FINANCIAL LITERACY, MANAGERIAL TENURE AND INVESTMENT DECISIONS OF FOOD AND BEVERAGE MANUFACTURING COMPANIES IN KENYA

BY

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DECLARATION

Declaration by the Candidate

This Thesis is my original work and has not been presented for a degree in any university elsewhere. No part of this thesis may be reproduced without prior permission of the Researcher and/or Moi University.

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DEDICATION

This work is dedicated to the praise and glory of God. I am especially grateful to my parents, Samuel and Leah Koske, my wife Evaline, my children, Roy, Roman and Ella and to all of my siblings, Jane, Frank, Hilda, Kennedy, Oliver, and Joan for their spiritual support and encouragement during my studies,.

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ABSTRACT

The food and beverages manufacturing sector in Kenya has shown a downward trend, with businesses exposed to significant risks and excessive debt compared to their asset base due to poor investment decisions. Two out of every five manufacturing companies in fail within two to three years after being formed. Financial literacy plays critical role in ensuring that one is equipped with knowledge and skills needed to manage finances to help companies realize financial stability and make informed financial decisions. The general objective of the study was to assess the moderating role of managerial tenure on the relationship between financial literacy and investment decision of Food and Beverage Manufacturing companies in Kenya. The specific objectives were to evaluate the effect of rational factors literacy, financial analytical skills, irrational factor management skills and past performance awareness of food and beverage manufacturing companies Kenya. The Decision Theory, Upper Echelons Theory and Prospect theory guided the study. The Anchor Theory was the Upper Echelons Theory. An explanatory research design was employed. The study employed census sampling technique which consisted of 250 Chief Finance Officers derived from Food and Beverage companies registered with Kenya Association of Manufacturers. The study employed descriptive survey sampling technique to select the respondents. This study used primary data, a structured questionnaire was administered to respondents. Items were measured using a 5 point Likert Scale ranging (1-5). Pilot study was done in Nyanza region covering 15 Chief Finance Officers working for registered food and beverages manufacturing companies. Validity and reliability was tested and the data collected was analyzed using Statistical techniques, which included frequencies, mean, standard deviation. Hierarchical moderated regression analysis was employed and descriptive and inferential statistics were derived. Data was presented in tables. The regression results demonstrated a significant positive impact of rational factors (β=0.245, p=0.00), financial analytical skills (β=0.607, p=0.000), irrational factors management (β=0.379, p=0.000), past performance management (β=0.319, p=0.000) on investment decisions. The study revealed a significant positive moderating effect of rational factors (β=0.034, p=0.001), irrational factors management (β= 0.136, p=0.000), past performance awareness (β= 0.079, p=0.000) and investment decisions. The study unveiled a significant negative moderating effect of financial analytical skills and investment decisions (β= -0.053, p=0.000). The study concluded that Enhancing financial literacy, and leveraging managerial tenure can lead to informed investment decisions and organizational success. The study recommended that investors should offer competitive compensation packages, provide opportunities for career advancement, promote use of data analytics, focus on retaining experienced Managers and conduct performance evaluation. Finally, the study's findings aligned with Upper Echelons Theory, Decision Theory, and Prospect Theory, emphasizing the influence of managerial background, rational decision-making, and perception of gains and losses on investment decisions.

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OPERATIONAL DEFINITION OF TERMS

Financial Analytical Skills: This study's definition of this is the application of logical skills to carry out financial practices, such as Proficiency in Financial Reporting and Analysis of financial statements knowledge of responsible spending financial intelligence abilities (Lopus, 2019).

Financial Literacy: Knowledge of money and financial products that individuals can apply to financial decisions to help them make well-informed financial decisions; it includes knowledge about how to use credit, investments, savings, borrowing, insurance, and spending (Arianti,2018).

Food and Beverage Manufacturers: in this study it refers to companies that manufacture Alcoholic Beverages& Spirits, Non-Alcoholic Beverages, Baked products and other processed cereals, Confectionary, snack foods, spreads, and condiments, Dairy and dairy derivatives, Meat and fish products, Edible Oil and Salt Sub-Sector (K.A.M 2023).

Investment decision: This refers to decisions made and is concerned with the management of an investor’s wealth, which is the sum of current income and the present value of all future incomes (Bakri, 2020).

Irrational Factors Management: This refers to the personality traits that dictate the ways in which a manager makes financial decisions relating to the company (More, 2014).

Managerial Tenure: The length of time a person has worked in manufacturing company management (Mottes, 2019).

Manufacturing Companies: This refers to any business that transforms raw materials into finished or semi-finished goods using machines, tools and labour. They include production of They include production of food, beverages, chemicals, plastics, pharmaceuticals, paper, leather, textiles, machines and equipment (Lodefalk, 2014).

Past Performance Awareness: This refers to the financial knowledge of the company relating to the last few years of its operations (Arianti, 2018).

Rational Factors Literacy: This refers to the knowledge of concepts relating to financial management including interpreting books of accounts, Budgeting, Financial risk management, and saving goals (Huston, 2010).

ACRONYMS

ANOVA: Analysis of variance

ARM: Athi River Mining

CAPM: Capital Asset Pricing Model

CEEDR: Centre for Enterprise and Economic Development

CFO: Chief Finance Officer

EPZ: Export Processing Zones

G.O.K: Government of Kenya

GDP: Gross Domestic Product

KAM: Kenya Association of Manufacturers

KNBS: Kenya National Bureau of Statistics

KNTC: Kenya National Trading Corporation

NACOSTI: National Commission of Science and Technology Innovation

OECD: Organisation for Economic Cooperation and Development

SPSS: Statistical Package for the Social Sciences

UK: United Kingdom

UNCTAD: United Nations Conference on Trade and Development

CHAPTER ONE

INTRODUCTION

1.0 Overview

This section covers the background of the study, statement of the problem, general objectives, objectives of the study, specific objectives, and research hypotheses, significance of the study and the scope of the study.

1.1 Background of the Study

A company's immediate consumption and delayed consumption are traded off in an investment decision in order to maximize future consumption benefits (Garang, 2016). The definition of investment, according to both theoretical and empirical research, is the commitment of money by an investor for a predetermined amount of time with the hope of earning returns. According to Baker and Nofsinger (2010), investing is a dynamic field nowadays. The degree of financial literacy of an individual has a significant impact on the success of their investment decision.

Manufacturing businesses are essential to the expansion and growth of the economy because they generate a sizable demand for products and services from other economic sectors. Manufacturing companies worldwide, akin to other businesses, encounter intricate financial products and must make crucial investment decisions. Amoah (2019). In a research on Chinese manufacturing companies, Khurshid (2015) found that interest rates influenced savings in the manufacturing firms, which in turn affected future investment. The impact of interest rates on investment grew the cost of investment and drove away lower income investors, which decreased demand for investment. On the other hand, declining interest rates mean that investment costs decrease, which encourages investment (Kingondu, 2020).

Suleiman (2019) has provided updated data indicating that the manufacturing sector contributes £ 6.7 trillion to the global economy. About 15.4 million people were employed in the manufacturing sector in 2019, which accounted for roughly 10.8% of all jobs in the US, according to Alkaraan (2020). In the most recent fiscal year, the manufacturing sector in the United States produced a gross domestic product (GDP) of $15.1 trillion, or about 25% of the total GDP of the country. Merozwa (2015) states that the manufacturing sector accounts for 45 percent of the UK's total exports and contributes 10 percent of the country's GDP. In addition to this, it directly employs about 3.7 million people. Germany, the United States, and Japan are similar in a few ways. The manufacturing sector in the United Kingdom is becoming more and more concentrated in high-tech industries, particularly aerospace and pharmaceuticals. This is consistent with the comparison to developing nations like China, Brazil, Russia, India, and the like, which have shown a greater level of specialization in less technologically intensive industries like textiles (Lin *et al.*, 2020).

Manufacturing businesses in Africa contribute to the process of economic development by leveraging factors like trade liberalization, the rise in developing nations, the increasing trend of technological advancement, and the removal of some trade barriers in response to the rapidly shifting economic conditions of drivers. The challenge for commercial manufacturing companies, according to UNCTAD, is to ensure that their current ideas, strategies, and investment recall mechanisms are effective in this market without requiring customization. There has been a recent increase of up to $55,5 million in foreign direct investment (FDI), with roughly 30% going to North Africa, 27.5% going to South Africa, and the remainder going to other African regions. UNCTAD's World Investment Report (2011).

Within the framework of South Africa, the industrial sector contributes significantly to the GDP of the nation, making up roughly 17.4% of the GDP overall. Additionally, this industry contributes significantly to the creation of jobs, employing about 9% of the labor force. Furthermore, the industrial sector which contributes roughly 40% of the nation's total export value is a significant force behind export activities. Kungu (2015) asserts that there is a positive relationship between the rate of economic expansion and the manufacturing sector's contributions to trade, GDP, employment, and innovation. The increasing trend in manufactured exports and the growing percentage of exports to total production in different manufacturing sectors and the manufacturing industry overall should be understood in the context of a severe and prolonged economic downturn that has resulted in a marked drop in manufacturing output.

Kenyan manufacturing businesses must contend with heightened global competition, and many are fighting for their lives and must find innovative ways to grow. A few manufacturing companies have shut down, while others have lain dormant for an extended period of time (Okoth, 2015). As the manufacturing sector develops, the manufacturing industry grows, and this has not been the case in Kenya's manufacturing sector, despite the high room for investment that many businesses have remained uncompetitive (KAM, 2016). Globalization, shortened product lifecycles, quick technological advancements, tighter standards, and shifting customer preferences and needs have all made these worse (KAM, 2016). According to Welkenhuysen *et al.,* (2017), companies in the manufacturing sector are more likely than those in the service industry to actively introduce changes in production processes and invest in more technologies that are modern. Additionally, it is thought to be the most crucial sector for achieving long-term growth in the local and regional economy (Smallbone *et al.,*

2017), and that, as a prescriptive measure to achieve economic development and sustained growth, more investment is required in this sector than in other sectors.

Kenya's manufacturing sector is a significant one, contributing significantly to the nation's economic growth. The industry is one of the key productive sectors identified in Vision 2030 to promote economic development, to deliver the 10% annual growth and serve as a solid foundation for other industries to flourish. The industry is a reliable source of sustainable and productive jobs, with the capacity to both create new jobs and expand existing ones in order to support the expansion of other industries and to promote global economic development (K.A.M 2016). Demand for domestic goods will be generated by a booming and competitive local industry, so it is imperative that those in charge of these businesses demonstrate financial literacy. The manufacturing sector has the ability to diversify the nation's economy and create jobs by exporting foreign exchange earnings.

According to Sierrasqueiro (2017), financial literacy is the ability to use judgment and make wise choices when using financial management. With goals to deal with the firm's survival, profit maximization, sales maximization, capturing a specific market share, minimizing staff turnover and internal conflicts, and maximizing wealth, this is an area that requires knowledge, skill, attitude, and experience (Awais *et al.*, 2016). According to Von Gaudecker (2015), financial literacy is the capacity of individuals to comprehend and apply fundamental financial concepts to plan and manage their finances, including budgeting, investing, saving, and insurance. Therefore, to make informed decisions, know where to get assistance, and take other practical steps to improve their financial wellbeing, a person who is financially literate should be aware

of financial products and able to confidently appreciate financial risks and opportunities (Finke *et al.,* 2017).

An efficient market theory is discussed, according to Shiller (2018), which holds that investors make logical decisions by carefully examining all available data in an effort to maximize their projected profit or return. Even with the efficient market theory in place, investors' perceptions of the profits and losses on their investments fluctuate. It is proposed that people who participate in markets behave rationally. The current financial investment trend points to rising volatility, which is closely related to the inherent risk involved in making investments.

Financial knowledge and analytical abilities are crucial for enabling people to engage in the financial process and make wise financial decisions. In the end, this helps them determine which investments are best for their business, whether to sell an asset or purchase new financial software that could enable them to monitor financial data in the financial market (Lewellen, 2016).

Investors' level of knowledge about their historical performance has a significant impact on how their investment decisions turn out. An investor's awareness of risk is based on their knowledge of risk, their tolerance for risk, and their projected rate of return on investment. Naiwen *et al.,* (2021). Anggraeni *et al.,* (2020) posit that investors' capacity to make wise investment choices is reliant on their availability of precise information and their comprehension of the possible consequences, be they advantageous or disadvantageous. As a result, an investor's risk tolerance influences the decisions they make about their investments. Van *et al.,* (2016) found that a considerable proportion of investors employ social and political information to identify possible red flags in investments before making an investment decision. Chebib *et al.,* (2016) state that

government regulations, frequent occurrences of fraud and corruption, and a lack of financial literacy are the main causes of the low degree of investor awareness and participation. These elements may have a detrimental effect on a nation's economy and impede the generation of wealth.

An investor's irrational behavior can affect both market prices and investment decisions. (Kim and Nofsinger, 2018) provides an example of how investors act and how those actions affect the financial markets. Conventional theories of financial markets assume that market participants are rational. However, a wealth of research indicates that investor behavior is not always rational—in fact, there are instances when it is systematically irrational (Fama, 2020; Shiller, 2018; Kahneman & Tversky, 2013).

A manager's values, behaviors, and skills, along with other characteristics related to temperament and intellectual capacity, are all part of their managerial tenure. The attributes required for management can be viewed as a balance, with respect and responsibility balanced on either side of integrity, which serves as a strong, stable foundation (Gualco 2016). Managerial tenure is defined by Mottes (2019) as the length of time spent managing manufacturing companies. According to Holmstrom (2012), a manager's propensity for taking risks and willingness to share information with the board that is pertinent to the firm's decision-making can be negatively impacted by changes to the management information environment and career concerns related to job security, competitiveness in the job market later on, future compensation, and managerial autonomy in the early years of the manager's tenure.

1.1.1 Food and Beverages Manufacturing Companies

Development of manufacturing sector forms the foundation for the growth of manufacturing industry given its role industrialising the country through creation of

sustainable jobs and its ability to earn the country foreign exchange through exports. The industry play a critical role and they are more likely to be active in introducing changes in production processes and investing in more modern technologies than firms involved in service work (Welkenhuysen et al., 2017). There is also a belief that it is the most important sector in achieving long-term economic growth in the local and regional economy (Welter, Smallbone, & Pobol, 2015) and where more investment is needed compared to other sectors as a prescriptive method of achieving economic development and sustained growth.

Food and Beverages Manufacturing companies in Kenya face an intensified global competition, for many the struggle for their survival involves an imperative to find new ways of development to enhance growth. Some of the manufacturing companies have remained dormant for too long and others have closed its doors (Okoth, Odunga, & Oduke, 2013). Despite the high room for investment, a number of businesses have remained uncompetitive, these have been compounded by globalization, shortening product lifecycles, rapid advancement in technology, increased standards requirements and changing consumer needs and preferences.

1.2 Statement of the Problem

Ideally, investments should be made in companies with potential for significant financial returns. Investors must make well-informed decisions based on factors such as capital, returns, investment duration, sector risk, and opportunities. Poor investment choices can lead to greater losses and impact business expansion, success, and survival. Financial literacy is crucial for investors to make informed decisions. The extent to which managerial tenure affects investment decisions will partly reflect the managerial tenure's impact on performance.

However, poor investment choices are difficult to undo, and if the company follows through on them, it could results in greater losses and have an impact on the business expansion, success and survival. The structure of the manufacturing sector has not changed much over time, despite targeted policy initiatives. Due to an overabundance of solar panels, the American solar panel manufacturer Solyndra had to shut down and went out of business in 2011. Despite generating $140 million in sales, it turned into the most well-financed failure in American venture capital history (Wald, 2011). The 1968-founded state-owned company Juapong Textiles Ltd in Ghana failed because of the financial crisis, despite the fact that it had developed into a significant source of employment in both the formal and unofficial sectors (Madichie *et al.,* (2011).

Food and beverages manufacturing sector in Kenya has shown a downward trend, with businesses exposed to significant risks and excessive debt (Bulle, 2017). Two out of every five manufacturing companies in Kenya fail within two to three years after being founded (KNBS 2018). The sugar industry in Kenya (including the Miwani, Muhoroni, Nzoia, Sony, and Chemilil factories) has seen numerous firms liquidate or have their operations severely hampered, the companies was bankrupted by massive, unmanageable debt, bad corporate governance, and money embezzlement, as a result, investors lost money and a backlog of unpaid supplier claims accumulated (Njenga, 2019).

KAM (2023) reports that there are over 900 well-established multi-sector manufacturing companies in Kenya, of which 265 produce food and beverages, making up 29% of the country's manufacturing industry, the companies has been stagnant despite the government of Kenya's attention to the manufacturing sector through plans like Kenya Vision 2030. The sub-sector supports over 17 million people the majority

of whom live in rural areas, its contribution to GDP remained constant from 1965 to 2015, and has decreased over the past five years to a low of 9.2% in 2016.

Even though significant progress have been made, there are research questions and gaps that need to be addressed. Majority of the studies conducted have linked financial literacy and its effects on company performance and exist outside of Kenya hence evoking the need to conduct research within Kenya to highlight the specific factors affecting firms in this industry. It is therefore against this gap that the study seeks to fill and study on the moderating role of managerial tenure on the relationship between financial literacy, managerial tenure and investment decision for the Kenyan Context.

1.3 Objectives of the Study

1.3.1 General Objective of the Study

To assess the moderating role of managerial tenure on the relationship between financial literacy and investment decision of Food and Beverage Manufacturing companies in Kenya.

1.4 Specific Objectives

The study was guided by the following research objectives

i. To evaluate the effect of rational factors literacy on investment decisions of food and beverage manufacturing companies Kenya.
ii. To test the effect of financial analytical skills on investment decisions of food and beverage manufacturing companies Kenya.
iii. To find out the effect of irrational factor management skills on investment decisions of food and beverage manufacturing companies Kenya.

iv. To inquire the effect of past performance awareness on investment decisions of manufacturing companies Kenya.

v. (a). To assess the moderating role of managerial tenure on the relationship between rational factors literacy on investment decisions of food and beverage manufacturing companies Kenya.

(b). To evaluate the moderating role of managerial tenure on the relationship between financial analytical skills literacy on investment decisions of food and beverage manufacturing companies Kenya.

(c). To examine the moderating role of managerial tenure on the relationship between irrational factors literacy on investment decisions of food and beverage manufacturing companies Kenya.

(d).To ascertain the moderating role of managerial tenure on the relationship between past performance awareness on investment decisions of food and beverage manufacturing companies Kenya.

1.5 Hypotheses

The study was guided by the following research hypothesis:

H_{01}: There is no significant relationship between rational factors literacy and investment decisions of food and beverage manufacturing companies Kenya.

H_{02}: There is no significant relationship between financial analytical skills and investment decisions of food and beverage manufacturing companies Kenya.

H_{03}: There is no significant relationship between irrational factor management skills and investment decisions of food and beverage manufacturing companies Kenya.

H_{04}: There is no significant relationship between past performance awareness literacy and investment decisions of food and beverage manufacturing companies Kenya.

H_{05}: There is no significant relationship between managerial tenure and investment decisions of food and beverage manufacturing companies Kenya.

H_{06a}: There is no significant relationship between managerial tenure on the relationship between rational factors literacy and investment decisions of food and beverage manufacturing companies Kenya.

H_{06b}: There is no significant relationship between managerial tenure on the relationship between financial analytical skills and investment decisions of food and beverage manufacturing companies Kenya.

H_{06c}: There is no significant relationship between managerial tenure on the relationship between irrational factors literacy and investment decisions of food and beverage manufacturing companies Kenya.

H_{06d}: There is no significant relationship between managerial tenure on the relationship between past performance awareness and investment decisions of food and beverage manufacturing companies Kenya.

1.6 Significance of the Study

The study findings will be of significance to investors and management of manufacturing companies and those operating in other sectors within Kenya for improved profitability and longevity of companies by employing qualified staff with strong financial literacy skills in order to enhance company performance and

sustainability. Managers will be able to make informed decisions on investment decisions to be adopted and thus safeguard their interest as well as those of their stakeholders

Financial educators within technical and vocational training institutions will be able to equip students with the necessary skills that meets the market demand in manufacturing sector which can in turn promote the profitability and success of the sector, enhancing workforce readiness and sector competitiveness.

The study findings can help academicians and scholars as it adds to the existing source of knowledge and hence can be of interest of both researchers and academicians who seek to explore or investigate the importance of financial literacy, managerial tenure among other factors on the investment decisions and success of manufacturing companies.

1.7 Scope of the Study

The study focused on Food and Beverages manufacturing companies that are members of Kenya Association of Manufacturing and operate within Kenya. Explanatory Survey design was adopted for the study. The target population of the study was composed of 250 Chief Finance Officers working under registered manufacturing Food and Beverages sector, they play critical role in advising departments on various areas including product development, new business models, digital transformation, human capital management and long-term business planning The study independent variables under study was limited to rational factors literacy, financial analytical skills, irrational factor management skills and past performance awareness, investment decision as dependent variable and managerial tenure as the moderating variable. The study used questionnaire to collect primary data. The study was conducted for a period of four

months, this provided room for adequate collection of the required data and efficient analysis of the research findings effective September to December 2023 following the acquisition of all required approvals.

