EFFECT OF AGGRESSIVE APPROACH ON GROWTH OF SECOND-HANDCLOTHES BUSINESSES IN KISUMU CENTRAL SUB COUNTY, KENYA

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Abstract: Aggressive approach is crucial for all businesses, including those that sell used items which are often run as sole proprietorship with a few partnerships. The industry has several obstacles that limit its development in terms of formulated policies and working capital management elements. It impacts a business's net assets, sales volume, and earnings. This study sought to ascertain the impact of aggressive approaches on expanding the second-hand clothing trades in Kisumu Central Sub-County. The study hypothesized that aggressive approaches significantly affect the growth of second-hand clothes businesses at less than ($p<0.05$) level of significance. Keynesian (Liquidity) theory of money served as the basis for the investigation. The study was supported by empirical literature. In Kisumu Central Sub-County, 1203 second-hand clothes business traders were the target population for a descriptive survey research design. Three hundred participants were chosen at random to participate in the study. Tables of descriptive data were supplied together with a percentage and frequency analysis. Linear regression found coefficients of the aggressive approach to be statistically significant at ($R^2 = 0.087$; $p<0.05$). According to the study's findings, aggressive approach significantly impact the expansion of the second-hand clothes industry. The report proposed that market managers arrange more training sessions on working capital strategies so that traders might learn how to apply them. Additionally, the government offers sector-specific measures to help traders obtain the appropriate operating capital. For definitive answers on working capital practices, the study recommended that additional research be conducted in various businesses.
Key words: Aggressive Approach, Growth, Second-hand Clothe Business

1. INTRODUCTION

Second-hand use is the act of consuming something that had once been used by another person. Recently, this has been slightly changing and people who often purchase used goods are more aware of getting higher quality, and also feel pleased if they find something unusual. Buyers are more concerned with quality and durability when buying the products. Shopping at second-hand stores promotes a sustainable lifestyle, reduces the production of new clothing, reduces waste sent to landfills, and supports local economic growth (Kline, 2012).

Over the years, the use of clothing has increased worldwide, mainly due to the availability of rapidly changing styles and lower-quality clothing. People own more clothes than they need as trends change rapidly. They can easily afford new clothes, so they throw away their overgrown, obsolete, or worn clothing and donate it to charity, recycle it, or dispose of it as waste (Kline, 2012). It resulted in much more supply than demand, creating a need to exchange clothes and shoes as gifts for developing countries. Second-hand clothes (SHC) referred to as 'Mitumba' started in the late 70s and early 80s and play a vital role in achieving the Sustainable Development Goals (SDGs) in all countries at all stages of development (Bloch et al., 2017). It has grown to 4 billion stakeholders 26 percent coming from Asia, 35 percent from Africa, and 27 percent from Europe as its major players (UN report, 2016). According to the report, the global second-hand clothes export market is

worth about US$4 billion, and the growth rate of imports and exports (volume and value) has not improved in recent years. Nevertheless, all this depends on a favourable environment and sound competition policies.

Globally, governments have challenges on low growth, persistent inequality, and weak trade and investment policies. On the other hand, citizens too are dissatisfied if not disappointed with most current state of affairs in their countries such as recession. Due to these, there is a need for countries to provide conditions that are beneficial for trade in the open markets and also advances in technological progress that can enhance a shared common environment for trade across different economies in the world (Bloch, et. al., 2016a).

Second-hand clothe imports are between 60 and 80 tons concentrated in the port area of Mombasa and major cities such as Nairobi and its environs of Gikomba market which is the largest informal market in Kenya. The majority of second-hand cloth traders operate as sole proprietors and get their financing from informal sources of finance including savings from retirement benefits or gifts from relatives (Bigsten et al, 2000). The distributors sell clothes to wholesalers who in turn sell bales to other wholesalers or direct to retailers in other informal markets within the country. Retailers can begin with a bale and advance to 2 – 3 bales every week depending on the sales which are piled into 1st camera (high-quality clothing), 2nd camera clothing sold at a lower price, and 3rd camera (to clear) the cycle then repeats itself (Brian, 2009).

