. (2016) *External Debt and Economic Growth,* European Journal of Accounting, Auditing and Finance Research, 4(2), 33-48.

31. Nwude, E. C., Itiri, I. O., Agbudua, B. O. and Udeh, S. N. (2016) *The Impact of Debt structure on firm Performance,* Asian Economic and Financial Review, 6(11), 647-660.

32. Oluwagbemiga, O.E., Olugbenga, O.M. and Zaccheaus, S.A. (2014) *Cost Management Practises and Firm's Performance of Manufacturing Organisations,* International Journal of Economics and Finance, 6(6), 234-239.

33. Onyekwelu, U. L and Ugwuanyi, U. B. (2014) *External Debt Accumulation and Management in Developing Economics,* European Journal of Accounting, Auditing and Finance Research, 2(8), 43-61.

34. Ozurumba and Anayochukwu, B. (2014) *Domestic Debts and Economic Growth in Nigeria,* Journal of economics and sustainable development, 5(1), 121-133.

35. Pigula, E. and Marta, P. (2015) *Factoring as a Special Means of Financing Sme activities,* Journal of Finance and Financial Law, 2(3), 103-117.

36. Titus, O. A., Chidi, O. T., Tochukwu, O. R. and Babatunde, O.O. (2016) *Domestic Debt and Economic Growth in Nigeria*, Greener Journal of Economics and Accountancy, 5(1), 001-012.

37. Yazadanfar, D. and Ohman, P. (2015) *Debt financing and firm performance*, 16(1), 102-118.

38. Zouhaier, H. and Fatma, M. (2014) *Debt and Economic Growth,* International Journal of Economics and Finance, 4(2), 440-448.

BOOKS

1. Creswell, J. W. (2013) *Research Design: Qualitative, Quantitative and Mixed Method Approaches*, Sage Publications Inc, Washington DC, United States.
2. Hox, J.J. and Boeiji, H.R. (2013) *Data Collection, Primary vs. Secondary,* University of Utrecht, Utrecht, Netherlands.
3. Kumar, R. (2011) *Research Methodology*, London: Sage, London, United Kindgom.
4. Premalal, A.G.D., Mudalige, R.K.P.C.B. and Malkanthi, S., (2015) *Study of Cost Control Techniques Used in Construction Industry and Their Impact to Minimise Cost Overrun,* University of Ruhuna, Matara, Sri Lanka.
5. Thanasegaran, G. (2012) *Reliability and Validity Issues in Research,* University of Putra Malaysia, Seri Kembangan, Malaysia.
6. Wyk, B. (2012) *Research design and methods,* University of the Western Cape, Capetown, South Africa.

ARTICLES

1. Bertram, D. (2012) *Likert Scales,* University of Calgary, Alberta, Canada.

APPENDIX 1

RESEARCH QUESTIONAIRE

My name is Brenda Chirenga, I am a final year student at Midlands State University (MSU) studying Bachelor of Commerce Accounting Honours Degree. I am doing a research on the investigation of debt management practices as a performance measure using Harare Polytechnic as a case study. I will be grateful if you could spare a few minutes of your time and attend to my questionnaire.

Instructions

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

1) How effective are payment plans in improving performance at the college? ....
....
....
2) How effective is debt settlement in improving the financial performance of the college?..
....
....
3) How effective is keeping debtors account in improving the performance of the college?..

....

....

4) Is Debtor circularization an effective method in improving the financial performance of the college? ....

....

....

5) How does lack of adequate skills affect debt management at Harare Polytechnic College?

....

....

....

6) In what way are poor leadership skills a challenge in debt management at the college?..

....

....

7) How does incompetence of staff affect the debt management system at the college?..

....

....

8) In what way have heavy costs associated with debt management become a challenge at the college?...

....

....

9) The following ways can improve the current debt management practices.

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
TRAINING EMPLOYEES					
ROTATING STAFF					
TECHNOLOGICAL ADVANCEMENT					
OUTSOURCING					

10) The following are best practices in debt management

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
CENTRALIZATION					
DEBT FACTORING					
SEGMENTATION					
CREDIT RATING					

Thank You.

APPENDIX 2

INTERVIEW GUIDE

1) How effective is the debt management methods employed by Harare polytechnic college to improve performance?
2) What are the challenges that are faced by the current debt management system?
3) What other ways can be implemented to improve debt management at the college?
4) What is the best practice in debt management?