CHAPTER TWO

LITERATURE REVIEW

2.0 Overview

This chapter reviews the concepts of Investment Decisions, Financial Literacy and Managerial Tenure variables of the study, the theoretical reviews of the study variables, the empirical reviews, theories, conceptual framework and knowledge gap of the study.

2.1 Concept of Investment Decisions

The process of making important investment decisions is dependent on a number of variables that can differ from person to person. Individuals act differently when they make decisions in life of any kind. While some people base their decisions solely on their judgment, others take into account a variety of other factors that influence their decision-making. When investors have a thorough understanding of all the confounding variables, making decisions becomes easier. The factors that guide them in making the best choice possible to prevent or lessen losses in the future (Awais *et al.,* 2016).

An investment is a short-term, current financial commitment made with the hope of earning future payments that will offset the investment's duration, the anticipated rate of inflation, and the payment uncertainty. Making an investment entails sacrificing something now in the hopes of reaping rewards later. The sacrifice made now and the benefit gained later are the two most crucial aspects of an investment. Investment is the giving up of some current values in exchange for an unknown future benefit. It entails allocating money to different investment opportunities. Making decisions about various aspects of investments, including their type, mix, amount, timing, and grade, requires constant decision-making. The management of an investor's wealth, which is comprised

of their total current income plus the present value of all future incomes, is the focus of investing (Levy *et al.,* 2008).

In order to respond to opportunities and threats, a person must analyze their options, determine their specific goals, and choose a course of action (Akintoye *et al.,* 2019). This process is known as decision-making. As a decision-maker, the investor has no control over the future states of nature, but those states will undoubtedly have an impact on the performance of any strategy the investor chooses to employ. The decision-makers' knowledge or estimate of how a specific future state of nature will affect the outcome of each strategy will therefore determine the specific decision made. However, high returns are typically accompanied by high risks, so the investor's ultimate goal should be to choose investments that balance risks and returns. (Mottes, 2019).

2.2 Concept of Financial Literacy

The Organization for Economic Co-Operation and Development (OECD) developed the concept of financial literacy in 2005. According to this definition, financial literacy is the result of an investor's knowledge of financial products and concepts combined with their ability and confidence to recognize opportunities and risks in the financial world, make wise decisions, know where to find support, and take other practical steps to improve their financial well-being (Madi *et al.,* 2018).

In today's world, financial literacy is becoming more and more important, particularly in the economic and financial domains. Having sound financial knowledge goes a long way toward explaining a range of financial and economic behaviors. Economic agents' decision-making is greatly influenced by their level of financial literacy in terms of their comprehension of basic financial concepts. People have become more active agents

over time, taking greater responsibility for their financial planning than they ever did before. As recent crises have primarily hurt the young and the inexperienced, it is possible that this increased responsibility arose from a humanistic need to preserve oneself. On the one hand, the global crisis of 2008—also referred to as the subprime mortgage crisis—can be considered to have elevated financial literacy.

According to Boon *et al.,* (2011), financial literacy studies typically define financial literacy as a term that can be used interchangeably with financial education, financial knowledge, or financial sophistication in the literature. According to Remund (2010), financial literacy is a dynamic state of competency that enables people to adapt well to their constantly changing personal and financial situations. It is the knowledge that typical investors possess about the organizations, instruments, rules, and principles of the market (FINRA, 2003). With the right information, a person can assess novel and intricate financial instruments and decide which ones to use and to what extent, all of which will serve their own long-term interests (Widyastuti *et al.,* 2020). Saha (2016) goes on to say that if someone is competent and can show that they have applied what they have learned to make investment decisions, they are deemed financially literate.

On the other hand, the significance of this financial comprehension may be influenced by the two primary problems. First, the variety of financial products demands knowledge of and comprehension of financial concepts and matters, many of which are fairly complex and difficult to understand (Widyastuti *et al.,* 2020). It goes on to say that the deregulation of the financial markets brought about the emergence of this range of financial products in the US. Second, recent changes to social security in the US—and really throughout the world—require people to take an active role in managing their

finances. In one way or another, it appears that knowing financial concepts and identifying financial instruments is crucial for anyone making financial decisions.

The term "rational factors" describes an understanding of financial management concepts, such as budgeting, financial risk management, bookkeeping interpretation, and saving objectives (Huston, 2010). In essence, this is what the management of the companies knows about the financial aspects of the business. This is comparable to the management of the company's educational background, including their areas of specialization. Chandra and Kumar (2008) state that there are two primary components to rationality in the process of making investment decisions: the thorough and impartial examination of all relevant information, both potential and available.

The application of logical skills to carry out financial procedures, such as proficiency with financial reporting and financial statement analysis, is referred to as financial analytical skills. knowledge of responsible spending, proficiency with financial intelligence (Lopus 2019), Lopus goes on to say that in order to accomplish a desired outcome, it refers to the competent execution of financial management practices by the pertinent finance employees. It has to do with the actual computations carried out to guarantee that investment returns can be calculated and controlled in the most efficient manner.

The personality traits known as "irrational factors"—such as rumors, overconfidence, mental accounting, self-image of potential investment avenues, and dependent behaviors—determine how a manager makes financial decisions regarding the company (Sultan, 2010). Sultan goes on to say that irrational factors encompass the management's financial attitudes and preferences regarding an investment, which are

based on their demographics and personalities that have evolved over time as a result of specific experiences. Every management creates different financial attitudes, which explains why different irrational factors exist.

Past performance awareness is the understanding of the company's finances for the last several years of its existence (Arianti, 2018). This awareness of past performance includes information about the company's returns, such as its profitability, sales, and growth, as well as other elements of the business, such as its public perception.

2.3 Concept of Managerial Tenure

The primary factor that worries the company's owners is the personal manager's trait since they have the most decision-making authority over the operations of the business and have a significant impact on whether the business succeeds or fails in reaching its objectives (Sitthipongpanich & Polsiri, 2014). According to Kaplan *et al.*, (2020), managers that hold leadership roles, have significant responsibilities, and receive high and appropriate compensation are crucial to the company's success.

The duration of a person's leadership role within an organization is referred to as their tenure. Investors may also use the manager's term as a signal in the market; a long tenure suggests that the CFO certification has high credibility. CFO tenure offers managerial incentives to optimize company value, in line with agency theory. A manager with a long tenure may be more committed to the company as a result of building a strong reputation; however, a manager with a long tenure may become overconfident in their work (Sitthipongpanich & Polsiri, 2014). According to a study conducted in Ghana by Adomako *et al.*, (2014), managers' average tenure has a positive and significant effect on the performance of the company.

2.4 Theoretical Framework

This section presents the theories that would be used to guide the study. This includes Upper Echelons Theory, Decision Theory and Prospect Theory

2.4.1 Upper Echelons Theory

Developed by (Hambrick and Mason 1984). This theory informed the Managerial Tenure and Investment Decision variables in the study. It emphasizes that top management executives view situations and make decisions based on their highly personalized experiences in their field of work. These factors, along with managers' cognitive bases, demographic traits, resource utilization, quality of decisions, and capabilities, influence investment decisions. Firms are the mirror reflection of top management, and their performance is significantly influenced by the experiences, values, and personalities of decision-makers. Therefore, as an essential component of the upper management group and a decision-maker, CEOs shape organizational results and frameworks by means of their strategic decisions and behaviors, which ultimately mirror their personal traits (Finkelstein and Hambrick 1996). Conversely, scholars such as Galbraith (1984) and Aldrich (1979) contend that the efforts and leadership of top executives have very little to no effect on corporate outcomes, which are instead the result of industry- and company-specific factors.

The results of investments made by the organization are a reflection of the managers' traits, which are shaped by the choices they make in the course of their employment. Consequently, the values and personalities that high-level executives bring to the decision-making table have a significant impact on how they interpret the circumstances they encounter and the decisions they make (Hambrick, 2007).

This theory is pertinent to the study because it shows how the tenure of top management influences the decisions about investments and how those decisions are implemented based on factors like group diversity and individual experience.

2.4.2 Decision theory

Warner (1968) developed the Decision theory. This theory informed the Rational factors and Financial Analytical Skills variables in the study. Vision is about people's thoughts and deeds. There are two distinct and descriptive versions of the decision concept. According to the prescribed form, one should select a course of action that raises the anticipated consumption. The kind of description demonstrates that an individual selects an action path that optimizes expected utility. In these situations, the process of making decisions can be crucial to lowering the possibility of losses from making bad investment choices. (Kariuki & Kamau, 2018). The process of choosing investments is a crucial one that is influenced by a number of variables that can differ from person to person because of the diversity of human environments (Musundi, 2014).

Decision theory can offer pertinent insight into the decision-making process with regard to this study; managers act in different ways when they make decisions. When making investment decisions, some people rely on their judgment, while others consider other factors, such as free travel situations in which someone else has already made those decisions and succeeded. Investors must make decisions about investments in a variety of complex situations that involve risk, selective loading, and ambiguity. These are the difficulties that analysts, financial experts, and investors must overcome. These businesses can use decision theory to analyze and make better decisions about a range

of investment-related topics, such as product development, market expansion, and risk management.

This theory is pertinent to the study because it describes how investment decisions are based on specific techniques used to choose the best course of action when a number of alternative techniques can be evaluated and their varied outcomes cannot be predicted with certainty.

2.4.3 Prospect Theory

First presented by Kahneman and Tversky in 1979, this theory informed the past performance awareness and irrational factors variables in the study. The theory of prospect has made a substantial contribution to the study of investment decisions. Prospect theory deals with the examination of experimental results in decision-making scenarios that have probabilities and objective monetary outcomes. Prospect theory states that people usually judge results by how different they are from their starting points, not by how much an asset is worth in absolute terms. The prospect theory is concerned with how people make decisions when faced with risks, primarily focusing on the cognitive assessments that go into those decisions. First and foremost, conclusions are often drawn from assessing the state of the world from the outside. A theoretical framework known as prospect theory is used to study decision-making processes that are made more complex because of the existence of uncertain conditions. Psychophysical models that center on the idea of expected value proposition are the foundation of prospect theory. In 1986, Tversky and Kahneman. The prospect theory studies people's propensity to show risk aversion, especially in advantageous circumstances. Certain aspects of prospect theory bear similarities to the ideas of

expected utility. To address the common patterns seen in decision-making processes, prospect theory was developed and presented. (Weirich, 1983).

This theory is pertinent to the research because it assesses the tendency of most people to be risk averse, particularly when things are going well. It also tackles the difficult task of making decisions in the face of uncertainty.

2.5 Empirical Review

This section covers a review of literature concerning the study variables. These include the effect of rational factors literacy, financial analytical skills, irrational factors management, past performance awareness on investment decisions. It further reviews literature on the moderating role of Managerial tenure on the Relationship between Financial Literacy and Investment Decision variable.

2.5.1 Effect of Rational Factors Literacy on Investment Decisions

Reasonable elements Reading comprehension is a useful tool for forecasting people's investing habits. Many citizens lack access to basic education and other necessities for making investments because of the low level of financial literacy and the lack of awareness of its importance in a nation. According to Musundi (2014), people with low literacy frequently rely on others as their primary source of financial advice, and as a result, they may base their decisions on the performance of prior investments made by others. This suggests that financial literacy influences investment decision making.

Chandra and Kumar (2008) define investor rationality as being reasonable and considering their best interests when making decisions. According to Somil (2007), proponents of the rational investor theory believe that people make decisions based on the concepts of self-interest, maximizing, and consistent choice. The rational investor

is one who makes decisions based only on maximizing profits and is assumed to have perfect knowledge of his surroundings. This rational investor also believes that the market must be efficient.

In a 2009 study, Kaleem *et al.*, examined the factors that influence financial advisors' perceptions of portfolio management in Pakistan and discovered that an investor's investment style is significantly influenced by their age, income, language, and educational orientation. Age, gender, income, and education all have an impact on investors' preferences and attitudes regarding investment decisions, according to research by Shanmugsundaram and Balakrishnan (2011). According to Shaikh and Kalkundrikar (2011), a number of demographic factors, including age, gender, marital status, income level, degree of market knowledge, educational background, and number of dependents, influence investors' investment decisions. Geetha and Ramesh (2012) investigated the significance of demographic factors in Tamilnadu, India, and concluded that certain elements of investment decisions are significantly impacted by these factors, while other elements are only marginally impacted.

According to a 2011 study by Aregbeyen and Mbadiugha in Nigeria, the top ten factors that influence an investor's decision in that order are: motivation from individuals who have achieved financial security through share investments; future financial security; the company's management team; awareness of the potential returns on investment; the makeup of the board of directors of companies; the company's recent financial performance; and the ownership structure of the company.

In a 2015 study, the Organization for Economic Cooperation and Development (OECD) assessed financial literacy in twelve major global regions, including the United

Kingdom, the United States, Europe, Japan, and Australia. The study's findings indicated that the majority of respondents had extremely low levels of financial literacy, particularly among young people who will shape the future of the economy. A study on financial literacy and investment decisions in Pakistan was carried out by Awais *et al.,* (2016), the study's findings indicated that financial literacy has a positive impact on investment decisions. The results of Klapper and Panos's (2011) study about developing nations showed that improved financial literacy has a favorable effect on investment planning. In a similar vein, Lusardi and Mitchell (2017) demonstrate that people with low financial literacy are less likely to make investment plans and, consequently, accumulate significantly less for growth.

Muller and Weber's (2010) study shows that investing decisions in low-cost funds are positively impacted by financial literacy. The study also shows that even the most astute investors choose actively managed funds over less expensive index fund alternatives or exchange traded funds (ETFs). In order to evaluate the impact of numerous demographic and socioeconomic factors on investors' investment decisions, Mahmood (2011) conducted research in Pakistan. According to the study, an investor's perception of risk is a key factor in their decision-making process when making investments, and it is also significantly impacted by changes in governmental regulations. Thus, comprehending an individual's attitude toward risk is closely related to the objective of comprehending and forecasting economic behavior.

Programs for financial education had little to no impact on savings, according to Leary *et al.,* (2015). Some have questioned whether it is worthwhile to try to increase financial literacy due to the conflicting data regarding the efficacy of financial education programs. It's unclear if there is a choice at all. Letkiewicz (2014) used a convenient

sample of 290 investors to investigate the conscientiousness, financial literacy, and asset accumulation of young adults. Businesses mandate that managers use records as a reference for regular action, decision-making, policy formulation, and upholding stakeholder relations (Lusimbo & Muturi, 2016). Sucuahi (2013) asserts that it is a crucial ability for company owners since it offers essential data for making decisions. It was discovered that financial literacy, as indicated by financial education, was not up to par. It was discovered that most investments were made easily by investors with banking experience, advanced degrees, and particularly those with training in finance (Bjork, 2014).

2.5.2 Effect of Financial Analytical Skills on Investment Decisions

The ability to critically analyze finances is ultimately necessary to assist in determining which investments are the best for businesses. It provides projections for a company, assisting it in making well-informed—and hopefully accurate—decisions regarding potential investments. As a result, having financial literacy skills helps people to manage their money, navigate the financial system, and reduce the likelihood of being duped when it comes to money matters. Thus, in order to make wiser financial decisions in life, a person needs to possess both knowledge and skills (Singh & Kumar, 2017).

The ability to apply the financial services knowledge that is suggested by financial literacy is known as financial skills. Research indicates that a person's financial situation is significantly impacted by their level of financial literacy. Additionally, Atkinson & Messy (2011) pointed out that financially literate individuals amass wealth through accumulation. Nonetheless, Jonubi (2013) contended that everyone with solid financial knowledge can make wise investment decisions; as a result, raising one's level of financial literacy is essential to making better financial and investment choices. Thus,

managers ought to possess the information and abilities necessary to make wiser financial decisions throughout their lives (Singh & Kumar, 2017).

In his research, Amisi (2012) looked at the relationship between financial literacy and the variables influencing Kenyan pension fund managers' investment decisions. The study's findings, which were based on a modified Likert scale questionnaire, showed that financial literacy was far below what was required. Since investment decisions are ongoing and require members to regularly monitor and evaluate the performance of their chosen fund and investment option, as well as decide whether to switch to another fund and/or investment option, it has been found that members' financial literacy levels significantly influence the decision-making process used by fund managers.

Jariwala (2015) studied how Gujarat state's retail individual investors' financial literacy levels affected their investment choices. The study found that the investors' level of income, education, and workplace activity all had an impact on their financial skills, which were found to be far below what was required. The results of the study indicated that respondents' levels of financial literacy varied significantly based on their gender. According to Ibrahim *et al.,* (2013), there is a correlation between various forms of personal debt, such as bank loans, borrowing from friends and family, and credit card borrowing, and financial literacy, personal financial attitude, and forms of personal debt among residents of the United Arab Emirates (UAE). Demonstrated that women are less financially literate than men are, and that financial literacy has a detrimental impact on investors' decisions to make investments. It was also discovered that the main factors influencing an investor's decision to make an investment were their religion, the firm's reputation, their perception of the firm's ethics, and the need for diversification; the least important factors influencing an investor's decision to make an investment were

rumors, the opinions of family members, the ease with which they could borrow money, and recommendations from friends.

2.5.3 Effects of Irrational Factors Management on Investment Decisions

Many times, emotions, romantic feelings, memories, and beliefs influence investment decisions, leading to unexpected, irrational, and foolish behavior on the part of investors. Ibrahim *et al.,* (2013) looked into how people with United Arab Emirates origin who work in the service industry felt about money. Due to a lack of a formal sampling frame, the researcher surveyed a convenient sample of 412 participants. Personal financial attitude was measured using responses on a five-point Likert scale of importance adapted from Ergn (2018). The study's findings indicated that a shift in one's personal financial mindset had the potential to lessen reliance on credit cards. However, the convenience sampling technique used in this study raised the possibility of non-representation bias, making it more difficult to apply the findings in a broader context. Numerous restrictions were also present with this study, such as those related to the types of linear regression models that were employed and their specifications. By using a dummy independent variable, the linearity assumption was broken. Duru (2013) asserts that the application of a logistic regression model could have remedied this.

In order to determine whether Singaporeans were aware of common financial products and services and how useful they are for managing finances for investments, the Money Sense Financial Education Steering Committee of Singapore carried out its first financial literacy survey in 2005. The study's findings demonstrated that, as a gauge of their financial literacy, the residents of Singapore have a sound attitude toward money matters, financial planning, and above all management of investment decisions.

Additionally, this committee discovered that Singaporeans kept a close eye on their spending and saved a portion of their income.

Athur (2014) studied how managers' investment choices in manufacturing companies were impacted by behavioral biases. Thirty managers were the study's target audience, and descriptive statistics and multiple correlation analysis were used to analyze the data. The study found that herd instincts, illusion of control bias, representativeness, cognitive dissonance, and hindsight biases all affect investor decisions. Nevertheless, it has been demonstrated that other behavioral traits like self-attribution, risk aversion, overconfidence, and loss aversion have no bearing on the choices made by investors. According to Athur's (2014) theory, the abundance of information available in the market and the incredible speed at which it disseminates have resulted in a complex life for those who make investment decisions. Furthermore, the actions of one investor will undoubtedly influence the choices made by other investors. He goes on to say that while it's best to avoid operating in a vacuum, investors should exercise greater professional judgment and skepticism when assessing the collective actions of other investors in the market.

Evans (2006) conducted research on the topics of overconfidence perceptions and financial cue predictive validity. The research revealed that most investors have an excessive amount of confidence in their skills and expertise. The study also discovered that investors typically overestimate their abilities and underestimate how imprecise their beliefs or forecasts are. Lastly, because they think they are superior to others at selecting the best properties and moments to enter or exit a position, overconfident investors typically engage in more trading. Therefore, overconfidence may result in

investors underreacting to new information, which would cause them to earn yields that are much lower than those of the market.

According to Phung (2018), people who are overconfident tend to exaggerate or overestimate their ability to complete a task successfully. Many academics examined investor overconfidence and examined the negative consequences of investor overconfidence. Their findings showed that investors were overconfident in their capacity to make wise financial decisions, which led to investment errors. Therefore, past research indicates that one of the most harmful biases an investor can exhibit is overconfidence. This is because investors' typical behaviors include underestimating downside risk, trading too frequently, and maintaining a portfolio that is not sufficiently diversified. (Laibson *et al.*, 2015).

Arianti (2018) discovered a highly significant and robust correlation between behavior and knowledge in a variety of personal finance-related domains. Furthermore, informational seminars and formal courses were rated as the least effective ways to learn personal financial management skills, while media and video presentations were found to be the most effective. The primary sources of knowledge were personal experience, friends, and family; formal education, such as a high school diploma, and educational sessions held outside of a school setting or for the job, were rated lower across all financial practices and skill levels. Regretfully, the study offers no solid proof that sound personal finance practices follow from financial literacy.

According to Kumari (2020), undergraduates' investing decisions were positively and significantly influenced by their financial literacy. Moreover, three financial literacy dimensions have been found to have a significant influence on the degree involved in

investment decision-making. The most important one among them was financial literacy. Roy (2018) added that people become more financially sophisticated as they gain experience in financial matters, and it is anticipated that people will become more financially competent.