The effect of aggressive approach as working capital management is realized during business financing because it influences profitability and liquidity (Aktas, Croci, & Petmezas, 2018). Current assets take a bigger part of the assets making aggressive working capital management approach very crucial however; the existence of the business is prejudiced by real working capital management policy that leaves it to continue with the operation and soundness (Evci & Sak, 2018). This study aimed at evaluating the effect of aggressive working capital management approaches on second-hand clothing business growth. Aggressive approach focus on higher returns and higher risks and organizations make extensive use of short-term credit to maximize the use of cash to reduce the time it takes to manufacture products, handle goods, or provide delivery services (Khan et al., 2017).

The second hand clothe business has doubled since World War II and increased tenfold to approximately $2.8 billion annually (Kline, 2012). Trade is worth more than $200 billion annually, yet it is less than 0.5% of the total. It sells for about 10-20% of its new selling price, which has a higher share but still accounts for less than 5% of total global trade. The environment and fashion are essential issues that have led people to learn to be eco-friendly, and second-hand clothes have become fashionable and respectable in Europe and worldwide. Kenya is the main trader of second-hand clothes; it imported the highest 'mitumba' in 2013 in the East Africa Community (EAC) though there was a drop in 2015 as Uganda and Tanzania dominated the world's second-hand clothing imports. This was due to a low decline in trade in Kenya (UN Comtrade, 2015). Kenya National Bureau of Statistics (2015) shows that second hand clothe businesses have seen steady growth since 2001 due to high demand and affordability. Other factors leading to this increase comprise of enhanced commercial development through higher domestic profits, trade enhancements to enable imports, and population growth (Atieno, 2015).

Kisumu had a flourishing textile industry with KICOMI giving high-quality fabrics which were used to make local clothes and designs. The industry supported many families through cotton growers and also the creation of employment. With the rise of 'mitumba' imports and the fall of KICOMI, there has been a great loss to many families that depended on this as their source of income (Kisumu CIDP, 2018).

Worldwide 70% of the population uses second-hand clothes which have an approximate lifetime of three years (Katende, 2017). The clothing industry has grown to $20 billion globally and this significant growth has outpaced traditional retail. The growth was projected at a rate of 15% annually in the next three years according to the growing trend and this has made the sector a big employer in East Africa both directly and indirectly in sales and distribution due to rising demands for used goods. However, in trade, using a working capital management strategy is essential yet trading processes are challenging for second-hand clothing business to manage without the working capital components. This is a significant problem in emerging nations, and numerous studies have been conducted globally to show the link of working capital management approaches and growth. Most of the research in the second-hand clothing trade is done outside African nations. Despite its significance, it did not grab Kenyan scholars' attention. As a result, the researcher was unable to locate any Kenya-based research on this subject. To fill the vacuum in the literature, this research attempted to determine the connection between aggressive working capital approach and the growth of used clothing market in Kisumu Central Sub-County, Kenya.

2. LITERATURE REVIEW

Business finance understands how important short-term financial decisions are to the efficiency of the company. Working capital management issues are a persistent topic in a global setting since they are crucial in ensuring that organizations choose the right course and being able to serve as a liquidity cushion. According to Banon-Caballero et al. (2020), working capital is important throughout a financial crisis. Businesses need to have a working capital philosophy as support for financial success, according to a recent statement regarding all global listed firms (PWC) Annual Report (2019). Improving working capital may release €1.3 trillion of cash, which may expand capital investment by 55%.

On the one hand, the majority of earlier studies found an affirmative relationship between working capital and firm performance; this was based on firms from developed countries including the United States of America Lyngstadaas (2020) and the United Kingdom. On the other hand, several scholars have proposed divergent competing viewpoints to clarify the association between working capital and firm performance (Goncalves et al., 2018). Working capital management is a strong predictor of financial performance, according to Kabuye et al (2019) having analyzed the effects of internal control systems and working capital management on the financial performance of 110 supermarkets in Uganda.