According to empirical research, financial literacy varies depending on the population subgroup (Lusardi & Mitchell, 2015). Age distributions are noteworthy because they show an inverted U-shaped pattern, with the youngest and oldest groups having the lowest financial knowledge and the middle age group having the highest. The study also discovered that women typically have less financial literacy than men. Higher educational attainment was found to be strongly correlated with financial knowledge in all of the countries studied by Lusardi and Mitchell (2015); however, even at the highest level of education, financial literacy tended to be low, leading the researchers to conclude that education was not a good proxy for financial literacy. Both education and financial literacy tended to be statistically significant when they were included in multivariate regression models, suggesting that financial literacy had an impact in addition to education. It was also discovered that, in comparison to individuals who were unemployed, those who were employed, as well as self-employed individuals in some countries, had greater levels of financial literacy. This discrepancy resulted from learning from coworkers or skills picked up on the job, as well as from financial education programs provided in the workplace.

2.5.4 Effects of Past Performance Awareness on Investment Decisions

To be able to advise others on how to best allocate your resources and assets in any given investment, one must have a thorough understanding of the entire procedure. It is advisable to consider the risk-return relationship carefully when selecting an

investment so as to only take on risk that one can afford. Financial literacy is necessary for evaluating various investment opportunities and comprehending the significance of the parameter. For this reason, the origin of financial education is crucial. The focus of financial awareness is on the sources and requirements for financial education. All people are finding that financial literacy is becoming more and more important. In fact, every family that wants to buy a house, pay for their children's education, and make sure their parents will have a source of income when they retire needs to have financial literacy (Hsiao, 2018).

According to Musundi (2014), people's decisions from the past influence their choices from the present. It is a known fact that when a decision has a positive outcome, people are more likely to make a related decision. Given a similar situation, people also tend to avoid repeating past mistakes. This is accurate to the extent that decisions that are expected to be made based on past performance aren't always the best ones. When it comes to financial decisions, extremely successful people examine options without considering past experiences; this goes against what one may anticipate. Instead of basing investment decisions on past sunk outcomes. In a study on investment choices made by Swedish manufacturing companies, Weinstein (2014) discovered a strong correlation between financial literacy and numeracy and stock and investment participation. These results corroborated the hypothesis that non-participation is a common reaction to deficiencies in numeracy and financial literacy and were consistent with earlier research by Jariwala (2015). According to Zhu (2015), the industry is transparent, and the administrative job is actually to recreate the business annually by adding more resources.

In a study titled "Financial literacy determinants and its effects on investments among employees in Coimbatore," conducted by Sekar (2015), it was found that 51% of respondents had a lower overall level of financial literacy. This could be the result of respondents' varying degrees of financial literacy depending on a range of socioeconomic and demographic variables. It was determined that while age has no effect on financial literacy, other factors such as gender, education, income, marital status, and the number of dependents do. It suggested that the government take the required actions to raise the general public's awareness of financial-related issues.

In Himachal Pradesh, India, Bhushan (2014) investigated the relationship between the investment behavior and financial literacy of those who receive monthly compensation from both government and non-government jobs. Due to the large target population, data was gathered using a combination of multi-stage and purposive techniques sampling, employing 516 questionnaires. Using a 5-likert scale, financial literacy was evaluated in three areas: financial behavior, attitude, knowledge, and awareness. Bhushan came to the conclusion that people with high financial literacy were more likely to make wise investment decisions than people with low financial literacy because they were more aware of the financial products. Individuals with limited financial literacy typically face restrictions when it comes to where they can invest, leading them to choose traditional products. Traditional products come with greater risk even though they are thought to be safer and to yield higher returns. According to Bhushan, in order to properly select financial products and comprehend concepts related to risk and return, one must possess a minimum degree of financial literacy.

In their study on Financial literacy & its impact on investment behavior for effective financial planning (Singh *et al.,* 2016) came to the conclusion that there is a great deal

of room for financial literacy to be taught and practiced for various societal segments in order to help them gain the knowledge necessary to make wise investment decisions by taking into account the different factors that influence investment behavior development. It also demonstrates how investors can make well-informed decisions to secure their own and their dependents' financial futures by being financially literate and aware of the various financial instruments available. Every investor's level of knowledge, interest, and commitment to the financial planning process is extremely important, and it also presents a significant opportunity for market regulators and businesses to promote financial literacy in a way that is easy to understand and helps investors make long-term plans for the future. When creating a financial planning process road map, demographic variables like age, gender, education level, investment amount, and investment duration are also crucial.

2.5.5 Moderating Role of Managerial tenure on the Relationship between Financial Literacy and Investment Decision

Long-term managers have been observed to exhibit a lack of flexibility and aversion to taking risks; this phenomenon, known as the "fixed paradigm problem," is linked to bounded rationality (Holmstrom, 2012). Malmendier (2011) demonstrates that quantifiable managerial tenure possesses substantial explanatory power for corporate financing decisions that extends beyond conventional capital-structure determinants. The manager's paradigm serves as the foundation for their actions and is subject to change as learning takes place; nonetheless, the degree of flexibility in a manager's paradigm is likely to fluctuate over the course of their tenure. Managers with relatively short tenure may be alert to environmental changes and organizational choices, indicating that their paradigm is probably quite adaptable. Conversely, as their

paradigm becomes more set, managers with longer tenure tend to support keeping things as they are (Gualco, 2016). There could be multiple processes involved in the fixed paradigm issue. First, a company's and its managers' past successes could breed overconfidence in the status quo and make it resistant to change. Secondly, longer tenure is also linked to a rise in risk aversion (Chen and Zhang, 2014). Uncertain outcomes can result from risky strategies, and managers frequently possess firm-specific human capital that could be lost if they are fired because of the negative risk associated with these uncertain outcomes. These mechanisms explain why earlier research has consistently found that longer tenure among top managers is associated with more persistent strategies. Therefore, managers with long tenure will be more inclined to favor the status quo over the uncertain results of making changes (McClelland *et al.,* 2012).

According to Gan (2019), managers with shorter tenure invest more aggressively in R&D than managers with longer tenure. Additionally, managers' tenure and functional background can be quantitatively measured based on the number of years they have held senior leadership positions. Overinvestment, however, might not always happen because the board might monitor more closely because the managers' performance in the early years of their employment may be uncertain (Weisbach *et al*., 2018). Furthermore, because they are unfamiliar with the workings of a new company or because they have been promoted to a position that requires different knowledge and abilities than their previous one, new managers may be cautious when allocating resources and making investment decisions (Cadman *et al*., 2016).

According to Holmstrom (2012), managers underinvest in comparison to the ideal level because taking on riskier investments could expose their true capabilities and jeopardize

their future pay. Chen and Zhang (2014) demonstrated that a manager becomes more risk-taking as their tenure increases. When managers are first hired, they may have a risk-averse tendency, which can lead them to hide project details, pass up investment opportunities that fit the firm's strategies and characteristics, or engage in herd mentality by ignoring their own confidential payoff information and mimicking the decisions of other managers or businesses in the same sector. These actions may result in excessive or inadequate investment.

Furthermore, the market may react by limiting capital and the supply of capital during a new manager's first few years in office, which could exacerbate underinvestment concerns if the company needs to raise money to finance an ongoing project with a positive net present value (Myers, 2015). The market might still be unsure of a manager who has been promoted internally because the abilities needed for a successful CEO differ from those needed for lower-level roles where the focus is on investments. Murphy (2011).

2.6 Conceptual Framework

A conceptual framework is an analytical tool used to showcase the independent and dependent variables in a table format, showing the relationship between the independent variables, dependent variable and the moderating variable. The study independent variable is the financial literacy which is represented by sub-variables which include the rational literacy factors, the analytical skills literacy, the irrational factor management, the past performance awareness. The moderating variable is the managerial tenure while the investment decisions represent the dependent variable. Figure 2.1 below was used to schematically present the hypothesized relationship between the independent, moderating and dependent variables.

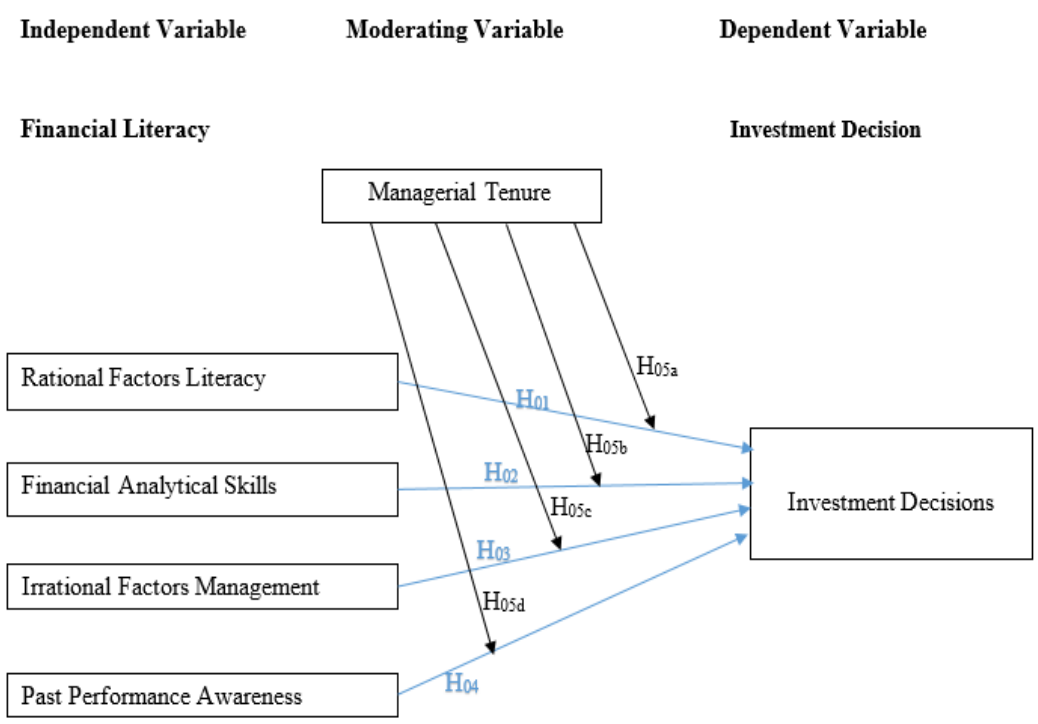

Figure 2. 1 Conceptual Framework

Source, (Researcher 2023).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Overview

This chapter presents the research design, the target population of the study, the sample size and sampling procedure, the instrumentation, the data collection procedures and the data analysis procedures.

3.1 Research Design

This study adopted explanatory research design. Explanatory research design ideally shows the cause-effect association between the independent factors (Rational factors literacy. Irrational factors management skills, financial analytical skills and past performance awareness) and the dependent variable (investment decisions). It showed the relationships between these variables and how the moderator (managerial tenure) affects the same. It allows for gathering of data at a particular point in time (Morse, 2016). Explanatory Research is conducted for a problem which was not well researched before, demands priorities, generates operational definitions and provides a better-researched model. It is actually a type of research design which focuses on explaining the aspects of your study in a detailed manner.

The researcher started with a general idea and used research as a tool which could lead to the subjects that would be dealt with in the incoming future. It was meant to provide details where a small amount of information exists for a certain product in mind of that researcher. For starting your research, you need to create a research outline or speech outline to pitch your research idea while writing a research proposal to your professor or a boss or in a board meeting (Tolley *et al.,* 2016). This design is conducted in order to help us find the problem that was not studied before in-depth. The Explanatory

research is not used to give us some conclusive evidence but helps us in understanding the problem more efficiently.

3.2 Target Population

A report by Economic Recovery Strategy for Employment and Wealth Creation (2015) indicated that the manufacturing industry contributes approximately 20% of the GDP of Kenya and is one of the key economic pillars in Kenya's Vision 2030, still has a high potential for growth and investment. The study entailed manufacturing industries operating under Food and Beverages sector. The Food and Beverage is the largest sector in the manufacturing industry which accounts for 27% of all the manufacturing firms in Kenya. According to K.A.M (2023), there were 250 registered manufacturing firms in Kenya under Food and Beverages sectors. The target population comprised of 250 respondents which involve Chief Finance Officers (See Appendix (V) showing list of companies).

3.3 Sampling Unit

The study employed census sampling technique; census is the process of collecting data from every member of a population (Skinner, 2018). This therefore means that the study picked 100% from the population the entire target population of 250 respondents of Chief Finance Officers/Managers staff in the selected Food and Beverages companies registered by the Kenya Association of Manufacturers was the sample size for the study. Census in this case is preferred so as to ensure that there are a sufficient number of respondents participating in the study with the aim of having a representative data.

3.4 Data Collection Methods and Procedures

This study used primary data. Primary data is very reliable because it is usually objective and collected directly from the original source Structured questionnaires was used to collect data relevant to the study.

3.4.1 Primary Data

The study adopted a structured questionnaire administered to the respondents in the respective companies. According to (Brannen, 2017) questionnaires work best with standardized questions that the researcher is confident will be interpreted in the same way by all respondents. Questionnaires are therefore used for descriptive or explanatory research such as that undertaken using attitude and opinion questionnaires and questionnaires of organizational practices. Questionnaires on this study was designed by adapting questions from various sources, it was subdivided into two sections; Section A showing the demographic information and Section B showing questions regarding the study objectives. A 5-point Likert scale was used to measure the items because it is ideal for questionnaires with multiple questions, respondents had an option to choose questions which suits them hence allowing a lower margin of error.

Questionnaire was used to obtain primary data from the sampled population, they provide a more comprehensive view than any other research tool. Questionnaires are easy to administer and analyze, additionally, they cover a large population within a short time and minimal cost on the part of the researcher and guarantees independence and accuracy of responses from the respondents (Sekaran, 2013). The questionnaires were formulated according to study objectives in a systematic procedure.

3.5 Measurement of Research Variables

The dependent variable in this study is Investment Decisions while the independent variable is Financial literary includes rational factors literacy, financial analytical skills, irrational factors management and past performance awareness. The moderator is managerial tenure.

3.5.1 Investment Decisions

Investment Decisions items in the questionnaire were derived from an empirical study on the effect of Financial literacy and other factors influencing individuals' investment decision (Annamalah & Raman, 2019). This was adopted as it had similar constructs to the current study which looked at investment decisions which include Investment vehicles, Market analysis, Financial goals and profitability. The empirical research finds that forecasting of current and future cash flows, suitable administrative framework and sources of information significantly influence the investors' investment behaviours in organizations. Tan *et al.,* (2010) also adopted the same items in the questionnaire and investigated investment behaviours. It found that the investments are shaped by different factors which influence business performance.

3.5.2 Rational Factors

Rational Factors Literacy was measured through assessment of literacy on books of accounts, financial record maintenance, budgeting and literacy on setting savings goals. This was adopted by a study of the factors influencing investment decisions of households in Oman by (Sharma *et al.,* 2014). The researchers found that individual investors give importance to financial gains through rational factors.

3.5.3 Irrational Factors Management

Irrational factors were also adopted from (Sharma *et al.*, 2014) questionnaire. The items measured to influence investment decisions included rumors, the trading pressure, and the level of over confidence and the dependents behavior. Sultana (2010) realized that individual investors' decisions are not always based on the cold calculations, sometimes investors' decisions are derived by their irrational emotions. While the 'Market Trend' and 'Rumors' are the most influencing and 'Government Policies' and 'Dependent Behavior' are least influencing irrational factors in investment decision making.

3.5.4 Financial Analytical Skills

Financial Analytical Skills items in the questionnaire were derived from (Hallberg, 2010) study on the theoretical fundamentals of financial reporting which included skills on financial reporting, financial statement analysis, portfolio management and trend analysis. The study found that individuals need financial knowledge for decision making and accounting information is one of the data sources that can be used in theoretical fundamentals of financial reporting (Hallberg, 2010). Similar items were also adopted in a study by Utkarsh (2012) and the results were fine to generalize findings for the study which is also opted to be used in this study.

3.5.5 Past Performance Awareness

Information about past performance of the organization is paramount in making decisions of investing to minimize the risk associated with these decisions. Items for this variable were adopted from Gill and Khurshid (2018) on factors affecting investment Decision making behavior, mediating role being past performance awareness which included awareness on inflation, market volatilities, market share growth and financial performance trends. It was found that individuals can practice

decision making and thus they can judge their ability of taking correct decisions by analyzing the past performance of the company.

3.5.6 Managerial Tenure

Managerial tenure items in the questionnaire were derived from a study by Gan (2019) on "Does CEO managerial ability matter? Evidence from corporate investment efficiency". This was relevant because it carried similar information on managerial tenure which included years worked for the company, number of years worked in the industry, number of years in management position and knowledge on investments options. Gan (2019) showed that more able CEOs make more efficient investment decisions. This was also adopted by a study by (Chen and Zhang, 2014) which showed that as a CEO's tenure gets longer, he/she becomes more risk-taking.

3.6 Validity and Reliability of the Study

When engaging in the research, the researcher addresses issues of reliability and validity. Essentially, the researcher checks that the questions and measures that are being used to collect data are reliable and valid. Therefore, before the administration of the research instruments it was important to determine the validity and reliability of the questionnaire items.

3.6.1 Validity of Data Collection Instruments

Validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. Validity is often defined as the extent to which an instrument measures what it purports to measure. Validity requires that an instrument is reliable, but an instrument can be reliable without being valid (Morse, 2016).

Content validity indicates the extent to which items adequately measure or represent the content of the property or trait that the researcher wishes to measure (Kimberlin & Winterstein, 2008). Expert judgment (not statistics) is the primary method used to determine whether a test has content validity. Nevertheless, the test should have a high correlation with other tests that purport to sample the same content domain. The validation of the research instruments was done through approval by the supervisor who verified the face validity. Face validity is the extent to which a test purports to measure subjectivity. The study measured content validity to identify the overall content to be represented for the instrument. For proper validity checkup experts were involved in preparing the research questions in the instruments through pointing out ambiguity.

The study also tested criterion validity. Criterion-related validity is a concern for tests that are designed to predict someone's status on an external criterion measure. A test has criterion-related validity if it is useful for predicting a person's behavior in a specified situation. This enabled the researcher to make a prediction on the irrational factors towards making decisions. In many cases when using predictor tests, the goal is to predict whether a person will meet or exceed a minimum standard of criterion performance the criterion cutoff point. When a predictor is to be used in this manner, the goal of the validation study is to set an optimal predictor cutoff score; an examinee who scores at or above the predictor cutoff is predicted to score at or above the criterion cutoff.

Research supervisors and other experts were consulted to check whether the research instruments are valid for the study. Suggestions from supervisors were considered in correcting the instruments before the data collection process.

3.6.2 Reliability of instruments

Reliability is a measure showing whether a particular technique applied repeated to the same object will yield the same result. Hughes (2016) argued that post positivist paradigm quantitative measures whether a particular technique applied to same object/respondent repeatedly they yield same response. According to classical test theory, any score obtained by a measuring instrument (the observed score) is composed of both the "true" score, which is unknown, and "error" in the measurement processor. The test developer has a responsibility to identify the sources of measurement error that would be most detrimental to useful score interpretation and design a reliability study that permits such errors to occur so that their effects can be assessed. Pre-testing or pilot testing an instrument allows for the identification of such sources.

To measure the reliability of the instruments pre-testing or pilot testing of the instruments was conducted in food and manufacturing companies located in Nyanza/western region and targeted the Chief finance officer of the firm. Pilot study was exposing a very small target population to the study by collecting and analyzing data. This showed whether the research tools can give the intended results. Test –re - test technique was used to test the reliability of the research instrument where questionnaires were administered to fifteen respondents at an interval of two weeks, Saunders *et al.,* (2009) state that the minimum number for a pilot study is 10 respondents, in this study 15 Chief Finance Officers working for food and beverages manufacturing companies operating in Nyanza/western regions formed part of the pilot study. For internal consistency Cronbach's alpha reliability statistics was computed from the values of the first test score and compared to the second test score to establish if the variables are reliable for the study. As indicated by Cohen and Manion framework

cited in Hughes (2016) that alpha value of more than 0.7 is enough to indicate the reliability of research instrument. The formula for standard Cronbach`s alpha $a=N.c/v+(N-1).c$ Where N is equals to the number of the items, c-bar is the average inter-item covariance among the items and v-bar equals the average variance.

3.6.3 Data Collection Procedure

The researcher first obtained approval from Moi University which allowed him to proceed with data collection. Permit was also sought from the National Commission of Science and Technology Innovation (NACOSTI). The researcher visited the individual companies and sought appointments on the day of data collection accompanied with the permit, introductory letter from the university and the letter written by the researcher. When permission and appointments was granted by the specific firms, the researcher administered the questionnaire in person and by use of e-mail to the respondents and offered help where necessary and thereafter the filled questionnaires were collected at the close of official business hours for data analysis.