Moussa (2018) studied the impact of working capital management in 68 industrial companies in Egypt. The study was conducted between 2000 and 2010 and found that working capital management using cash conversion cycles was positively associated with profitability. Companies adopt an aggressive policy of raising liquidity with short-term borrowings to provide favorable interest rates. Short-term loans carry greater risk than long-term loans (Dhole et al., 2019). Ambitious programs will also require some funding for fixed

assets and all anticipated working capital requirements to be funded from short-term sources.

Baos-Caballero (2012) used an unbalanced sample of 5.862 firm years over six years to evaluate the link between WCM and company profitability for 1.008 SMEs in Spain (2002-2007). Utilizing net operating income (NOI) and gross operating income (GOI), profitability is quantified as a dependent variable (NOI). According to Baos-Caballero et al. (2012), a firm's CCC's length and profitability are positively correlated. He discovered, among other things, that the CCC's mean length in 2002 and 2007 was significantly different from one another, although they were discussed but not separately quantified in the correlation and regressions.

According to Tran (2017), a shorter cash conversion cycle in the firm`s daily operations indicates that it embraces a more aggressive working capital policy. In contrast, a longer cash conversion cycle suggests that the firm adopts a conservative working capital strategy. Repaying at a lower rate helps managers increase profitability. However, this strategy has a more significant risk if the short-term interest rate varies or the cash inflow is insufficient to cover the present liabilities (Boisjoly, Conine, and McDonald, 2020). As a result, the company, which operates in a stable economy and is appropriately confident about future cash flows, implements such an aggressive program (Peng and Zhou, 2019). According to Chen and Kieschnick (2018), a company with an aggressive working capital policy gives customers a short credit, keeps fewer inventories on hand, and has less cash. It increases the risk of a company defaulting on debt because it may not have enough reserves to cover short-term liabilities. However, it also produces a high yield because the high risk is associated with great reward. Administrative controls are required to prepare and administer passive trade credit provisions relating to buyers and suppliers. Trade credit is a legal mechanism that allows a buyer to purchase goods or services and defer payment to a later date (Yazdanfar & Hman, 2016). They argue that the buyer views the contract as short of funds for the debt listed as accounts payable. On the other hand, suppliers see it as an investment in accounts receivable, which appears as an asset on their balance sheet. Therefore, managers and leaders must coordinate this collaboration to achieve optimal performance. Managers give and receive credit to maintain goodwill between suppliers and customers.

Performance, profitability, liquidity, return, leverage, cash, inventories, accruals and payables, and management of account receivables are all affected by working capital management. Studies have mostly concentrated on inventory and performance. There is virtually little analysis of working capital management strategies' effects on growth. According to Banon-Caballero (2020), working capital is important throughout a financial crisis. Businesses need to have a working capital philosophy as support for financial success. According to Tran (2017), a shorter cash conversion cycle in the firm's daily operations indicates that it embraces a more aggressive working capital policy, whereas a longer cash conversion cycle suggests that the firm adopts a conservative working capital strategy. This study looked at the effect of working capital management approaches on the growth of second-hand clothes which had not been investigated.

3. RESEARCH METHODOLOGY
3.1   Purpose of the study

The objective of this study was to determine the effect of aggressive working capital management approach on growth of the second-hand clothes business in Kisumu Central Sub-county, Kenya.

3.2   Hypothesis

Aggressive working capital management approach significantly affects business growth of second hand clothes in Kisumu Central Sub County.

3.3   Target Population

The study population was 1,203 second-hand clothing merchants in Kisumu Central Sub-County, Kenya.

3.4   Study Design

The study used a descriptive survey research study design to help explain the features of the phenomenon in a specific context. The nature informed the descriptive research study design of the data collected in this study. Data collection consisted of eliciting descriptive and inferential data that required using descriptive and inferential analyses.

Quantitative data was closed ended questionnaires and were rated on likert scales to answer research questions and test hypothesis however qualitative data was open questionnaires. The researcher therefore used descriptive together with inferential statistics which were analysed by use of Statistical Package of Social Science version 25.

3.5   Sample Size and Sampling Method

According to Ogula (2005), sampling is the process of choosing a subset of a population. For the population in this study, random sampling was used. This made it easier for the researcher to randomly choose sample participants with a known probability. This is so because Kisumu County is home to several markets, and the researcher needs a reliable assessment of the traders in each of those markets. The sample size for the study was determined using Yamane (1967) and the target population of 1,203 second-hand clothing traders from Kisumu Central Sub County markets was used. The study maintained a 95 percent confidence level. 300 people made up the sample size. The cluster sampling technique was applied to proportionally sample for various markets in various locations. A proportionate sampling technique was employed to select 300 dealers from a population of 1,203 or 30% of the traders.

$n \quad = \quad N / (1 + N \times (e^2)$

$n \quad = \quad 1,203 / (1 + 1,203 \times 0.05^2)$

$n \quad = \quad 300$

Where: n = sample size

N = Total target population

e = Precision level

To get traders from every market in every division a proportionate sampling was used as shown by the given formulae below in Table 1.

$$\frac{\text{Total traders in a market}}{\text{Total number of traders in the County}} \times \text{Sample size of traders (300)}$$

Table 1: Proportionate Sampling Procedure Design

Market	Traders in the Market	Traders to be studied from every Market n/N(300)
Kibuye Market	566	141
Kondele Market	158	39
Stage Market	54	14
Jubilee Market	11	3
Fire Station Area and along Angáwa Street	96	24
Kisumu Boys High School Area Market	92	23
Along Kenyatta Avenue & behind Telkom /NBK Market	226	56
7 Markets	**1,203**	**300**

Source: Researcher 2022

Proportionate sampling enabled the researcher to identify informative cases. It also helped to know how the sampling procedure was carried out to determine traders per market who were respondents for this study.

3.6   Data Analysis
As this study included quantitative data, descriptive statistics were used for data analysis. After data collection, questionnaires were coded, and data were entered into a computer for analysis. Scores derived from the 5-point Likert scale of self-administered questionnaires were used to analyze the results of the three survey questions. In this regard, descriptive and inferential statistics helped analyze quantitative data using SPSS version 25. Descriptive statistics included frequencies and percentages, and statistical inference analyses such as linear regressions were used to establish relationships between variables. Regression was performed to know the relationship between independent and dependent variables. In the hypothesis testing, aggressive working capital management approach was hypothesized to be related to growth using a linear equation model which was identified as follows: $y = \alpha + \beta X + \varepsilon$

Where: y is the growth

α is the constant term

β is the coefficient of the aggressive working capital approach

X is the aggressive working capital approach

This model included predictors with coefficients that were statistically significant at $p<0.05$.

4. FINDINGS

4.1   Socio-Demographic Characteristics of the Second-hand clothes traders
This was presented in frequencies and percentages. Majority of respondents who were doing second hand clothing business were between 41–50 years of age (37%) the finding implied that majority of respondents were mature in the business and could answer the questions on the questionnaire well and had some established source of finance to start and sustain their businesses. In relation to gender, male were (54%) while females were (46%). It showed that most respondents involved in the second-hand clothing business were male. The findings concurred with Kinyua (2018) on a study of "effects of imported second-

hand clothes on the performance of the textile industry in Kenya a survey of selected markets in Nairobi". In terms of education majority of respondents, 37% had primary education which implied that majority of the traders had basic education. The study borrowed from Singh and Malbotra (2015) and Martins et al (2014) who noted that specific careers needed some requirements as a minimum level of education thus explaining the reason behind the moderate level of education within the traders in Kisumu City.