3.7 Data Analysis and Procedure

Once the questionnaires were collected by the researcher, they were coded and keyed into Statistical Package for Social Sciences (SPSS) computer software version 25 and analyzed. Initially screening of data was done using sort functions. Data was based on the objectives and research hypothesis of the study. Quantitative data collected was analyzed using descriptive statistical techniques which are frequencies, mean, standard deviation. The findings were presented by use of frequency distribution tables that give record of a number of times a score or a response occurs. The hypotheses were tested using Hierarchical moderated regression analysis

3.7.1 Hierarchical Regression

Hierarchical regression is a method of fitting regression models in which the choice of predictive variables is carried out by an automatic procedure Tolley *et al.,* (2016). In each step, a variable is considered for addition to or subtraction from the set of explanatory variables based on some pre-specified criterion. Usually, this takes the form of a sequence of F-tests or t-tests, but other techniques are possible, such as adjusted R^2, Akaike information criterion, Bayesian information criterion, Mallows's Cp, PRESS, or false discovery rate (McCusker, & Gunaydin, 2015). The frequent practice of fitting the final selected model followed by reporting estimates and confidence intervals without adjusting them to take the model building process into account has led to calls to stop using Hierarchical model building altogether or to at least make sure model uncertainty is correctly reflected (Tolley *et al.,* 2016).

Necessity and sufficiency are usually determined by F-tests. For additional consideration, when planning an experiment, computer simulation, or scientific survey to collect data for this model, one must keep in mind the number of parameters, P, to estimate and adjust the sample size accordingly.

Moderation effect of managerial tenure was tested. Hierarchical moderated regression analysis is used to assess the effects of a moderating variable. The study was particular in looking at the interaction effect between financial literacy (X) and Managerial tenure (M) and whether or not such an effect is significant in predicting Investment Decisions (Y). Variables shall all first be standardized to make interpretations easier afterwards to avoid multicollinearity (the SPSS process is done automatically). In a regular regression menu items in SPSS, categorical variables are dummy coded and manually

create product terms for the predictor and moderator variables (product terms are created automatically).

Fit a regression model (block 1) predicting the outcome variable (Y) from both the predictor variable (X) and the moderator variable (M). Both effects as well as the model in general (R^2) should be significant.

Add the interaction effect to the previous model (block 2) and check for a significant R^2 change as well as a significant effect by the new interaction term. If both are significant, then moderation is occurring. If the predictor and moderator are not significant with the interaction term added, then complete moderation has occurred. If the predictor and moderator are significant with the interaction term added, then moderation has occurred, however the main effects are also significant.

Test of Moderation (Managerial Tenure)

The moderation model tested whether the prediction of a dependent variable, Y (Investment Decisions), from an independent variable, (Financial Literacy) X, differs across levels of the moderating variable, Z (Managerial tenure). The moderator variable is expected to affect the strength and/or direction of the relation between a predictor and an outcome: enhancing, reducing, or changing the influence of the predictor. Moderation effects were tested with hierarchical moderated regression analysis, where all predictor variables and their interaction term are centered prior to model estimation to improve interpretation of regression coefficients. A single regression equation formed the basic moderation model:

$$Y = i5 + \beta_1 X_1 Z + \beta_2 X_2 Z + \beta_3 X_3 Z + \beta_4 X_4 Z + \varepsilon 5$$

Where: β_1 = was the coefficient relating the independent variable, X = to the outcome, Y, when Z = 0, β_2 is the coefficient relating the moderator variable, Z, to the outcome when X = 0, i5 the intercept in the equation, and ε5 is the residual in the equation. The regression coefficient for the interaction term, β_3, provides an estimate of the moderation effect. If β_3 is statistically different from zero, there is significant moderation of the X-Y relation in the data. Plotting interaction effects aids in the interpretation of moderation to show how the slope of Y on X is dependent on the value of the moderator variable. Regression slopes that correspond to the prediction of Y from X at a single value of Z are termed simple slopes. Assumptions of the moderation model include OLS regression assumptions and homogeneity of error variance. The latter assumption requires that the residual variance in the outcome that remains after predicting Y from X is equivalent across values of the moderator variable.

Study Model Specification

$Y= \beta_0 + \boldsymbol{\beta}_1X_1 + \beta_2X_2 + \boldsymbol{\beta}_3X_3 + \boldsymbol{\beta}_4X_4 + \varepsilon$**……....** Model 1

$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+B_5+\varepsilon$**…….** Model 2

$Y= \beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_1M+\varepsilon$**…….** Model 3

$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_1M+\beta_{6M}X_2M+\varepsilon$**…….** Model 4

$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_1M+\beta_6X_2M+\beta_7X_3M+\varepsilon$**……**Model 5

$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_1M+\beta_6X_2M+\beta_7X_3M+\beta_{8M}X_4M+\varepsilon$**……....**Model 6

Where; Y=Investment Decisions

β_0=constant

$\beta_1,\beta_2,\beta_3,\beta_4,\beta_5,\beta_6,\beta_{7,\&}\beta_{8i}$ = Regression Coefficients

X_1= Rational Factors

X_2= Financial Analytical Skills

X_3= Irrational Factors Management

X_4= Past Performance Awareness

M= Managerial Tenure (Moderating variable)

ε = error term

This model will be used to test hypothesis H_{01}, H_{02}, H_{03}, H_{04} and H_{05}a,b,c,d.

Inferential statistics such as non-parametric test which include analysis of variance (ANOVA) was used to test the significance of the overall model at 95% level of significance. According to Mugenda (2008) analysis of variance will be used because it makes use of the F – test in terms of sums of squares residual.

3.7.2 Regression Assumption

The following are the assumptions that the data met in order to conduct a linear regression analysis.

1. **Linearity:** When the variables X and Y are linearly correlated, it is meaningless to fit a linear regression model between them. Therefore, *t*-Test is used to examine whether there is some significant linear relationship between the independent and dependent variables or not Morse, (2016). The decision about the null hypothesis in a two-tailed test will be taken by comparing the computed value and critical value of *t* distribution. The null hypothesis is rejected at α x 100% level of significance when the computed value and critical value T_r is lower than $-t_{\alpha/2}$ or larger than $t_{\alpha/2}$. Rejecting a null hypothesis means there is a significant linear relationship between the variables. It is assumed that the relationship between the independent and dependent variables is linear.

2. **Normality:** It is assumed that the residuals of variables are normally distributed. That is, the errors in the prediction of value Y (the dependent variable) are distributed in a way that approaches the normal curve. The assumption of normality is especially critical when constructing reference intervals for variables and when this assumption does not hold, it is impossible to draw accurate and reliable conclusions about reality (Bryman, 2018). The study, therefore, used the Shapiro-Wilk test for testing the normality of data in line (with 0 mean and variance equal to 1) with the recommendation of Brannen, (2017). The Shapiro-Wilk test is based on the correlation between the data and the corresponding normal scores and provides better power than the K-S test even after the Lilliefors correction. Wilk's test should not be significant to meet the assumption of normality.
3. **Homoscedasticity:** In this study heteroscedasticity shall be minimized or eliminated where possible by ensuring that the data used in hypothesis testing is approximately normal and is accurately transformed and that the right functional forms of regression model are selected and variables presented by scatter plot diagrams of the dependent variable (DV) will widen or narrowed as the value of the independent variable (IV) increases. The inverse of heteroscedasticity is homoscedasticity, which indicates that a DV's variability is equal across values of an IV. At each level of the predictor variables(s), the variance of the residual terms should be constant. Regression predicted value shall be used to test homoscedasticity. Scotter plot was used to determine whether the data points followed a certain pattern.
4. **Multicollinearity:** Multicollinearity exists when two or more of the predictors in a regression model are moderately or highly correlated. Unfortunately, when

it exists, it can wreak havoc on analysis and thereby limit research conclusions in this study it was detected when the *t*-tests for each of individual slopes are non-significant ($P> 0.05$), but the overall *F*-test for testing all of the slopes are simultaneously 0 is significant ($P< 0.05$); hence relying on variance inflation factor (*VIF*) quantifies how much the variance is inflated; the variances of the estimated coefficients are inflated when multicollinearity exists. So, the variance inflation factor for the estimated coefficient b_k denoted $VIF_k$is just the factor by which the variance is inflated in a model in which x_k is the only predictor: $yi=\beta 0+\beta kx1k+ \beta kx2k+ \beta kx3k+ \beta kx4k+ \epsilon i$ it can be shown that the variance of the estimated coefficient b_k is: $Var(bk)min=\sigma 2\sum ni=1(xik-\bar{x}k)2$ if some of the predictors are correlated with the predictor x_k, then the variance of b_k is inflated. It can be shown that the variance of $b_k$is:$Var(bk)=\sigma 2\sum ni=1(xik-\bar{x}k)2\times 11-R2k$ Where $R2k$ is the R^2-value obtained by regressing the k^{th} predictor on the remaining predictors. the greater the linear dependence among the predictor $x_k$the larger the $R2k$ value; the larger the $R2k$ value, the larger the variance of b_k by taking the ratio of the two variances.

$Var(bk)Var(bk)min=(\sigma 2\sum(xik-\bar{x}k)2\times 11-R2k)(\sigma 2\sum(xik-\bar{x}k)2)=11-R2k$. That is: $VIFk=11-R2k$ where $R2k$ is the R^2-value obtained by regressing the k^{th} predictor on the remaining predictors. Hence a variance inflation factor exists for *each of the k predictors* in a multiple regression model by detecting the presence of multicollinearity in this study. Heteroscedasticity is the circumstance in which the variability of a variable is unequal across the range of values of a second variable that predicts it. There should be no perfect linear relationship between two or more of the predictors. So, the predictor variables

should not correlate too highly, this was tested using variance inflation factor (VIF) and tolerance of less than 1. The tolerance statistics should be above 0.10 and VIF values below 10 to imply no multicollinearity among the predictor variables. A tolerance of below 0.10 or a VIF greater than 10 is regarded as indicative of serious multicollinearity problems. Tolerance below 0.2 indicates a potential problem. When tolerance is close to 1 it implies that there is little multicollinearity.

3.8 Ethical Consideration

Ethical considerations in research refer to the necessary researcher and respondent safeguards on the specific procedures and questions. In this study the researcher will observe ethical principles in research being cognizant of the prevailing complexity of the social, political and economic situations in research milieu. The researcher will ensure that information provided will be kept confidential and shall be used for academic purposes and ensure voluntary participation. The data collected is accurately recorded, summarized and coded according to the research design so that the potential for error is reduced.

The researcher requested an introductory letter from the School of Business and economics at Moi University in order to facilitate the research endeavour. The correspondence was employed to obtain permission from the National Council of Science and Technology Innovation (NACOSTI) for the purpose of gathering data from the field. Following the acquisition of the necessary permit, the researcher proceeded to request for authorization from the management of manufacturing companies in order to carry out the study. Subsequently, the researcher initiated communication with the managers of the relevant companies, establishing agreements regarding the

administration of the research instruments. Consent was sought, introduction was done disclosing the purpose of the research to the respondents, guaranteeing anonymity by not disclosing their identity, confidentiality in responses. The questionnaires were distributed to the respondents and was subsequently collected at the close of official business hours.

Table 3.1: Summary of Hypothesis Testing

H_o	Statement	Test Statistics	Critical values	Decision Point: Accept/Reject Hypothesis
H_{01}	There is no significant relationship between rational factors literacy and investment decisions of manufacturing companies Kenya	Hierarchical moderated regression analysis	$P \leq .05$ significant	The hypothesis was rejected when P-value is less than 0.05 and accepted when P-Value is greater than 0.05.
H_{02}	There is no significant relationship between financial analytical skills and investment decisions of manufacturing companies Kenya	Hierarchical moderated regression analysis	$P \leq .05$ significant	The hypothesis was rejected when P-value is less than 0.05 and accepted when P-Value is greater than 0.05.
H_{03}	There is no significant relationship between irrational factor management skills and investment decisions of manufacturing companies Kenya	Hierarchical moderated regression analysis	$P \leq .05$ significant	The hypothesis was rejected when P-value is less than 0.05 and accepted when P-Value is greater than 0.05.
H_{04}	There is no significant relationship between rational factors literacy and investment decisions of manufacturing companies Kenya	Hierarchical moderated regression analysis	$P \leq .05$ significant	The hypothesis was rejected when P-value is less than 0.05 and accepted when P-Value is greater than 0.05.
H_{05}	There is no significant relationship between past performance awareness and investment decisions of manufacturing companies Kenya	Hierarchical moderated regression analysis	$P \leq .05$ significant	The hypothesis was rejected when P-value is less than 0.05 and accepted when P-Value is greater than 0.05.

Source, (Researcher, 2023)

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.0 Overview

This chapter presents the data analysis, presentation and interpretation of the findings on the effects of rational factors literacy, financial analytical skills, irrational factors management and past performance awareness on investment decisions moderated by managerial tenure of food and beverage manufacturing companies in Kenya. The chapter layout was under various sections; response rate, respondents demographic information, reliability test, factor analysis, descriptive statistics, data transformation, correlation analysis, diagnostic tests, and regression analysis.

4.1 Response Rate

A total of 250 self-administered questionnaires were distributed to the Chief Finance Officers in the selected Food and Beverages companies that are registered by the Kenya Association of Manufacturers. Out of these, 237 effective questionnaires were returned translating to 94.80% response rate which was a good precision (Draugalis *et al.*, 2008). 13 questionnaires were not returned.

4.2 Respondents Demographic Information

The demographic data provides valuable insights into the composition of a sample group, categorizing individuals based on three key factors: Gender, Age, and Education Level. Table 4.1 showed that the gender distribution revealed that 57% of the 237 respondents are male, totaling 135 individuals. The remaining 43% are female, accounting for 102 individuals.

The age distribution, the respondents span a broad range of age groups. A notable proportion, 34.2%, falls within the 31-35 age range, constituting 81 individuals. The next substantial group is aged 36-40, representing 31.6% of the sample with 75 individuals. Other age groups include 25-30 years (6.3%, 15 individuals), 41-45 years (21.9%, 52 individuals), and those above 46 years (5.9%, 14 individuals).

The education levels, the majority of respondents hold a degree, comprising 64.6% of the total sample (153 individuals). A significant proportion have attained a Masters (15.6%, 37 individuals), followed by those with a Diploma (13.9%, 33 individuals). A smaller percentage holds a Certificate (1.7%, 4 individuals), and 4.2% have a CPAK qualification.

Table 4.2: Demographic Information of the Respondents

Demographic Factor		Frequency	Percentage	Cumulative percentage
Gender	Male	135	57	57
	Female	102	43	100
	Total	**237**	**100**	
Age	25-30 Years	15	6.3	6.3
	31-35 Years	81	34.2	40.5
	36-40 Years	75	31.6	72.2
	41-45 Years	52	21.9	94.1
	Above 46 Years	14	5.9	100
	Total	**237**	**100**	
Education Level	Degree	153	64.6	64.6
	Masters	37	15.6	80.2
	Diploma	33	13.9	94.1
	Certificate	4	1.7	95.8
	CPAK	10	4.2	100
	Total	**237**	**100**	

Source, (Research data, 2023)

4.3 Reliability Analysis

The study carried out the reliability analysis in order to study the properties of measurement scales and the items that compose the scales for rational factors literacy, financial analytical skills, irrational factors management, and past performance awareness variables. The study used Cronbach's alpha to test reliability for internal consistency. Table 4.2 presents the reliability statistics for the study variables. These tests offer insights into the internal consistency and reliability of each measured construct. According to the table results, investment decisions demonstrated a high level of internal consistency with a Cronbach's Alpha of 0.917. This suggested a strong reliability among the nine items included in measuring investment decisions. The rational factors literacy showed a good Cronbach's Alpha of 0.866 across the six items. This indicated an acceptable level of internal reliability within this construct. The financial analytical skills was characterized by a high Cronbach's Alpha of 0.925, revealing a high degree of internal consistency among the seven items used to assess financial analytical skills. The irrational factors management showed a Cronbach's Alpha of 0.747, which is still signifies a satisfactory level of internal consistency across the seven items. The past performance awareness demonstrated an acceptable Cronbach's Alpha of 0.904, suggesting a high level of internal consistency across the seven items used to measure awareness of past performance. Lastly, management tenure showed a Cronbach's Alpha of 0.862, indicating a good level of internal reliability within the three items measuring management tenure.

The table 4.2 showed that the Cronbach's alpha for each variable was within the acceptance range, therefore, the measurement scales for all the variables were reliable.

Table 4. 3: Reliability Statistics

Variable Name	Cronbach's Alpha	N of Items
Investment Decisions	0.917	9
Rational Factors Literacy	0.866	6
Financial Analytical Skills	0.925	7
Irrational Factors Management	0.747	7
Past Performance Awareness	0.904	7
Management Tenure	0.862	3

Source, (Research data, 2023)

4.4 Factor Analysis

The study conducted factor analysis tests in order to determine which, of a fairly large set of items hang together as groups or are answered most similarly by the participants. The study used the principle component analysis to extract factors fixed at six components. The principle component analysis try to mathematically derive a relatively small number of variables to use to convey as much of the information in the measured variables as possible. The factor analysis results reported the KMO and Barlett's tests that tested the assumptions. The KMO test tells us whether or not enough items are predicted by each factor. The barlett test should be significant. This means that the variables are correlated highly enough to provide a reasonable basis for factor analysis.

The table 4.3 showed that the KMO measure of sampling adequacy was greater than 0.5 indicating sufficient items for each factor. The barlett's test of sphericity revealed a chi-square of 12472.916 with degrees of freedom 741 and a significant value of $p<0.05$. This p value was less than 0.05 indicating that the correlation matrix is significantly different from an identical matrix in which correlations between variables are all zero. Therefore, the study concluded that that the variables are highly correlated to provide a reasonable basis for factor analysis.

Table 4. 4: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.608
Bartlett's Test of Sphericity	Approx. Chi-Square	12472.916
	df	741
	Sig.	.000

Source, (Research data, 2023)

The factor analysis also presented the total variance explained test that outlined the Eigen values, which refer to the variance, accounted for in terms of the number of items worth of variance each explains. Table 4.4 showed that factor 1 explains almost as much variance as in the six items. The % of variance showed the percentage of variation among items accounted for by each of the six factors after the rotation. The results revealed that the six factors accounts for 72.399% variance.

Table 4. 5: Total Variance Explained

Component	Initial Total	Eigen values % of Variance	Cumulative %
1. Investment Decisions	7.768	19.917	19.917
2. Rational Factors	5.058	12.970	32.887
3. Financial Analytical Skills	5.046	12.939	45.826
4. Irrational Factors Management	4.184	10.728	56.553
5. Past Performance Awareness	3.127	8.018	64.571
6. Managerial Tenure	3.053	7.828	72.399

Source, (Research data, 2023)

The study factor analysis also presented the principal component analysis rotated using varimax method. The factors are rotated so that they are easier to interpret. The table 4.5 indicated that the nine items that were used to measure the investment decisions were loaded under component 1 and had factor loadings of greater than 0.5, therefore all the items were retained. The items for measuring rational factors were 6 and 1 was removed after failing to meet the criteria of factor loading of greater than 0.5. The financial analytical skills items were 7 and after the rotated component analysis, two were removed. The irrational factors management was measured using seven items but

two items were removed after the rotated component analysis. The past performance items were 7 and two were removed after failing the criteria of having a factor loading of greater than 0.5. Finally, the management tenure items were retained after meeting the criteria for having factor loading of greater than 0.5.

Table 4. 6 Rotated Component Matrix[a]

	Component					
	1	2	3	4	5	6
Investment Decisions						
Our profitability is higher than industry average	.727					
Evaluation of business proposal should be made in light of prevailing economic conditions as well as marketing considerations and regulatory requirements	.639					
The major reason why businesses are bought is that parties interested in beginning or expanding business activity often prefer acquiring an existing business rather than starting a new one	.724					
Innovation is an important driver leading to organizational financial performance	.651					
There has been a double increase in the sales growth of our business sales this year compared to the industry average	.624					
Our long term assets have facilitated the growth of our business	.645					
The company has strategies to meet the demand and maintain its market	.595					
The company formulates long term investment goals and strives to achieve within the desired period	.598					
Investments revolve on the creative search and identification of new investment opportunities and markets	.565					
Rational Factors						
Maintain a separate saving account for the business provides assurance of business continuity in case of an emergency		.616				
I would go for the best highest possible return even if there are risk involved		.771				
I prefer investment which is safe and grows slowly but steadily even if it means lower growth overall in order to reach my financial goal		.656				
I have technical skills on how to prepare business statements of financial position and comprehensive income statement (**Removed**)						
Being able to perform financial analysis on business statements (gross profit margin, net profit margin, current ratio contributes to the overall company performance		.525				
Investment focuses on classification of projects and recognition of economically and/or statistically dependent proposals		.574				
Financial Analytical Skills						
I would invest in a product with a higher average annual return but some risk of losing part of the initial investment			.771			
I think about both the possible gains and losses when considering a major financial decision			.563			
Analysis and review monthly financial statement reports from the firm's financial statements			.521			
Using a combination of pricing and product-versioning strategies facilitates product experimentation and the ability to observe economic behavior in action and perform research and product development (**Removed**)						
I have a suitable administrative framework capable of transferring the required information to the decision level for investments (**Removed**)						

I make estimation and forecasting of current and future cash flows for viable investments	.698			
I invest by controlling of expenditures and careful monitoring of crucial aspects of project execution (**Removed**)				
Irrational Factors Management				
Investment decisions are made with regard to opinions from other investors, friends and relatives opinions and recommendations		.819		
If the investment starts to perform badly and goes down by significant amount I would monitor the investment and wait to see if it improves		.743		
I am looking for high investment growth and willing to accept the possibility of greater losses to achieve this		.576		
I feel anxious when I consider investment which have an element of risk		.719		
I consider my typical attitude of being adventurous and cautious when making important financial decision (**Removed**)				
I also use information that are published and analysed by others to assist my investment decision making		.561		
How the market perceive about the company dictates the kind of investment to be made (**Removed**)				
Past Performance Awareness				
The company ranking in the industry affects how investment decisions is prioritized			.749	
The past revenue and prices of the instrument is investors prior focus for determining the potentials of the investment (**Removed**)				
Investors use prior information that have been published and analysed by others to assist in making investment decision making			.504	
The availability of information for a specific past investment affects future investment selection			.643	
I have a set of decision rules which can differentiate acceptable from unacceptable alternatives required for investing			.738	
Information asymmetry occurs when seller has better information about the value of a product than the buyer and vice versa (**Removed)**				
I make investment decisions well aware of potential gains or losses that have occurred in the past with some level of concern			.786	
Management Tenure				
How long have you worked in the manufacturing industry				.795
How many years have you worked for the company				.837
What is the cumulative number of years that you have been involved in financial management position				.861

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 10 iterations.

Source, (Research data, 2023)

4.5 Descriptive Statistics

Table 4.6 offered a comprehensive overview of the descriptive statistics pertaining to factors influencing investment decisions. Each variable, measured on a scale from 1 to 5, provided valuable insights into the respondents' perspectives on various aspects of their investment strategies.

According to Table 4.6, the first variable examined the perception of respondents regarding the profitability of their businesses compared to industry averages. The mean score of 3.49 indicated a moderate level of agreement among participants, suggesting that opinions vary to some extent. The standard deviation of 1.099 highlighted the diversity of perspectives, with respondents expressing differing views on the relative profitability of their businesses.

The second variable emphasized the importance of considering economic conditions, marketing factors, and regulatory requirements when evaluating business proposals. With a higher mean score of 3.89, there was a relatively stronger consensus among respondents. The larger standard deviation of 1.218 indicated some variability, suggesting that while participants generally agree on the significance of these considerations, there are differences in their perspectives.

The third variable looks into the motivations behind business acquisitions, with a mean score of 3.74 indicating a moderate level of agreement. The standard deviation of 1.196 highlighted the diversity of opinions among respondents, showing that while there is agreement on the preference for acquiring existing businesses, individual perspectives vary.

On innovation, the fourth variable showed a strong consensus among respondents, with a mean score of 4.02. Participants agree on the pivotal role of innovation in driving organizational financial performance. Despite a standard deviation of 1.101, indicating some variability, the overall agreement on the importance of innovation is a noteworthy finding.

The fifth variable explores respondents' perceptions of sales growth compared to industry averages. With a mean score of 3.47, there was a moderate level of agreement, and the standard deviation of 1.006 suggested variability in opinions. This indicated that while there is some consensus on the reported sales growth, there are differences in how participants perceive it relative to industry averages.

The sixth variable examined the role of long-term assets in facilitating business growth. A mean score of 3.88 indicated a moderate consensus, with a standard deviation of 1.011 suggesting varying perspectives among respondents. This implied that while there is agreement on the positive influence of long-term assets, individual interpretations may differ.

The strategic considerations, the seventh variable revealed a strong consensus among respondents, with a mean score of 3.98. The lower standard deviation of 0.932 suggested a higher level of agreement on the existence of strategies to meet demand and maintain market share.

The eighth variable focuses on the formulation and achievement of long-term investment goals. Respondents strongly agree with a mean score of 4.07, despite a standard deviation of 1.061 indicating some variability. This shows the overall

consensus on the company's commitment to long-term investment planning and execution.

Finally, the ninth variable highlighted the creative aspect of investment decisions. With a mean score of 4.09, respondents strongly agree on the importance of creatively searching for new investment opportunities. The standard deviation of 1.007 suggested some diversity in perspectives, but the overall consensus on the significance of creativity in investments was evident.

Table 4. 7 Descriptive Statistics for Investment Decisions

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Our profitability is higher than industry average	237	1	5	3.49	1.099	-.735	.158	-.414	.315
Evaluation of business proposal should be made in light of prevailing economic conditions as well as marketing considerations and regulatory requirements	237	1	5	3.89	1.218	-1.285	.158	.722	.315
The major reason why businesses are bought is that parties interested in beginning or expanding business activity often prefer acquiring an existing business rather than starting a new one	237	1	5	3.74	1.196	-.887	.158	-.211	.315
Innovation is an important driver leading to organizational financial performance	237	1	5	4.02	1.101	-1.572	.158	2.098	.315
There has been a double increase in the sales growth of our business sales this year compared to the industry average	237	1	5	3.47	1.006	-.679	.158	-.336	.315
Our long term assets have facilitated the growth of our business	237	1	5	3.88	1.011	-1.462	.158	2.003	.315
The company has strategies to meet the demand and maintain its market	237	1	5	3.98	.932	-1.860	.158	4.058	.315
The company formulates long term investment goals and strives to achieve within the desired period	237	1	5	4.07	1.061	-1.539	.158	2.096	.315
Investments revolve on the creative search and identification of new investment opportunities and markets	237	1	5	4.09	1.007	-1.687	.158	3.008	.315
Valid N (listwise)	237								

Source, (Research data, 2023)

Table 4.7 presented descriptive statistics for factors related to rational decision-making in the context of business and financial considerations. Each variable is measured on a scale from 1 to 5, where 1 indicated strong disagreement and 5 indicated strong agreement.

The first variable suggested that respondents, on average, moderately agree (mean = 3.54) with the importance of maintaining a separate savings account for business continuity in emergencies. The higher standard deviation of 1.342 indicated variability in opinions, reflecting diverse perspectives on the significance of this financial practice.

The second variable looked at the respondents' risk tolerance in pursuit of higher returns. With a mean score of 3.43, participants expressed a moderate level of agreement. The standard deviation of 1.256 highlighted variability, indicating differing attitudes towards risk-taking for potentially higher returns.

This variable explored respondents' preferences for safe and steady investment, even if it leads to lower overall growth. The mean score of 3.49 suggested a moderate level of agreement, with a standard deviation of 1.145 indicating variability in preferences among participants.

The fourth variable focused on respondents' self-assessment of their technical skills in preparing financial statements. With a mean score of 3.83, participants, on average, expressed confidence in their technical abilities. The standard deviation of 1.103 suggested some variability, indicating differing levels of self-assessed proficiency among respondents.

The fifth variable underscored the perceived importance of financial analysis skills in contributing to overall company performance. Respondents agreed on average, with a

mean score of 3.84. The lower standard deviation of 1.055 indicated a relatively higher level of consensus on the significance of financial analysis skills.

The sixth variable looked into the consideration of economically and/or statistically dependent proposals in investment decisions. With a mean score of 3.55, participants, on average, expressed a moderate level of agreement. The standard deviation of 1.140 suggested variability in opinions, indicating diverse perspectives on the importance of this factor in investment focus.

Table 4. 8 Descriptive Statistics for the Rational Factors

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Maintain a seperate saving account for the business provides assurance of business continuity in case of an emergency	237	1	5	3.54	1.342	-.663	.158	-.807	.315
I would go for the best highest possible return even if there are risk involved	237	1	5	3.43	1.256	-.301	.158	-1.139	.315
I prefer investment which is safe and grows slowly but steadily even if it means lower growth overall in order to reach my financial goal	237	1	5	3.49	1.145	-.820	.158	-.296	.315
I have technical skills on how to prepare business statements of financial position and comprehensive income statement	237	1	5	3.83	1.103	-1.360	.158	1.304	.315
Being able to perform financial analysis on business statements (gross profit margin, net profit margin, current ratio contributes to the overall company performance	237	1	5	3.84	1.055	-1.436	.158	1.774	.315
Investment focuses on classification of projects and recognition of economically and/or statistically dependent proposals	237	1	5	3.55	1.140	-.778	.158	-.169	.315
Valid N (listwise)	237								

Source, (Research data, 2023)

Table 4.8 presented descriptive statistics for various financial analytical skills, shedding light on respondents' attitudes and practices related to investment decision-making. Each variable was measured on a scale from 1 to 5, where 1 indicated strong disagreement and 5 indicated strong agreement.

The first variable indicated a moderate level of agreement among respondents, with a mean score of 3.65. Participants expressed a willingness to consider investments with higher average annual returns, even if there is some risk involved. The standard deviation of 1.009 suggested some variability in attitudes towards risk and return.

The second variable explored respondents' consideration of both gains and losses in major financial decisions. With a mean score of 4.10, there was a strong consensus among participants. The low standard deviation of 0.938 indicated a high level of agreement, emphasizing the importance placed on comprehensive decision-making.

The third variable highlighted the practice of analyzing and reviewing monthly financial statement reports. Participants, on average, expressed agreement with a mean score of 3.91. The standard deviation of 1.013 suggested some variability, indicating differing levels of emphasis on this financial analytical skill.

The fourth variable indicated a moderate level of agreement (mean = 3.95) regarding the use of pricing and product-versioning strategies to facilitate product experimentation and research. The standard deviation of 1.100 suggested variability in opinions, reflecting diverse perspectives on the importance of this skill.

The fifth variable focused on the presence of a suitable administrative framework for transferring information to the decision level for investments. Respondents expressed a moderate level of agreement with a mean score of 3.74. The higher standard deviation of 1.181 suggested varying opinions on the adequacy of administrative frameworks.

The sixth variable explored respondents' practices related to estimation and forecasting of cash flows for viable investments. With a mean score of 3.88, participants, on

average, expressed agreement. The standard deviation of 1.067 suggested some variability in the importance placed on this financial analytical skill.

The seventh variable highlighted respondents' investment practices related to controlling expenditures and monitoring crucial aspects of project execution. With a mean score of 3.95, participants expressed agreement. The standard deviation of 1.030 suggested some variability in the emphasis placed on these practices.

Table 4. 9 Descriptive Statistics for the Financial Analytical Skills

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
I would invest in a product with a higher average annual return but some risk of losing part of the initial investment	237	1	5	3.65	1.009	-1.340	.158	1.042	.315
I think about both the possible gains and losses when considering a major financial decision	237	1	5	4.10	.938	-1.944	.158	4.587	.315
Analysis and review monthly financial statement reports from the firm's financial statements	237	1	5	3.91	1.013	-1.418	.158	2.004	.315
Using a combination of pricing and	237	1	5	3.95	1.100	-1.249	.158	1.060	.315
I have a suitable administrative framework capable of transferring the required information to the decision level for investments	237	1	5	3.74	1.181	-.904	.158	-.123	.315
I make estimation and forecasting of current and future cash flows for viable investments	237	1	5	3.88	1.067	-1.345	.158	1.336	.315
I invest by controlling of expenditures and careful monitoring of crucial aspects of project execution	237	1	5	3.95	1.030	-1.580	.158	2.580	.315
Valid N (listwise)	237								

Source, (Research data, 2023)

Table 4.9 provided descriptive statistics for factors associated with irrational aspects of investment management. Each variable was measured on a scale from 1 to 5, with 1 indicating strong disagreement and 5 indicating strong agreement.

The first variable suggested that, on average, respondents moderately agree (mean =2.97) with making investment decisions based on opinions from other investors,

friends, and relatives. The standard deviation of 1.241 indicated variability in attitudes, reflecting diverse reliance on external opinions in decision-making.

The second variable explored respondents' reactions to poorly performing investments. With a mean score of 3.44, participants, on average, expressed a tendency to monitor and wait for improvement. The standard deviation of 1.201 suggested varying attitudes and responses to investment performance downturns.

This variable indicated a moderate level of agreement (mean = 3.49) regarding the pursuit of high investment growth, even at the expense of accepting greater losses. The higher standard deviation of 1.320 suggested variability in attitudes towards risk and return trade-offs.

The fourth variable focuses on respondents' emotional responses to risky investments. With a mean score of 2.89, participants, on average, expressed a moderate level of anxiety. The standard deviation of 1.148 indicated varying levels of emotional responses to investment risk.

The fifth variable explores respondents' self-awareness of their attitudes, combining adventurous and cautious traits in important financial decisions. With a mean score of 3.30, participants, on average, expressed a balanced approach. The higher standard deviation of 1.330 suggested diversity in self-perceived financial attitudes.

The sixth variable highlights the use of externally published and analyzed information in investment decision-making. Respondents, on average, expressed agreement with a mean score of 3.79. The lower standard deviation of 0.875 suggested a relatively higher level of consensus on the reliance on external information.

The seventh variable indicated a relatively strong consensus (mean = 3.87) regarding the influence of market perceptions on investment decisions. The standard deviation of 1.056 suggested some variability in the importance placed on market sentiments in decision-making.

Table 4. 10 Descriptive Statistics for the Irrational Factors Management

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Investment decisions are made with regard to opinions from other investors, friends and relatives opinions and recommendations	237	1	5	2.97	1.241	.105	.158	-1.202	.315
If the investment starts to perform badly and goes down by significant amount I would monitor the investment and wait to see if it improves	237	1	5	3.44	1.201	-.824	.158	-.317	.315
I am looking for high investment growth and willing to accept the possibility of greater losses to achieve this	237	1	5	3.49	1.320	-.644	.158	-.774	.315
I feel anxious when I consider investment which have an element of risk	237	1	5	2.89	1.148	.030	.158	-1.188	.315
I consider my typical attitude of being adventurous and cautious when making important financial decision	237	1	5	3.30	1.330	-.371	.158	-1.150	.315
I also use information that are published and analysed by others to assist my investment decision making	237	1	5	3.79	.875	-1.457	.158	2.756	.315
How the market perceive about the company dictates the kind of investment to be made	237	1	5	3.87	1.056	-1.022	.158	.437	.315
Valid N (listwise)	237								

Source, (Research data, 2023)

Table 4.10 provided descriptive statistics for factors related to past performance awareness in investment decision-making. Each variable is measured on a scale from 1 to 5, where 1 indicated strong disagreement and 5 indicated strong agreement.

The first variable suggested that respondents, on average, moderately agree (mean = 3.40) with the idea that the company's ranking in the industry influences the

prioritization of investment decisions. The standard deviation of 1.202 indicated variability in attitudes, reflecting diverse considerations in decision-making.

The second variable indicated a moderate level of agreement (mean = 3.60) regarding the emphasis on past revenue and prices when assessing the potential of an investment. The standard deviation of 1.106 suggested variability in the importance placed on historical financial data.

The third variable highlighted the reliance on externally published and analyzed information in investment decision-making. With a mean score of 3.67, respondents, on average, expressed agreement. The standard deviation of 1.105 suggested variability in attitudes towards the use of external information.

The fourth variable indicated a relatively strong consensus (mean = 3.85) regarding the impact of past investment information on future selection. The standard deviation of 1.029 suggested some variability in the importance placed on historical data for future investment decisions.

The fifth variable explored the presence of decision rules for differentiating acceptable from unacceptable alternatives in investing. With a mean score of 3.54, participants, on average, expressed agreement. The standard deviation of 1.099 suggested diversity in the establishment and use of decision rules.

The sixth variable introduced the concept of information asymmetry in investment decision-making. Respondents, on average, expressed agreement with a mean score of 3.81. The standard deviation of 1.057 suggested some variability in understanding and awareness of information asymmetry.

The seventh variable indicated a relatively strong consensus (mean =3.88) regarding the awareness of potential gains or losses from past investments. The low standard deviation of 0.984 suggests a higher level of agreement, emphasizing the consideration of historical performance with concern.

Table 4. 11 : Descriptive Statistics for the Past Performance Awareness

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
The company ranking in the industry affects how investment decisions is prioritized	237	1	5	3.40	1.202	-.375	.158	-1.053	.315
The past revenue and prices of the instrument is investors prior focus for determining the potentials of the investment	237	1	5	3.60	1.106	-.927	.158	-.037	.315
Investors use prior information that have been published and analysed by others to assist in making investment decision making	237	1	5	3.67	1.105	-.971	.158	.234	.315
The availability of information for a specific past investment affects future investment selection	237	1	5	3.85	1.029	-1.419	.158	1.696	.315
I have a set of decision rules which can differentiate acceptable from unacceptable alternatives required for investing	237	1	5	3.54	1.099	-1.118	.158	.495	.315
Information asymmetry occurs when seller has better information about the value of a product than the buyer and vice versa	237	1	5	3.81	1.057	-1.379	.158	1.614	.315
I make investment decisions well aware of potential gains or losses that have occurred in the past with some level of concern	237	1	5	3.88	.984	-1.508	.158	2.376	.315
Valid N (listwise)	237								

Source, (Research data, 2023)

Table 4.11 provided descriptive statistics for factors related to managerial tenure, specifically focusing on the duration of work experience in various aspects within the manufacturing industry. Each variable is measured on a scale from 1 to 5, where 1 indicated a short duration and 5 indicated a long duration.

The first variable indicated that respondents, on average, have a relatively moderate duration of work experience in the manufacturing industry, with a mean score of 2.49. The standard deviation of 1.019 suggested variability in the length of employment in this sector, reflecting diverse career spans among participants.

The second variable focused on the duration of employment with the current company. With a mean score of 2.28, participants, on average, have a moderate tenure with their current employer. The standard deviation of 0.991 indicated diversity in the length of service within the company.

The third variable explored the cumulative years of experience in financial management positions. Respondents, on average, have a mean score of 1.92, indicating a moderate level of cumulative experience. The standard deviation of 1.092 suggested variability in the duration of financial management roles, reflecting different levels of expertise among participants.

Table 4. 12 Descriptive Statistics for the Managerial Tenure

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
How long have you worked in the manufacturing industry	237	1	5	2.49	1.019	.694	.158	.371	.315
How many years have you worked for the company	237	1	5	2.28	.991	.841	.158	.642	.315
What is the cumulative number of years that you have been involved in financial management position	237	1	5	1.92	1.092	1.341	.158	1.127	.315
Valid N (listwise)	237								

Source, (Research data, 2023)

4.6 Data Transformation

The study transformed the data after conducting factor analysis tests to make it more organized before running the regression analysis. The study transformed the data by calculating mean of the items for each variable. The average score for the investment

decision variable was arrived at by considering all the factors after they met the factor loading criteria (ID1+,…….ID9)/9. The independent variable had four proxies; rational factors, financial analytical skills, irrational factors management, and past performance awareness. The measurement items for rational factor were 6 and out of these one was removed and the average score was determined (RF1+RF2+RF3+RF5+RF6)/5. The averages for the financial analytical skills was arrived at after removing three factors (FAS1+FAS2+FAS3+FAS6)/4, while two items for irrational factors management were removed and the average score determined (IFM1+IFM2+IFM3+IFM4+IFM6)/5 and the past performance awareness score was arrived at after removing two items (PPA1+PPA3+PPA4+PPA5+PPA7)/5. Finally, the moderator, managerial tenure score was computed after all the factors met the criteria of factor loading of greater than 0.5 (MT1+MT2+MT3)/3.

4.7 Descriptive Statistics of the Variables

Table 4.12 presented descriptive statistics for various variables related to investment decision-making, rational factors and irrational factors management, past performance awareness, and managerial tenure after the transformation of the data.

The first variable represented the overall score or rating of respondents' investment decisions. The mean value of 3.8472 indicates a moderate to high level of agreement or effectiveness in investment decision-making among the targeted individuals. The standard deviation of 0.83310 suggested a relatively low level of variability in the responses.

Rational factors encompass elements of logical and analytical decision-making processes in investments. The mean value of 3.5696 suggested a moderate level of

agreement with rational decision-making approaches. The standard deviation of 0.90858 indicated some variability in respondents' adherence to rational factors.

This variable reflected the proficiency of respondents in financial analysis and decision-making. The mean value of 3.8840 indicated a relatively high level of financial analytical skills among the surveyed individuals. The standard deviation of 0.86556 suggested some variability in the proficiency levels across respondents.

Irrational factors management pertains to the handling of emotional or non-logical aspects in investment decisions. The mean value of 3.3165 suggested a moderate level of effectiveness in managing irrational factors. The standard deviation of 0.74648 indicated relatively low variability in responses.

This variable measures respondents' awareness and consideration of past performance in investment decision-making. The mean value of 3.6684 indicated a moderate to high level of awareness among the surveyed individuals. The standard deviation of 0.86762 suggested some variability in the extent to which respondents consider past performance.

Managerial tenure refers to the duration of respondents' work experience and tenure in managerial roles. The mean value of 2.2293 suggested a moderate level of managerial tenure among the surveyed individuals. The standard deviation of 0.91619 indicated some variability in the duration of managerial roles among respondents.

Table 4. 13: Descriptive Statistics for the Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Investment Decisions	237	1.00	5.00	3.8472	.83310
Rational Factors	237	1.00	5.00	3.5696	.90858
Financial Analytical Skills	237	1.00	5.00	3.8840	.86556
Irrational Factors Management	237	1.00	5.00	3.3165	.74648
Past Performance Awareness	237	1.00	5.00	3.6684	.86762
Managerial Tenure	237	1.00	5.00	2.2293	.91619
Valid N (listwise)	237				

Source, (Research data, 2023)

4.8 Correlation Analysis

The study used Pearson's correlation to conduct the correlation analysis. The study used this statistical method to measure the strength and the direction of the relationship between the variables. The results were expressed as correlation coefficient, ranging from -1 to +1, where +1 indicates perfect positive correlation, -1 a perfect negative correlation, and 0 no correlation. The table 4.13 results showed that the rational factors had a strong positive and significant (r=0.704, p=0.000) relationship with investment decisions, this means when rational factors are increased it increases investment decisions Financial analytical skills revealed a strong positive and significant (r=0.806, p=0.000) relationship with investment decisions. Irrational factors management also showed a moderate positive and significant (r=0.578, p=0.000) relationship with investment decisions. past performance awareness had a positive strong and positive (r=0.686, p=0.000) relationship with investment decisions. Finally, managerial tenure revealed a weak positive and significant (r=0.256, p=0.000) relationship with investment decisions.