Majority of respondents (38%) were in business for 1 to 3 years as sole proprietors, the study assumed they understood working capital having entered the business and were striving to grow high. The study affirmed that second-hand clothing business is challenging with markets getting burnt and no proper stores for traders thus respondents who had been in it for reasonable time understood how it operates. The majority of the traders 47% received their funds through Merry-go-round groups. These outcomes confirmed that merry-go-round income enabled traders to use the financial savings to expand their businesses. Majority of the respondents (58%) repaid their loans in a period of 6 to 12 months. The results clearly showed that the period in which finance was used for the business boosted the business growth of the trader.

4.2 Aggressive Working Capital Management Approach

Results sought the respondents' view on the effects of aggressive working capital management approaches on the growth of the second-hand clothes business. Statements developed to measure respondents' views were on business cycles bringing growth, gross income increasing sales volume, short credits to customers increasing the growth of the business, stock turnover increasing sales volume, delayed payments of supplies increasing growth, and current assets and current liabilities increasing sales volume. The participants were asked to attend to statements on a five-point Likert scale of 1-5 where "1=SD, 2=D, 3=FA, 4=A, 5=SA ". The responses for traders are given in Table 2.

Table 2: Responses on Effect of Aggressive Working Capital Management Approaches on Growth of Second-hand Clothes Business

To what extent do you agree with the following statement on	SD	D	FA	A	SA	mean±Sd
Aggressive Approach	n (%)	n (%)	n (%)	n (%)	n (%)	
Do business cycles bring growth to the second-hand clothes business?	10(4)	40(17)	67(28)	59(25)	64(27)	2.53±1.11
Does gross income increase the sales volume of the second-hand clothes business?	13(5.4)	21(8.75)	74(30.8)	106(44.2)	26(10.8)	2.57±1.02
Short-term credit to customers increases the growth of the second clothes business.	10(4)	18(7.5)	64(26.7)	114(47.5)	34(14.2)	2.59±0.96
Does stock turnover increase the sales volume of the second-hand clothes business?	14(5.8)	49(20.4)	86(35.8)	63(26.3)	28(11.7)	2.89±1.08
Delayed payment of supplies increases the growth of the second-hand clothes business.	13(5.4)	21(8.75)	59(25)	41(17.1)	106(44.2)	2.84±1.04
Current assets and current liabilities increase sales of second-hand clothes business?	20(8.3)	61(25.4)	14(5.8)	70(29.2)	75(31.3)	3.10±1.00

Aggressive Working Capital Management Approach (N = 300)
Source: Survey Data (2022)

Regarding whether aggressive working capital approaches are enhanced with business cycles to bring growth of second-hand clothes, 123(52%) of the respondents

revealed that they agreed, 67(28%) were neutral, and 50(21%) disagreed. Whether gross income increases the sales volume of second-hand clothing business; was indicated by 132(54.8%) who agreed with the statement, 74(30.8%) were neutral and 34(14.2%) disagreed. In addition, short-term credit to customers was considered to increase business growth with 148(61.7%) agreeing that it did increase business growth, 64(26.7%) neutral and 28(11.5%) disagreed.

Stock turnover increases the sales volume of second-hand clothing 91(38%) of respondents agreed, 86(35.8%) were neutral and 63(26.2%) disagreed. The mean was 2.89 and the standard deviation of 1.08. Regarding delayed payment of supplies increasing growth 147(61.3%) agreed, 59(25%) were undecided and 34(14.5%) disagreed. Current assets and current liabilities were also looked at to increase sales and the respondents were 145(60.5%) who agreed, 14(5.8%) were neutral and 81(33.7%) disagreed with it. The mean was at 3.10 with the standard deviation being at 1.00 to show the various levels.

4.3   Growth of Second-Hand Clothes Business

Variable was measured on 5 point Likert scale of 5 items and rated from 1 to 5 where Excellent (E) = 5, Very Good (VG) = 4, Good (G) = 3, Poor (P) = 2 and Very Poor (VP) = 1. The descriptive analysis was presented in Table 3.