The table also presented the correlation between rational factors and other independent variables and the moderator. The results showed that the relationship between financial

analytical skills, irrational factor management and past performance awareness with rational factors was strong, positive and significant (r=0.764, p=0.000), (r=0.692, p=0.000), (r=0.688, p=0.000) respectively but managerial tenure had a weak positive and significant (r=0.307, p=0.000) relationship with rational factors. The correlation results also revealed that the relationship between irrational factors management and past performance with financial analytical skills was strong positive and significant (r=0.664, p=0.000), (r=0.837) respectively, but management tenure was weak positive and significant (r=0.387, p=0.000). The relationship between past performance awareness and irrational factors management was strong positive and significant (r=0.645, p=0.000) but weak positive and significant between managerial tenure and irrational factors management (r=0.388, p=0.000) and finally, the relationship between managerial tenure and past performance awareness was weak, positive and significant (r=0.301, p=0.000).

Table 4. 14 Correlations Matrix

		Investment Decisions	Rational Factors	Financial Analytical Skills	Irrational Factors Management	Past Performance Awareness	Managerial Tenure
Investment Decisions	Pearson Correlation	1					
	Sig. (2-tailed)						
Rational Factors	Pearson Correlation	.704**	1				
	Sig. (2-tailed)	.000					
Financial Analytical Skills	Pearson Correlation	.806**	.764**	1			
	Sig. (2-tailed)	.000	.000				
Irrational Factors Management	Pearson Correlation	.578**	.692**	.664**	1		
	Sig. (2-tailed)	.000	.000	.000			
Past Performance Awareness	Pearson Correlation	.686**	.688**	.837**	.645**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
Managerial Tenure	Pearson Correlation	.256**	.307**	.387**	.388**	.301**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).
b. Listwise N=237

Source, (Research data, 2023)

4.9 Diagnostic Tests

The study carried out the diagnostic tested to make sure that the regressions assumptions are met before conducting the regression analysis. The study tested the normality, linearity, homoscedasticity and multicollinearity assumptions.

4.9.1 Test for Linearity Assumption

This assumption assumes that there exists a linear relationship between each predictor variable and the response variable. The study used a scatter plot to visually assess whether there existed a linear relationship between rational factors, financial analytical skills, irrational factors management past performance awareness managerial tenure and investment decisions. The figure 4.1 showed that the points in the scatter plot

roughly fall a long a straight diagonal line. Therefore, the study concluded that there existed a linear relationship between rational factors, financial analytical skills, irrational factors management past performance awareness managerial tenure and investment decisions.

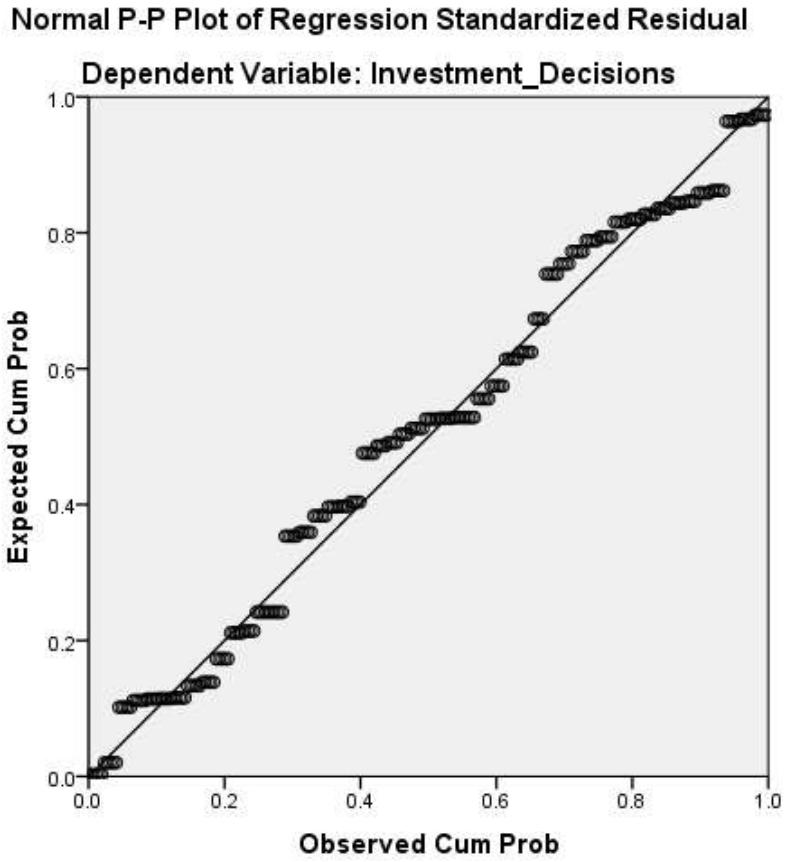

Figure 4. 1 Linearity Plot

4.9.2 Test for Normality Assumption

The normality assumption refers to the assumption that the residuals are normally distributed. The study used the Shapiro-Wilk test to assess the normality of residuals in regression analysis. The Shapiro-Wilk test is a statistical test used to assess whether a given sample of data comes from a normally distributed population. The Null hypothesis in Shapiro-wilk test is normality and the rule of thumb is that when the test statistics ($p>0.05$) we conclude that the sample data comes from a population that is

normally distributed. Conversely, if the p-value is less than the chosen significance level ($p < 0.05$), we reject the null hypothesis. This indicates that the residuals do not follow a normal distribution, and the normality assumption of the regression model may be violated. The table 4.14 showed the normality results. The table results confirmed that the p-values for all the six variables were greater than 0.05, therefore, the study failed to reject the null hypothesis and concluded that the sample data came from a normally distributed population.

Table 4. 15 Tests of Normality

	Kolmogorov-Smirnov[a]		Shapiro-Wilk	
	Statistic	Sig.	Statistic	Sig.
Investment Decisions	.160	.200*	.982	.945
Rational Factors	.431	.053	.697	.059
Financial Analytical Skills	.198	.200*	.957	.787
Irrational Factors Management	.231	.200*	.881	.314
Past Performance Awareness	.273	.200*	.852	.201
Managerial Tenure	.329	.082	.778	.053

Source, (Research data, 2023)

4.9.3 Test for Homoscedasticity Assumption

The study used scatter plot to assess the presence of heteroscedasticity in regression residuals. The study created a plot of standardized residuals versus predicted values. The figure 4.2 showed that the points in the scatter plot did not exhibit a pattern, hence, homoscedasticity was present.

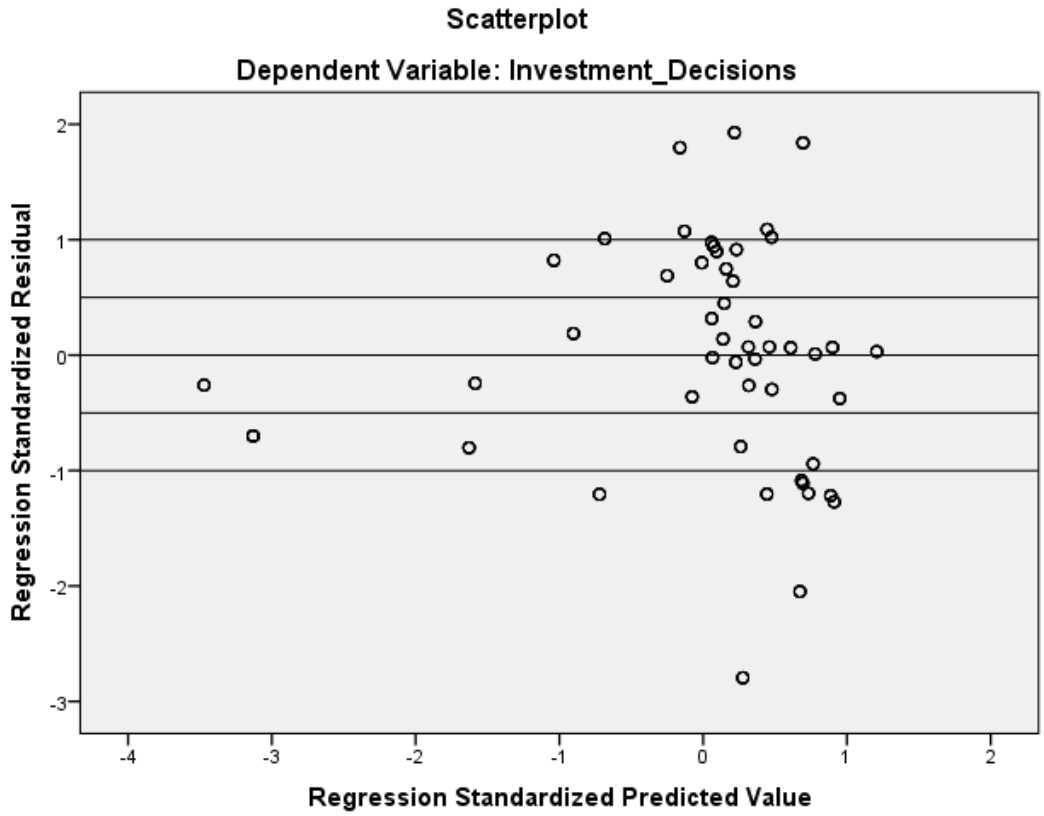

Figure 4. 2 Homoscedasticity Test Plot

4.9.4 Test for Multicollinearity Assumption

The study used variance inflation factor to test for multicollinearity. The table 4.15 results suggested that all the variance inflation factor values for all the variables were below five, indicating that there was absence of multicollinearity and that one predictor variable could not predict the other.

Table 4. 16 Test for Multicollinearity Assumption

Model		Collinearity Statistics	
		Tolerance	VIF
1	Rational Factors	.353	2.834
	Financial Analytical Skills	.220	4.548
	Irrational Factors Management	.442	2.264
	Past Performance Awareness	.282	3.548
	Managerial Tenure	.811	1.234

a. Dependent Variable: Investment Decisions

Source, (Research data, 2023)

4.9.5 Test for the independence

The study used the Durbin-Watson test to determine the independence assumption. The null hypothesis (H_0) in the Durbin-Watson test statistic is no correlation among the residuals and the alternative (H_a) is that residuals are auto-correlated. The Durbin-Watson test ranges from 0 to 4 where: d=2 indicates no autocorrelation, d>2 indicates positive serial correlation, and d<2 indicates negative serial correlation. Generally, the d value between 1.5 and 2.5 indicates that there is no correlation between the residuals. The table 4.16 presented the Durbin-Watson statistics and showed that the d value was 1.834 which was between 1.5 and 2.5, therefore, the study failed to reject the null hypothesis and concluded that there was no correlation between the residuals.

Table 4. 17 Durbin-Watson Test

Model	Durbin-Watson
1	1.834[a]

a. Predictors: (Constant), Managerial_Tenure, Past_Performance_Awareness, Irrational_Factors_Management, Rational_Factors, Financial_Analytical_Skills
b. Dependent Variable: Investment_Decisions

Source, (Research data, 2023)

4.10 Regression Analysis

The study carried out the regression analysis to determine the direct relationship between rational factors, financial analytical skills, irrational factors management, past performance awareness, managerial tenure and investment decisions, and to assess the moderating effect of managerial tenure on the relationship between rational factors, financial analytical skills, irrational factors management, past performance awareness and investment decisions. The moderating effect shows whether managerial tenure increases or reduces the relationship.

4.10.1 Direct Effects

The table 4.17 presented the regression results for the direct relationships between rational factors, financial analytical skills, irrational factors management, past performance awareness, managerial tenure and investment decisions. The results revealed that the overall model was significant and that rational factors, financial analytical skills, irrational factors management, past performance awareness, and managerial tenure explains 83.5% variation in investment decisions.

The results revealed that the first variable, rational factors had a positive and significant (β=0.203; p=0.000) relationship with investment decisions. This indicated that a unit change in rational factors leads to an increase in investment decisions by 0.203. This was consistent with the findings of Chandra and Kumar (2008), who found that investor rationality is defined as being reasonable and making decisions that are in their best interest, and Musundi (2014), who found that financial literacy influences investment decision making because people with low literacy frequently rely on others as their primary source of financial advice. These people may make decisions based on the performance of prior investments made by others. Furthermore, Somil (2007) noted that proponents of the theory of rational investors believe that self-interest, consistency, and maximization are the three main factors that influence an individual's decision-making. The rational investor is one who makes decisions based only on maximizing profits and is assumed to have perfect knowledge of his surroundings. This rational investor also believes that the market must be efficient.

The second variable, financial analytical skills had a positive and significant (β=0.475; p=0.000) relationship with investment decisions, meaning that a unit change in financial analytical skills increases investment decisions by 0.475. This was in line with Jonubi's

(2013) findings, which stated that everyone with sound financial knowledge makes accurate investment decisions. As a result, enhancing one's financial literacy skills is essential for making better financial and investment decisions. Singh and Kumar (2017) also stated that managers should possess both the knowledge and the skills necessary to make some better financial decisions in their lifetime.

The third variable, irrational factors management had a positive significant (β=0.912; p=0.000) relationship with investments decisions, suggesting that a unit change in irrational factors management leads to an increase in investment decisions by 0.912. This was consistent with Athur's (2014) findings, which showed that herd instincts, illusion of control bias, representativeness, cognitive dissonance, and hindsight biases all affect investor decisions. Furthermore, it was disputed that other behavioral factors like self-attribution, risk aversion, overconfidence, and loss aversion had been shown to have no effect on investors' decisions and that the abundance of information available in the market and the startlingly fast speed at which it spreads have made decision-makers' lives more complex. Furthermore, the actions of one investor will undoubtedly influence the choices made by other investors. He further states that even though operating in a vacuum is discouraged, investors should employ more professional judgment and skepticism when evaluating the mass action of other investors in the market.

The fourth variable past performance awareness had a positive significant (β=0.593; p=0.000) relationship with investment decisions, implying that a unit change in past performance awareness leads to an increase in investment decisions by 0.593. The results of Musundi (2014), which show that people's decisions in the past influence their decisions in the present, corroborated this. It is a known fact that when a decision has a

positive outcome, people are more likely to make a related decision. Given a similar situation, people also tend to avoid repeating past mistakes. This is accurate to the extent that decisions based on past performance are not always the best ones.

Finally, the variable managerial tenure showed a positive and significant (β=0.025, p=0.000) relationship with investment decisions indicating that a unit change in managerial tenure leads to an increase in investment decisions by 0.025.

Table 4. 18 Regression Results

Model Summary	
R-Squared	83.8%
Adjusted R Squared	83.5%
ANOVA	
Sum of Squares	137.298
Df	5
F	239.377
Sig.	0.000

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.660	.146		-4.534	.000
	Rational Factors	.203	.039	.222	5.238	.000
	Financial Analytical Skills	.475	.047	.494	10.120	.000
	Irrational Factors Management	.912	.096	.288	9.490	.000
	Past Performance Awareness	.593	.085	.204	6.975	.000
	Managerial Tenure	.025	.007	.124	3.764	.000

a. Dependent Variable: Investment Decisions

Source, (Research data, 2023)

4.10.2 Moderating effects

The table 4.18 presented the interaction results. The results showed that the overall model was significant and that the interactions between rational factors, financial analytical skills, irrational factors management, past performance awareness and managerial tenure explained 42.5% variation in investment decisions. The first interaction between rational factors and managerial tenure had a positive and significant (β=0.21; p=0.009) relationship with investment decisions, suggesting that a unit change in in the interaction increases investment decisions by 0.21. The second interaction between financial analytical skills and managerial tenure had a negative and significant (β= -0.017; p=0.044) relationship with investment decisions, implying that a unit change in the interaction significantly leads to a decrease in investment decisions. The third interaction between irrational factors management and managerial tenure had a positive and significant (β=0.90; p=0.000) relationship with investment decisions, indicating that a unit change in the interaction increases significantly investment decisions by 0.90. These results were consistent with those of Malmendier (2011), who found that quantifiable managerial tenure has significant explanatory power for corporate financing decisions beyond traditional capital-structure determinants. A manager's paradigm serves as the foundation for their actions and is subject to change over time as new information becomes available; nevertheless, a manager's paradigm's degree of flexibility will probably change over the course of their tenure. Managers with brief tenure tend to have a relatively flexible paradigm because they are likely to be aware of organizational options and changes in the environment. Conversely, as their paradigm becomes more set, managers with longer tenure tend to support keeping things as they are (Gualco, 2016). There could be multiple processes involved in the fixed paradigm issue. First, a company's and its managers' past successes could breed

overconfidence in the status quo and make it resistant to change. Secondly, longer tenure is also linked to a rise in risk aversion (Chen and Zhang, 2014). Uncertain outcomes can result from risky strategies, and managers frequently possess firm-specific human capital that could be lost if they are fired because of the negative risk associated with these uncertain outcomes. These mechanisms explain why earlier research has consistently found that longer tenure among top managers is associated with more persistent strategies. Therefore, managers with long tenure will be more inclined to favor the status quo over the uncertain results of making changes (McClelland et al., 2012).

Lastly, the interaction between the past performance awareness and managerial tenure had a positive but insignificant (β=0.005; p=0.759) relationship with investment decisions, indicating that a unit change in the interaction leads to an insignificant increase in investment decisions by 0.005.

Table 4. 19 Moderation Results

Model Summary					
R-Squared	43.5%				
Adjusted R Squared	42.5%				
ANOVA					
Sum of Squares	71.227				
df	4				
F	44.627				
Sig.	0.000				
Coefficients[a]					
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.757	.092		29.965	.000
	Rational_Factors_Int	.021	.008	.463	2.617	.009
	Financial_Analytical_Skills_Int	-.017	.008	-.403	-2.026	.044
	Irrational_Factors_Management_Int	.090	.019	.592	4.713	.000
	Past_Performance_Awareness_Int	.005	.017	.033	.307	.759
a. Dependent Variable: Investment Decisions						

Source, (Research data, 2023)

4.11 Testing of the Hypotheses

The table 4.19 presented the model summary results and the full model was used to test the study hypotheses. The full model results showed that direct effects and the moderating effects explained 94.7% variation in investment decisions. The results also revealed that the full model was significant.

H_{01}: There is no significant relationship between rational factors and investment decisions of food and beverage manufacturing companies in Kenya.

The table results showed that the rational factors positively affected investment decisions (β=0.245, p=0.00). The p values was less than 0.05 therefore the study rejected the null hypothesis that there was no significant relationship between rational

factors and investment decisions and concluded that rational factors significantly affects investment decisions. This was consistent with the findings of Kaleem et al. (2009), who examined the factors influencing financial advisors' perceptions of portfolio management in Pakistan and discovered that an investor's investment style is significantly influenced by their age, income, language, and educational orientation, Shanmugsundaram and Balakrishnan (2011), investors' preferences and attitudes toward investment decisions are influenced by factors such as age, gender, income, and education. Geetha and Ramesh (2012) investigated the relevance of demographic factors in investment decisions in Tamilnadu, India, and claimed that the factors have a significant influence over some of the investment decision elements, while insignificant influence was found on some other elements. Shaikh and Kalkundrikar (2011) argued that the factors influencing investors' investment decisions are based on various demographic factors like age, gender, marital status, level of income, level of market knowledge, educational qualification, and the number of dependents.

Aregbeyen and Mbadiugha's (2011) findings corroborated the findings that the top ten factors influencing an investor's decision-making are, in order of significance, motivation from individuals who have achieved financial security through share investments, future financial security, the company's management team, awareness of the potential returns on investment, the makeup of the board of directors of companies, the company's recent financial performance, and the ownership structure of the company.

H_{02}: There is no significant relationship between financial analytical skills and investment decisions of food and beverage manufacturing companies in Kenya

The results revealed that financial analytical skills positively affects investment decisions (β=0.607, p=0.000). The p value was less than 0.05 therefore, the null hypothesis that there was no significant relationship between financial analytical skills and investment decisions was rejected and the study concluded that financial analytical skills significantly affects investment decisions. This was consistent with Kumari's (2020) findings, which showed that undergraduates' investment decisions were positively and significantly influenced by financial literacy. Moreover, three financial literacy dimensions have been found to have a significant influence on the degree of investment decision-making. The most important one among them was financial skills, according to Roy (2018), who also pointed out that people grow more financially sophisticated and competent as they gain experience in financial matters, Evans (2006) conducted research on the topics of overconfidence perceptions and financial cue predictive validity. The research revealed that most investors have an excessive amount of confidence in their skills and expertise. The study also discovered that investors typically overestimate their abilities and underestimate how imprecise their beliefs or forecasts are. Lastly, because they think they are superior to others at selecting the best properties and moments to enter or exit a position, overconfident investors typically engage in more trading. Therefore, overconfidence may result in investors underreacting to new information, which would cause them to earn yields that are much lower than those of the market. Additionally, Phung (2018) believes that people who are overconfident tend to exaggerate or overestimate their capacity to complete a task successfully. Many academics examined investor overconfidence and examined the

negative consequences of investor overconfidence. Their findings showed that investors were overconfident in their capacity to make wise financial decisions, which led to investment errors. Therefore, past research indicates that one of the most harmful biases an investor can exhibit is overconfidence. This is because investors' typical behaviors include underestimating downside risk, trading too frequently, and maintaining a portfolio that is not sufficiently diversified. (Laibson and others, 2015).

H_{03}: There is no significant relationship between irrational factors management and investment decisions of food and beverage manufacturing companies in Kenya.

The third variable results showed that irrational factors management positively affected investment decisions (β=0.379, p=0.000). The p value was less than 0.05 indicating that the study rejected the null hypothesis that there was no significant relationship between irrational factors management and investment decisions and concluded that irrational factors management significantly affects investment decisions. This was in line with the findings of Singh et al. (2016), who conducted a study on the impact of financial literacy on investment behavior for effective financial planning. They came to the conclusion that there is a great deal of room for financial literacy to be taught and practiced so that people from all walks of life can gain the knowledge necessary to make wise investment decisions by taking into account the different factors that influence investment behavior. It also demonstrates how investors can make well-informed decisions to secure their own and their dependents' financial futures by being financially literate and aware of the various financial instruments available. Every investor's level of knowledge, interest, and commitment to the financial planning process is extremely important, and it also presents a significant opportunity for market regulators and

businesses to promote financial literacy in a way that is easy to understand and helps investors make long-term plans for the future. When creating a financial planning process road map, demographic variables like age, gender, education level, investment amount, and investment duration are also crucial.

H_{04}: There is no significant relationship between past performance awareness and investment decisions of food and beverage manufacturing companies in Kenya.

The past performance awareness results showed a positive relationship with investment decisions (β=0.319, p=0.000). The p value was less than 0.05 suggesting that the study rejected the null hypothesis that there was no significant relationship between past performance awareness and investment decisions and concluded that past performance awareness affects investment decisions. This was consistent with the findings of (Hsiao, 2018), which stated that having a thorough understanding of the entire process is necessary to be in a position to determine how to manage your resources and assets in any particular investment. It is advisable to consider the risk-return relationship carefully when selecting an investment so as to only take on risk that one can afford. Financial literacy is necessary for evaluating various investment opportunities in order to comprehend the significance of the parameter. For this reason, the origin of financial education is crucial. The focus of financial awareness is on the sources and requirements for financial education. All people need to be more financially educated; in fact, every family that wants to buy a house, balance their budget, send their kids to college, and make sure their parents will have a source of income when they retire needs to know this.

H_{05}: There is no significant relationship between managerial tenure and investment decisions of food and beverage manufacturing companies in Kenya.

The managerial tenure results revealed a negative relationship with investment decisions (β= -0.136, p=0.000). The p value was less than 0.05 suggesting that the study rejected the null hypothesis that there was no significant relationship between managerial tenure and investment decisions and concluded that managerial tenure affects investment decisions.

H_{06a}: There is no significant moderating effect of managerial tenure on the relationship between rational factors and investment decisions of food and beverage manufacturing companies in Kenya.

The moderating effect of managerial tenure on the relationship between rational factors and investment decisions was positive (β=0.034, p=0.001). The p value was less than 0.05 implying that the study rejected the null hypothesis that there was no significant moderating effect of managerial tenure on the relationship between rational factors and investment decisions and concluded that managerial tenure significantly moderates the relationship between rational factors and investment decisions. Gan (2019) provided support for this claim, stating that managers with shorter tenure tend to invest more aggressively in R&D than managers with longer tenure. Additionally, managers' tenure and functional background can be quantitatively measured based on the number of years they have held leadership positions. Overinvestment, however, might not always happen because the board might keep a closer eye on things because the managers' performance in the early years of their employment is unpredictable.

H_{06b}: There is no significant moderating effect of managerial tenure on the relationship between financial analytical skills and investment decisions of food and beverage manufacturing companies in Kenya.

The moderating effect of managerial tenure on the relationship between financial analytical skills and investment decisions was negative (β= -0.053, p=0.000). The p value was less than 0.05 meaning that the study rejected the null hypothesis that there was no significant moderating effect of managerial tenure on the relationship between financial analytical skills and investment decisions and concluded that managerial tenure moderated negatively the relationship between financial analytical skills and the investment decisions. This was consistent with research by Cadman et al. (2016), which found that inexperienced managers may be cautious when deciding how to allocate resources and make investments because they may not be as familiar with the workings of a new company or may have been promoted to a position that requires different knowledge and abilities than their previous role.

H_{06c}: There is no significant moderating effect of managerial tenure on the relationship between irrational factors management and investment decisions of food and beverage manufacturing companies in Kenya.

The moderating effect of managerial tenure on the relationship between irrational factors management and investment decisions was positive (β= 0.136, p=0.000). The p value was less than 0.05 meaning that the null hypothesis that there was no significant moderating effect of managerial tenure on the relationship between irrational factors management and investment decisions was rejected and the study concluded that there existed a moderating effect of managerial tenure on the relationship between the

irrational factors management and investment decisions. This was consistent with the findings of Chen and Zhang (2014), who found that managers become more risk-takers as their tenure increases. When managers are first hired, they may have a risk-averse tendency, which can lead them to hide project details, pass up investment opportunities that fit the firm's strategies and characteristics, or engage in herd mentality by ignoring their own confidential payoff information and mimicking the decisions of other managers or businesses in the same sector. These actions may result in excessive or inadequate investment.

H_{06d}: There is no significant moderating effect of managerial tenure on the relationship between past performance awareness and investment decisions of food and beverage manufacturing companies in Kenya.

The managerial tenure moderating effect on the relationship between past performance awareness and investment decisions was positive (β= 0.079, p=0.000). The p value was less than 0.05 revealing that the null hypothesis that there was no significant moderating effect on the relationship between past performance management and investment decisions was rejected and the study concluded that the moderating effect of managerial tenure affects the relationship between past performance and investment decisions. This was in contrast to the findings of Murphy (2011) and Myers (2015), who found that when there is uncertainty about a new manager's ability during the first few years of their employment, the market may respond by limiting the amount of capital available and rationing capital, which could exacerbate the problem of underinvestment if the company needs to raise money to finance an ongoing project with a positive net present value. The market might still be unsure of a manager who has been promoted internally

because the abilities needed for a successful CEO differ from those needed for lower-level roles where the focus is on investments.

Table 4. 20 Model Summary

Variable	**Coefficients**					
	Model 1	**Model 2**	**Model 3**	**Model 4**	**Model 5**	**Model 6**
Constant	0.745***	0.660***	1.005***	1.058***	0.699***	-0.261*
Rational Factors	0.207***	0.203***	0.583***	0.337**	-0.252**	0.245**
Financial Analytical Skills	0.545***	0.475***	0.316***	0.709***	0.612***	0.607***
Irrational Factors Management	0.879***	0.912***	0.636***	0.029	0.466***	0.379***
Past Performance Awareness	0.647***	0.593***	0.513***	0.520***	0.011	0.319***
Managerial Tenure		0.025***	0.220***	0.385***	0.534***	-0.136**
Rational Factors Interaction			0.051***	0.036**	0.042***	0.034**
Financial Analytical Skills Interaction				0.053***	0.048***	-0.053**
Irrational Factors Management Interaction					0.154***	0.136***
Past Performance Awareness Interaction						0.079***
Model Summary R Squared	0.828	0.838	0.860	0.849	0.940	0.947
Adjusted R Squared	0.825	0.835	0.856	0.845	0.937	0.944
ANOVA Sum of Squares	135.673	137.298	140.865	139.127	153.892	151.898
df	4	5	6	7	8	9
F	279.799	239.377	235.464	184.491	442.804	321.971
Sig.	0.000	0.000	0.000	0.000	0.000	0.000

Source, (Research data, 2023)

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Overview

This chapter covers the summary of the findings, conclusion, and implications of the study, recommendation and suggestions for further research.

5.1 Summary of the Findings

The study main objective was to assess the moderating role of managerial tenure on the relationship between financial literacy and investment decision of Food and Beverage Manufacturing companies in Kenya. The specific objectives were to evaluate the effect of rational factors literacy on investment decisions of food and beverage manufacturing companies Kenya, to identify the effect of financial analytical skills on investment decisions of food and beverage manufacturing companies Kenya, to find out the effect of irrational factor management skills on investment decisions of food and beverage manufacturing companies Kenya, to establish the effect of past performance awareness on investment decisions of manufacturing companies Kenya, to assess the moderating role of managerial tenure on the relationship between rational factors literacy on investment decisions of food and beverage manufacturing companies Kenya, to evaluate the moderating role of managerial tenure on the relationship between financial analytical skills literacy on investment decisions of food and beverage manufacturing companies Kenya, to establish the moderating role of managerial tenure on the relationship between irrational factors literacy on investment decisions of food and beverage manufacturing companies Kenya, and finally to ascertain the moderating role

of managerial tenure on the relationship between past performance awareness on investment decisions of food and beverage manufacturing companies Kenya.

The study began by summarizing the demographic information followed by descriptive statistics and finally, the inferential statistics. According to the respondents demographic information gender distribution revealed 57% male and 43% female. Age-wise, 34.2% fall in the 31-35 range, followed by 31.6% aged 36-40. Education levels indicated 64.6% hold a degree, 15.6% had a Masters, and 13.9% possessed a Diploma. A smaller percentage held Certificates (1.7%) or CPAK qualifications (4.2%). This breakdown showed a predominantly male, middle-aged sample with a majority holding degrees, providing insights into the group's composition across gender, age, and education levels.

The descriptive statistics on the variables post-data transformation showed that the overall rating of respondents' decisions averaged 3.8472, indicating moderate to high effectiveness with low variability, standard deviation 0.83310. Rational factors had a mean of 3.5696, moderately agreed upon with some variability, standard deviation 0.90858. Financial analysis skills averages was 3.8840 with moderate variability, standard deviation 0.86556. Irrational factors management scored 3.3165, moderately effective with low variability standard deviation 0.74648. Past performance awareness averaged 3.6684 with moderate to high levels and some variability standard deviation of 0.86762. Managerial tenure mean was 2.2293, moderately indicating tenure with varied durations, standard deviation 0.91619.

5.1.1 Summary of the Correlation Analysis

The correlation results revealed that rational factors exhibited strong positive correlations with investment decisions (r=0.704) as do financial analytical skills

(r=0.806), irrational factors management (r=0.578), and past performance awareness (r=0.686), all were significant at p=0.000. Managerial tenure showed a weak positive correlation (r=0.256) with investment decisions. Correlations with rational factors revealed strong positive links with financial analytical skills (r=0.764), irrational factors management (r=0.692), and past performance awareness (r=0.688), all significant at p=0.000, but a weaker correlation with managerial tenure (r=0.307). The correlation between other variables were generally significant and positive.

5.1.2 Summary of the Regression Results

The analysis indicated a significant overall model explaining 83.5% of the variance in investment decisions. Rational factors, financial analytical skills, irrational factors management, past performance awareness, and managerial tenure played pivotal roles on investment decisions. Rational factors, reflecting an effect on investment decisions, showed a positive and significant relationship with investment decisions (β=0.203), supporting findings by Musundi (2014) and Chandra and Kumar (2008) emphasizing rational investor behavior driven by profit maximization. Financial analytical skills demonstrated a strong positive relationship (β=0.475), aligning with Jonubi (2013) and Singh & Kumar (2017), highlighting the importance of financial literacy in accurate decision-making.

Irrational factors management also showed a positive and significant impact (β=0.912) on investment decisions, indicating the influence of biases and cognitive factors as discussed by Athur (2014), emphasizing the complexity of decision-making amidst market dynamics. Past performance awareness positively impacted investment decisions (β=0.593), agreeing with Musundi (2014), emphasizing the role of past outcomes in shaping future decisions. Managerial tenure exhibited a positive

relationship (β=0.025), suggesting cumulative experience's influence on investment decisions.

The interaction results on investment decisions showed a significant overall model explaining 42.5% of the variance in investment decisions. Interactions between rational factors and managerial tenure revealed a positive and significant relationship (β=0.21), suggesting increased investment decisions with this interaction, aligning with Malmendier's (2011) findings on managerial tenure's influence on decision-making paradigms. However, the interaction between financial analytical skills and managerial tenure displays a negative and significant relationship (β= -0.017), implying decreased investment decisions, possibly due to longer-tenured managers' risk aversion and resistance to change (Gualco, 2016).

The interaction between irrational factors management and managerial tenure revealed a positive and significant relationship (β=0.09), indicating increased investment decisions. This aligned with the notion that longer tenure may lead to fixed paradigms and risk aversion, influencing decision-making (Chen and Zhang, 2014). However, the interaction between past performance awareness and managerial tenure showed a positive but insignificant relationship (β=0.005), suggesting minimal impact on investment decisions.

5.1.3 Effect of Rational Factors on Investment Decisions

The results demonstrated a significant positive impact of rational factors on investment decisions (β=0.245, p=0.00). This rejected the null hypothesis, affirming the substantial influence of rational factors. This finding was consistent with prior research by Kaleem *et al*., (2009), Shanmugsundaram and Balakrishnan (2011), Shaikh and Kalkundrikar (2011), and Geetha and Ramesh (2012), who highlighted demographic factors like age,

income, education, and market knowledge as influential in investment decisions. Additionally, Aregbeyen and Mbadiugha (2011) identified factors such as financial security, management team perception, awareness of investment prospects, and company performance as pivotal in shaping investor decisions. These findings collectively shows multifaceted nature of investment decision-making, influenced by both rational and demographic factors, and emphasize the importance of understanding these dynamics in financial decision-making processes.

5.1.4 Effect of Financial Analytical Skills on Investment Decisions

The study found a significant positive relationship between financial analytical skills and investment decisions (β=0.607, p=0.000), rejecting the null hypothesis. This aligned with Kumari's (2020) research indicating that financial literacy positively influences investment decisions, particularly emphasizing the importance of financial skills. Roy (2018) suggested that increased financial experience leads to greater financial sophistication and competence. Evans (2006) and Phung (2018) highlight the impact of overconfidence on investor behavior, noting its detrimental effects on decision-making, including underestimation of risk and overtrading. Overconfident investors tend to make more mistakes and earn lower yields, as they underestimate downside risk and hold undiversified portfolios. These findings underscore the critical role of financial analytical skills in navigating investment decisions effectively, while also emphasizing the need to mitigate overconfidence biases for sound financial decision-making.

5.1.5 Effect of Irrational Factors Management on Investment Decisions

The study revealed a significant positive impact of irrational factors management on investment decisions (β=0.379, p=0.000), rejecting the null hypothesis. This finding

resonated with Singh et al.'s (2016) research emphasizing the importance of financial literacy in effective investment decision-making. Financial literacy and awareness of various financial instruments are crucial for informed decision-making, particularly in securing one's financial future. Factors such as knowledge, interest, and commitment to financial planning significantly influence investment behavior. Demographic factors like age, gender, education level, investment amount, and duration also play pivotal roles in shaping individuals' financial planning strategies. The study underscored the need for enhanced financial literacy initiatives to empower investors with the necessary skills and knowledge to navigate irrational factors effectively and make informed investment decisions for long-term financial well-being.

5.1.6 Effect of Past Performance Awareness on Investment Decisions

The study found a significant positive relationship between past performance awareness and investment decisions (β=0.319, p=0.000), rejecting the null hypothesis. This aligned with Hsiao's (2018) emphasis on the importance of being well-informed in managing resources and assets for effective investment decisions. Understanding the risk-return relationship is crucial in making investment choices aligned with one's risk tolerance. Financial education plays a pivotal role in enhancing past performance awareness and facilitating informed decision-making regarding investment opportunities. It empowers individuals to comprehend financial parameters and make sound financial decisions, essential for achieving various financial goals such as homeownership, funding education, and retirement planning. The study underscores the significance of financial education as a source of knowledge and awareness, essential for individuals and families to navigate the complexities of financial markets and secure their financial future.

5.1.7 Effect of Managerial Tenure Moderating Role on the Relationship between Rational Factors and investment decisions

The study revealed a significant positive moderating effect of managerial tenure on the relationship between rational factors and investment decisions (β=0.034, p=0.001), rejecting the null hypothesis. This aligned with Gan's (2019) findings suggesting that shorter-tenured managers tend to make more aggressive investments in research and development compared to longer-tenured managers. Managerial tenure, quantified by years in leadership roles, influences investment decisions, with shorter tenure potentially leading to more aggressive strategies. However, increased monitoring by the board during the initial years of a manager's tenure may mitigate the risk of overinvestment. These findings underscore the importance of considering managerial tenure as a moderating factor in understanding the relationship between rational decision-making factors and investment decisions. They highlight the nuanced dynamics within organizational leadership and their impact on investment strategies, emphasizing the need for adaptive management approaches tailored to varying managerial tenures.

5.1.8 Effect of Managerial Tenure Moderating Role on the Relationship between Financial Analytical Skills and Investment Decisions

The study unveiled a significant negative moderating effect of managerial tenure on the relationship between financial analytical skills and investment decisions (β= -0.053, p=0.000), rejecting the null hypothesis. This finding resonated with Cadman *et al.*, (2016) research, indicating that new managers may exhibit conservatism in resource allocation and investment decisions due to their unfamiliarity with the firm's operating environment or the demands of their new position. Longer-tenured managers, while

more experienced, may still exhibit caution or resistance to change in their decision-making processes. This suggests that as managerial tenure increases, the impact of financial analytical skills on investment decisions may diminish or be tempered by other factors such as organizational inertia or risk aversion. Understanding this moderating effect is crucial for organizations in tailoring management development programs and decision-making frameworks to account for varying levels of managerial experience and tenure.

5.1.9 Effect of Managerial Tenure Moderating Role on the Relationship between irrational factors management and Investment Decisions

The study identified a significant positive moderating effect of managerial tenure on the relationship between irrational factors management and investment decisions (β= 0.136, p=0.000), rejecting the null hypothesis. This aligned with Chen and Zhang's (2014) findings, suggesting that as managerial tenure increases, managers tend to become more risk-taking in their decision-making. During the early years of tenure, managers may exhibit a risk-averse tendency, withholding project information and potentially bypassing investment opportunities that align with the firm's characteristics and strategies. This cautious approach could stem from managers' unfamiliarity with the firm's operating environment or the demands of their new role. However, as managers gain experience and tenure, they may become more confident in their decision-making abilities and more willing to take on risks. Additionally, longer-tenured managers may also engage in herding behavior, where they mimic the decisions of previous managers or other firms in the same industry. This conformity could lead to under- or overinvestment, as managers may fail to adequately assess the unique circumstances and requirements of their own firm.

5.1.10 Effect of Managerial Tenure Moderating Role on the Relationship between Past Performance Awareness and Investment Decisions

The study identified a significant positive moderating effect of managerial tenure on the relationship between past performance awareness and investment decisions (β= 0.079, p=0.000), rejecting the null hypothesis. This contrasted with the findings of Myers (2015) and Murphy (2011), who suggested that uncertainty surrounding new managers during the initial years of tenure could lead to capital rationing and reduced capital supply in the market. Uncertainty about a new manager's ability may prompt the market to restrict financial resources, potentially exacerbating underinvestment issues, particularly if the firm requires funds to finance lucrative projects. Even for internally promoted managers, market uncertainty may persist due to the different skill sets required for higher-level positions compared to lower-level ones focused on investments.

5.2 Conclusions

The study revealed that management's understanding of financial management concepts like interpreting financial statements, budgeting, risk management, and savings goals significantly influences investment decisions. This highlighted the importance of financial literacy and strategic planning in guiding management towards informed and beneficial investment choices. Organizations benefit from enhancing managerial proficiency in these areas, ensuring more effective allocation of resources and improved financial outcomes. Such insights emphasize the importance of equipping decision-makers with the necessary knowledge and skills to navigate complex financial landscapes and drive sustainable investment strategies.

The research confirmed that having good financial skills helps managers make better investment decisions. When managers understand things like reading financial reports, analyzing statements, spending wisely, and being financially smart, they tend to make smarter investment choices. This showed how important it is for managers to have these skills. By learning and practicing these skills, managers can make wiser decisions about where to invest money. This can make a big difference for companies, helping them grow and succeed in the long run. So, it's really valuable for managers to keep improving their financial skills.

The study found that handling irrational factors well can make investment decisions better. When managers improve how they deal with their personal traits affecting financial decisions, the firm's investment choices get better too. This showed the importance of understanding and managing emotions in making financial decisions. By working on these traits, companies can make informed investment decisions, leading to better outcomes and success in the long run. So, it's important for managers to focus on improving how they handle these factors for the benefit of the firm.

The study discovered that knowing about the company's past performance helps in making better investment decisions. When managers are aware of how the company has been doing in recent years, they can make choices that make the company's investments better. This shows how important it is for managers to understand the company's history when making decisions about where to invest money. By paying attention to past performance, managers can make smarter choices that benefit the company's investments, leading to growth and success in the future.