Table 3: Responses on Growth of Second-Hand Clothes Business

No.	Statement on second-hand clothes business growth	E	VG	G	P	VP
1	Second-hand cloth traders negotiate for better terms with suppliers to get increased credit limits or longer credit to help fund future sales	75 (32%)	128 (53%)	15 (6%)	10 (4%)	12 (5%)
2	Second-hand cloth traders reduce the amount of money tied up in slow-moving stock to generate more cash.	60 (25%)	120 (50%)	25 (10%)	13 (6%)	22 (9%)
3	Second-hand clothing traders prepare performance measurement reports regularly	5 (3%)	24 (10%)	26 (11%)	139 (58%)	46 (19%)
4	Second-hand cloth traders rely on good cash management to maintain adequate liquidity with minimum cash in the bank	36 (15%)	40 (17%)	122 (51%)	34 (14%)	8 (3%)
5	Appropriate methods are adopted for customer-business payment through e-payments	44 (18%)	32 (13%)	135 (56%)	9 (4%)	20 (9%)

Growth of Second-Hand Clothes Business (N = 300)

Results indicates that majority 128(53%) of respondents were good on negotiating for better terms with suppliers to get better credit limit to help fund future sales, 75(32%) were excellent while, 12(5%) were very poor. It was also found that majority 120(50%) were good in reducing the amount of money tied up in slow-moving stock to generate more cash and 13(6%) were poor however, 60(25%) were excellent in this.

Majority 139(58%) poorly prepare performance measurement reports regularly, while 5(3%) were excellent in this exercise. Most respondents 122(51%) were good in relying on good cash management to maintain adequate liquidity with minimum cash in the bank, 36(15%) were excellent, 40(17%) were very good with only 8(3%) being poor. Majority 135(56%) were good in using appropriate methods for customer-business payment through e-payments, 44(18%) were excellent while 32(13%) indicated very good with only 29(13%) being poor.

4.4   Aggressive Working Capital Management Approach and Growth of Second-hand Clothes Business

To know the level of effects of the aggressive working capital management approach on second-hand clothes business growth multiple regression analysis was done. The resultant accurate model for the regression analysis was identified as follows: Growth of second-hand business clothes (y) = X (Aggressive working capital management approach) that is $y=\beta 0+\beta_1 X_1 +\varepsilon$ where y is the growth of second-hand clothes business X_1 is aggressive working capital management approach. This was at a rate return of 240(80%) which was a good return rate as indicated by Saunders (2003) who posits that 30% to 50% is adequate for the statistical generality.

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	.295ᵃ	.087	.083	2.131

a. Predictors: (Constant), AGGRESSIVE

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102.901	1	102.901	22.662	.000ᵇ
	Residual	1080.699	238	4.541		
	Total	1183.600	239			

a. Dependent Variable: GROWTH
b. Predictors: (Constant), AGGRESSIVE

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.195	1.248		11.375	.000
	AGGRESSIVE	.247	.052	.295	4.760	.000

a. Dependent Variable: GROWTH
Aggressive Working Capital Management on Growth of Second-hand Business

The results showed that there is statistically significant linear relationship between aggressive working capital management approach and growth of second hand clothes business as indicated in Table 3 it had up to 8.7% of the variance in growth of second-hand clothing business while 91.3% of the variance in the growth was explained by other elements of dependent variables. This result indicated that the variance in second-hand

clothes business growth was significantly contributed by aggressive working capital management approaches.

ANOVA evaluation was done and showed that it turned into a great shape for the statistics with $F_{(1, 22.662)} = 102.901$. The regression coefficients for aggressive working capital indicated that it significantly affected the growth of the second-hand clothes business as the P value is less than 0.05 (P = 0.000). The equation, was represented as $\hat{Y} = B + A_x$, therefore became; $\hat{Y} = 14.195 + 0.247x$. The alternative hypothesis is therefore accepted with a show that a unit increase in aggressive working capital management approach being associated with an increase of ……. In growth of second hand clothing business.

5.   DISCUSSION

The study was to determine the effect of aggressive working capital approach on growth of second hand clothe business in Kisumu Central sub-county, Kenya. Majority of respondents were between 41–50 years of age (37%) which showed they were mature traders. This could be contributed to challenges that people have gone through of lack of employment making them enter into business world. Gender showed that male were (54%) while females were (46%) an indication that most respondents were male. This concurred with Kinyua (2018) on a study of "effects of imported second-hand clothes on the performance of the textile industry in Kenya a survey of selected markets in Nairobi". Majority of respondents 37% had primary education as a basic education.

Majority of respondents 38% had been in business for over one year and less than three years as sole proprietors thus an assumption that they understood working capital approaches. The majority of the traders 47% received their funds through Merry-go-round groups as an income for their business continuity. Majority of the respondents (58%) repaid their loans in a period of 6 to 12 months which boosted the business growth of the trade. Regarding whether aggressive working capital approaches are enhanced with business cycles to bring growth of second-hand clothes, 123(52%) of the respondents revealed that they agreed, 67(28%) were neutral, and 50(21%) disagreed. The mean was 2.53 and 1.11 as standard deviation. The study agreed with Moussa (2018) who reported an increment between working capital management using conversion cycles and effectiveness. Whether gross income increases the sales volume of second-hand clothing business; was indicated by 132(54.8%) who agreed with the statement, 74(30.8%) were neutral and 34(14.2%) disagreed. The mean was 2.57 with a standard deviation of 1.02. In addition, short-term credit to customers was considered to increase business growth with 148(61.7%) agreeing that it did increase business growth, 64(26.7%) neutral and 28(11.5%) disagreed. The mean was 2.59 with a standard deviation of 0.96. This concurred with the study of Dhole et al, (2019) who reported that there were more risks related to short-term credit than long-term credit thus most traders fund their current assets from short-term sources, and others go ahead to fund even fixed assets using the same.

Stock turnover increases the sales volume of second-hand clothing 91(38%) of respondents agreed, 86(35.8%) were neutral and 63(26.2%) disagreed. The mean was 2.89 and the standard deviation of 1.08. The results varied from that of Nasution (2020) who found that inventory turnover on profitability in automotive companies did not have a positive effect on Return on Assets. Results showed that delayed payment of supplies increase growth 147(61.3%) agreed, 59(25%) were undecided and 34(14.5%) disagreed. The mean was 2.84 while the standard deviation was 1.04. This concurred with that of Yang and Birge (2017) who found that delayed payments were crippling small businesses in the United Kingdom with government figures showing 47% of supplies being paid late. Yazdanfar & Ohman (2016) also found that traders used credit as a legal tool and thus

purchasers bought products and delayed payments for growth. This is what second-hand clothing traders are to use to make higher growth in their businesses.

Current assets and current liabilities were also looked at to increase sales and the respondents were 145(60.5%) who agreed, 14(5.8%) were neutral and 81(33.7%) disagreed with it. The mean was at 3.10 with the standard deviation being at 1.00 to show the various levels. The results showed that respondents were highly aware of the cash conversion cycle and that the shorter it is to convert the current assets and liabilities into cash the better for cash flow as also found out. The study affirmed the founding of Sharma and Kumar (2017) that all trades must have higher current ratios to show solvency.

6.   CONCLUSION

Findings reveal that aggressive working capital management approaches affected growth of second hand clothes business in Kisumu Central sub-county, Kenya. Traders agreed that business cycles, gross income, short-term credit, stock turnover, and delayed payments increased growth in second-hand clothes yet many of them are not acquainted with the use of these practices consistently. The business cycle reduced growth while the reduction in gross income came as a result of delayed payments from customers. Customers were given long periods of credit thus delaying growth and the low stock turnover led to high sales volume and quick payments of supplies increased growth. Traders reduced their current liabilities to have growth in their business.

Second-hand clothes traders need therefore to ensure a good synchronization of management and approaches. The study showed that the second-hand clothes business was able to achieve high scores on aggressive working capital approaches and has positively impacted on its growth. The study also concluded that Kenyan government deployed a lot of resources in helping in the growth of small and medium enterprises where the second hand clothe business falls which has positively contributed to the growth to a larger extent.

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