The study showed that when managers have been in their positions for a long time, their experience strengthens the link between rational factors and investment decisions. This

means that experienced managers, who understand financial concepts like reading accounts, budgeting, and managing risks, make better investment choices for the company. So, having managers with years of experience in financial management can really improve how the company invests its money. This highlights the importance of having seasoned managers who can use their knowledge to guide smart investment decisions and help the company grow and succeed in the long run.

The research found that when managers have been in their roles for a long time, their experience weakens the connection between financial analytical skills and investment decisions. This suggests that highly skilled, long-tenured managers might tend to avoid risks and make more cautious investment choices. Despite having strong financial skills, their extensive experience may lead them to be more risk-averse in their decision-making. Therefore, it's important for companies to strike a balance between experienced managers and those with analytical skills to ensure a well-rounded approach to investment decision-making, aiming for both prudence and growth.

The research showed that when managers have been with the company for a long time, their experience strengthens the link between managing irrational factors and investment decisions. This suggests that seasoned managers, who understand how personal traits affect financial choices, tend to make better investment decisions for the company. Their familiarity with the company's dynamics helps them navigate through irrational influences, leading to more informed investment choices. Therefore, having managers with extensive tenure can positively impact the firm's investment decisions, contributing to its overall success and stability in the long term.

Lastly, the study found that when managers have been with the company for a long time, their tenure strengthens the connection between past performance awareness and

investment decisions. This suggests that experienced managers, who are familiar with the company's financial history, tend to make better investment choices. Their deep understanding of past performance helps them make informed decisions about where to invest the company's resources. Therefore, having long-tenured managers who are well-versed in the company's financial past can significantly improve its investment decisions, ultimately contributing to its growth and success over time.

5.3 Study Recommendations

The study included policy recommendations, practical implications, managerial implications and theoretical implications and recommendations for further research.

5.3.1 Policy Recommendations

In the context of the food and beverage manufacturing sector in Kenya, the study sheds light on the crucial role of financial literacy and managerial tenure in shaping investment decisions. Managers equipped with a solid understanding of financial management concepts, including interpreting financial statements, budgeting, risk management, and savings goals, are better positioned to make informed investment choices. This underscores the importance of implementing targeted financial education programs aimed at enhancing the financial literacy of managers within the sector. By investing in such initiatives, companies can empower their managerial staff with the necessary skills and knowledge to navigate complex financial landscapes and drive sustainable investment strategies.

Furthermore, the study highlights the moderating effect of managerial tenure on the relationship between financial literacy and investment decisions. Long-tenured managers exhibit a strengthened link between financial literacy and investment

outcomes. This emphasizes the significance of retaining experienced managerial talent within companies. Strategies aimed at promoting long-term managerial tenure, such as offering incentives for retention and providing opportunities for career advancement, can contribute to the continuity and stability of decision-making processes within organizations.

To further support informed decision-making, there is a need to integrate financial literacy training into managerial development programs. By incorporating financial literacy components into training initiatives, companies can ensure that managers possess the requisite skills to analyze financial data effectively and make sound investment decisions. Additionally, promoting the use of data analytics and past performance analysis can enable managers to leverage historical financial information to inform their investment choices, thus enhancing the likelihood of favorable outcomes.

5.3.2 Practical Implications

The findings of the study carry significant practical implications for stakeholders in the food and beverage manufacturing sector in Kenya. Firstly, there's a clear need for companies to prioritize investment in managerial development programs aimed at enhancing financial literacy skills among their management teams. This entails providing comprehensive training sessions and workshops focused on key financial management concepts such as budgeting, financial analysis, risk management, and savings goals. By equipping managers with a solid understanding of these concepts, companies can empower them to make more informed and effective investment decisions.

Moreover, given the observed moderating effect of managerial tenure on investment decisions, it's imperative for companies to implement strategies to retain experienced managers. This may involve offering competitive compensation packages, providing opportunities for career advancement, and fostering a supportive work environment that encourages loyalty and commitment. Retaining seasoned managers can ensure continuity in decision-making processes and leverage their wealth of experience to drive positive outcomes for the company's investments.

Furthermore, integrating financial literacy considerations into decision-making processes is essential. Managers should be encouraged to incorporate their financial knowledge and skills when evaluating investment opportunities. This includes analyzing factors such as past performance, financial risks, and savings goals to make more informed and strategic investment decisions.

Additionally, promoting a culture of data-driven decision-making is paramount. Managers should leverage historical financial data and performance metrics to guide their investment decisions, ensuring that choices are grounded in empirical evidence rather than intuition or subjective judgment.

Lastly, establishing mechanisms for continuous evaluation and improvement of financial literacy initiatives and managerial practices is critical. Regular assessments can help identify areas for enhancement and inform the development of targeted interventions to further strengthen decision-making capabilities.

5.3.3 Managerial Implications

The study's findings on investment decisions in Kenya's food and beverage manufacturing sector, offer important insights into how they can improve their

managerial practices. Firstly, it's crucial to focus on retaining experienced managers. This means implementing strategies to keep them in the company for a long time. Companies could offer opportunities for career growth, good benefits, and a supportive work environment. By doing this, they ensure that they have skilled leaders who can make better decisions, especially when it comes to investments.

Another important implication is the need for leadership development programs. These programs should help managers understand financial concepts better, like how to read financial reports and manage risks. By providing managers with these skills, companies can make sure they're making smarter investment choices that align with their goals.

Additionally, integrating data analytics into decision-making processes is key. This means using past financial data and other performance metrics to guide decisions about investments. When managers have access to this kind of information, they can make more informed choices that are based on evidence, rather than just gut feelings.

Continuous performance evaluation is also crucial. By regularly assessing how well managers are doing, companies can identify areas where they need to improve. This helps them to provide targeted support and training, so managers can become even better at making decisions.

Finally, creating a culture of learning within the organization is vital. When managers share their knowledge and experiences with each other, everyone benefits. This kind of collaborative environment encourages innovation and helps managers to learn from each other's successes and mistakes.

5.3.4 Theoretical Implication

The study's findings have important theoretical implications based on Upper Echelons Theory, Decision Theory, and Prospect Theory, offering valuable insights into how these theories relate to managerial decision-making:

Upper Echelons Theory suggests that a manager's background and experiences influence how they make decisions for the organization. The study's discovery of how managerial tenure affects investment decisions fits with this idea. It shows that managers who've been with the company longer tend to make decisions differently because of their accumulated experiences.

Decision Theory helps us understand how people choose between different options, especially when outcomes are uncertain. The study's focus on the importance of financial literacy and rational decision-making skills in investment choices aligns with this theory. It emphasizes that managers need to analyze financial information carefully and make smart choices to help their organizations succeed.

Prospect Theory tells us that people's decisions are influenced by how they perceive gains and losses. The study's findings about the impact of past performance awareness and managing irrational factors on investment decisions relate to this theory. It suggests that managers' views on past performance and how they handle their emotions play a big role in the decisions they make.

5.3.5 Recommendations for Further Research

The study recommends that the same study be carried out in a different setting targeting different respondents in other institutions excluding food and beverage manufacturing companies in Kenya. The study was restricted to four determinants of financial literacy

and the study recommends that other studies can explore other possible determinants that do not include rational factors, financial analytical skills, irrational factors management, and past performance management. The study can also carry out the same study with different moderating variable.

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APPENDICES

Appendix I: Questionnaire

Dear respondent,

I am a MBA student at Moi University School of Business and Economics. In order to fulfill the requirements for the award of the degree, i am undertaking a research on **FINANCIAL LITERACY, MANAGERIAL TENURE AND INVESTMENT DECISIONS.** You are invited to voluntarily participate in this study by filling the questionnaires providing information about financial literacy. This will take about 15 minutes. This research will consider the autonomy as well as maintain anonymity of the participants. During data collection, you might feel uncomfortable to disclose some of the information to the researcher, to minimize this risk you are assured that your individual responses to the items in the questionnaire will be treated with utmost confidentiality and shall be used for academic purposes only. Please tick your answer against each question in the spaces provided. The questionnaire is made up of three sections A, B and C.

SECTION A: Demographic Information

1. What is your gender?

   Male [ ] Female [ ]

2. Your age in years (Please tick as appropriate)

   25-30 years [ ]

   31-35 years [ ]

   36-40 years [ ]

   41-45 years [ ]

   Above 46 years [ ]

3. What is your level of Academic and Professional qualifications?

   PhD [ ]

   Degree ` [ ]

   Masters [ ]

   Diploma [ ]

Certificate [ ]

C.P.A(k) [ ]

Others (Specify) _____

SECTION B: Research Objectives

Please indicate the extent of your agreement with the following statements as follows

INVESTMENT DECISIONS

1. To what extent do you agree with the following statements on the investment decisions of manufacturing companies Kenya?

Key: 1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5-Strongly Agree

Investment decisions	**1**	**2**	**3**	**4**	**5**
Our profitability is higher than industry average					
Evaluation of business proposal should be made in light of prevailing economic conditions as well as marketing considerations and regulatory requirements.					
The major reason why businesses are bought is that parties interested in beginning or expanding business activity often prefer acquiring an existing business rather than starting a new one					
Innovation is an important driver leading to organizational financial performance					
There has been a double increase in the sales growth of our business sales this year compared to the industry average					
Our long term assets have facilitated the growth of our business					
The company has strategies to meet the demand and maintain its market					
The company formulates long term investment goals and strives to achieve within the desired period					

Investments revolve on the creative search and identification of new investment opportunities and markets					

RATIONAL FACTORS

1. Please indicate to what extent you agree with the following rational factors literacy affect your investment decision.

Key: 1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5-Strongly Agree

Rational factors	**1**	**2**	**3**	**4**	**5**
Maintain a separate saving account for the business provides assurance of business continuity in case of an emergency					
I would go for the best highest possible return even if there are risk involved					
I prefer investment which is safe and grows slowly but steadily even if it means lower growth overall in order to reach my financial goal					
I have technical skills on how to prepare business statements of financial position and comprehensive income statement					
Being able to perform financial analysis on business statements (gross profit margin, net profit margin, current ratio contributes to the overall company performance					
Investment focuses on classification of projects and recognition of economically and/or statistically dependent proposals					

FINANCIAL ANALYTICAL SKILLS:

2. Please indicate to what extent you agree with the following factors financial analytical skills affect your investment decision.

Key: 1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5-Strongly Agree

Financial analytical skills	**1**	**2**	**3**	**4**	**5**
I would invest in a product with a higher average annual return but some risk of losing part of the initial investment					
I think about both the possible gains and losses when considering a major financial decision					
Analysis and review monthly financial statement reports from the firm's financial statements					
Using a combination of pricing and product-versioning strategies facilitates product experimentation and the ability to observe economic behavior in action and perform research and product development.					
I have a suitable administrative framework capable of transferring the required information to the decision level for investments					
I make estimation and forecasting of current and future cash flows for viable investments					
I invest by controlling of expenditures and careful monitoring of crucial aspects of project execution					

IRRATIONAL FACTORS MANAGEMENT

1. Please indicate to what extent you agree with the following on irrational factors management affect your investment decision.

Key: 1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5-Strongly Agree

Irrational factors	**1**	**2**	**3**	**4**	**5**
Investment decisions are made with regard to opinions from other investors, friends and relatives opinions and recommendations					
If the investment starts to perform badly and goes down by significant amount I would monitor the investment and wait to see if it improves					

I am looking for high investment growth and willing to accept the possibility of greater losses to achieve this					
I feel anxious when I consider investment which have an element of risk					
I consider my typical attitude of being adventurous and cautious when making important financial decision					
I also use information that are published And analysed by others to assist my investment decision making					
How the market perceive about the company dictates the kind of investment to be made					

PAST PERFORMANCE AWARENESS

2. Please indicate to what extent do you agree with the following factors on past performance awareness affect your investment decision.

Key: 1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5-Strongly Agree

Past performance awareness	**1**	**2**	**3**	**4**	**5**
The company ranking in the industry affects how investment decisions is prioritized					
The past revenue and prices of the instrument is investors prior focus for determining the potentials of the investment					
Investors use prior information that have been published and analysed by others to assist in making investment decision making					
The availability of information for a specific past investment affects future investment selection					
I have a set of decision rules which can differentiate acceptable from unacceptable alternatives required for investing.					
Information asymmetry occurs when the seller has better information about the value of a product than the buyer and vice versa					
I make investment decisions well aware of potential gains or losses that have occurred in the past with some level of concern					

MANAGERIAL TENURE

1. Please indicate to what extent do you agree with the following statement on Managerial Tenure.

Key: 1- means 0 to 5 years, 2- means 6 to 10 years, 3-means 11-15 years, 4-means 16-20 years and 5-means 21 years and above

Managerial Tenure	**1**	**2**	**3**	**4**	**5**
How long have you worked in the Manufacturing Industry					
How many years have you worked for the company					
What is the cumulative number of years that you have been involved in Financial Management position?					

Thank you for your participation

Appendix II: Research Plan

	May 2023	**Aug 2023**	**Sept 2023**	**Oct 2023**	**Nov 2023**	**Dec 2023**
Writing proposal						
Presenting proposal						
Data collection						
Data analysis						
Data presentation						

Appendix III: Research Budget

ACTIVITY	**DESCRIPTION**	**UNIT COST (KSHS)**	**NO. OF UNITS**	**COST (KSHS)**
Proposal	Typing and printing	20	100	2,000
Photocopying proposal	6 copies of 80 pages	3	240	1440
Pilot survey	Commuting	1,000	1	1,000
Data Collection	Commuting	200	92	18,400
Data analysis	Analysis of collected data	10,000	1	15,000
Internet services		1	5,000	5,000
Thesis typing and printing	Approx. 100 pages	20	100	2,000
Thesis photocopying	6 copies of 70 pages	3	420	1,260
Thesis binding	Binding of final document	150	6	900
Sub-Total				**47,000**
Contingencies	10% of subtotal			4,700
Total				**51,700**

Appendix IV: Model Results

Model 1

Model Summary[b]									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.910[a]	.828	.825	.34817	.828	279.799	4	232	.000
a. Predictors: (Constant), Past_Performance_Awareness, Rational_Factors, Irrational_Factors_Management, Financial_Analytical_Skills									
b. Dependent Variable: Investment_Decisions									

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	135.673	4	33.918	279.799	.000[b]
	Residual	28.124	232	.121		
	Total	163.797	236			
a. Dependent Variable: Investment_Decisions						
b. Predictors: (Constant), Past_Performance_Awareness, Rational_Factors, Irrational_Factors_Management, Financial_Analytical_Skills						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.745	.148		-5.042	.000
	Rational_Factors	.207	.040	.226	5.185	.000
	Financial_Analytical_Skills	.545	.044	.567	12.300	.000
	Irrational_Factors_Management	.879	.098	.278	8.938	.000
	Past_Performance_Awareness	.647	.086	.222	7.503	.000
a. Dependent Variable: Investment_Decisions						

Model 2

Model Summary[b]									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.916[a]	.838	.835	.33869	.838	239.377	5	231	.000
a. Predictors: (Constant), Managerial_Tenure, Past_Performance_Awareness, Irrational_Factors_Management, Rational_Factors, Financial_Analytical_Skills									
b. Dependent Variable: Investment_Decisions									

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	137.298	5	27.460	239.377	.000[b]
	Residual	26.499	231	.115		
	Total	163.797	236			
a. Dependent Variable: Investment_Decisions						
b. Predictors: (Constant), Managerial_Tenure, Past_Performance_Awareness, Irrational_Factors_Management, Rational_Factors, Financial_Analytical_Skills						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.660	.146		-4.534	.000
	Rational_Factors	.203	.039	.222	5.238	.000
	Financial_Analytical_Skills	.475	.047	.494	10.120	.000
	Irrational_Factors_Management1	.912	.096	.288	9.490	.000
	Past_Performance_Awareness1	.593	.085	.204	6.975	.000
	Managerial_Tenure1	.025	.007	.124	3.764	.000
a. Dependent Variable: Investment_Decisions						

Model 3

Model Summary[b]									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.927[a]	.860	.856	.31576	.860	235.464	6	230	.000
a. Predictors: (Constant), Rational_Factors_Int, Past_Performance_Awareness, Irrational_Factors_Management, Rational_Factors, Financial_Analytical_Skills, Managerial_Tenure									
b. Dependent Variable: Investment_Decisions									

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	140.865	6	23.477	235.464	.000[b]
	Residual	22.933	230	.100		
	Total	163.797	236			
a. Dependent Variable: Investment_Decisions						
b. Predictors: (Constant), Rational_Factors_Int, Past_Performance_Awareness, Irrational_Factors_Management, Rational_Factors, Financial_Analytical_Skills, Managerial_Tenure						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.005	.147		-6.815	.000
	Rational_Factors	.583	.073	.636	7.978	.000
	Financial_Analytical_Skills	.316	.051	.329	6.172	.000
	Irrational_Factors_Management	.636	.101	.201	6.315	.000
	Past_Performance_Awareness	.513	.080	.176	6.375	.000
	Managerial_Tenure	.220	.033	1.090	6.628	.000
	Rational_Factors_Int	-.051	.009	-1.106	-5.980	.000
a. Dependent Variable: Investment_Decisions						

Model 4

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.922[a]	.849	.845	.32822	.849	184.491	7	229	.000

a. Predictors: (Constant), Financial_Analytical_Skills_Int, Past_Performance_Awareness, Rational_Factors, Irrational_Factors_Management, Financial_Analytical_Skills, Managerial_Tenure, Rational_Factors_Int

b. Dependent Variable: Investment_Decisions

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	139.127	7	19.875	184.491	.000[b]
	Residual	24.670	229	.108		
	Total	163.797	236			

a. Dependent Variable: Investment_Decisions

b. Predictors: (Constant), Financial_Analytical_Skills_Int, Past_Performance_Awareness, Rational_Factors, Irrational_Factors_Management, Financial_Analytical_Skills, Managerial_Tenure, Rational_Factors_Int

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.058	.165		-6.429	.000
	Rational_Factors	.337	.115	.367	2.918	.004
	Financial_Analytical_Skills	.709	.110	.737	6.472	.000
	Irrational_Factors_Management	.029	.044	.026	.655	.513
	Past_Performance_Awareness	.520	.086	.179	6.040	.000
	Managerial_Tenure	.385	.035	1.910	10.946	.000
	Rational_Factors_Int	-.036	.013	-.772	-2.781	.006
	Financial_Analytical_Skills_Int	-.053	.013	-1.255	-4.217	.000

a. Dependent Variable: Investment_Decisions

Model 5

Model Summary[b]									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.969[a]	.940	.937	.20843	.940	442.804	8	228	.000
a. Predictors: (Constant), Irrational_Factors_Management_Int, Irrational_Factors_Management, Past_Performance_Awareness, Rational_Factors, Managerial_Tenure, Financial_Analytical_Skills, Financial_Analytical_Skills_Int, Rational_Factors_Int									
b. Dependent Variable: Investment_Decisions									

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	153.892	8	19.237	442.804	.000[b]
	Residual	9.905	228	.043		
	Total	163.797	236			
a. Dependent Variable: Investment_Decisions						
b. Predictors: (Constant), Irrational_Factors_Management_Int, Irrational_Factors_Management, Past_Performance_Awareness, Rational_Factors, Managerial_Tenure, Financial_Analytical_Skills, Financial_Analytical_Skills_Int, Rational_Factors_Int						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.699	.153		4.552	.000
	Rational_Factors	-.252	.076	-.274	-3.300	.001
	Financial_Analytical_Skills	.612	.070	.636	8.798	.000
	Irrational_Factors_Management	.466	.035	.417	13.172	.000
	Past_Performance_Awareness	.011	.030	.012	.381	.704
	Managerial_Tenure	-.534	.057	-.587	-9.409	.000
	Rational_Factors_Int	.042	.008	.904	4.998	.000

	Financial_Analytical_Skills_Int	-.048	.008	-1.135	-6.325	.000
	Irrational_Factors_Management_Int	.154	.006	1.013	23.808	.000
a. Dependent Variable: Investment_Decisions						

Model 6

Model Summary[b]									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.963[a]	.947	.944	.22895	.947	321.971	9	227	.000
a. Predictors: (Constant), Past Performance Awareness Int, Past Performance Awareness, Irrational Factors Management, Rational Factors, Financial Analytical Skills, Financial Analytical Skills Int, Irrational Factors Management Int, Managerial_Tenure, Rational Factors Int									
b. Dependent Variable: Investment Decisions									

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	151.898	9	16.878	321.971	.000[b]
	Residual	11.899	227	.052		
	Total	163.797	236			
a. Dependent Variable: Investment_Decisions						
b. Predictors: (Constant), Past_Performance_Awareness_Int, Past_Performance_Awareness, Irrational_Factors_Management, Rational_Factors, Financial_Analytical_Skills, Financial_Analytical_Skills_Int, Irrational_Factors_Management_Int, Managerial_Tenure, Rational_Factors_Int						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.261	.112		-2.322	.021
	Rational_Factors	-.245	.088	-.267	-2.778	.006

	Financial_Analytical_Skills	.607	.077	.630	7.859	.000
	Irrational_Factors_Management	.379	.059	.340	6.480	.000
	Past_Performance_Awareness	.319	.063	.332	5.093	.000
	Managerial_Tenure	-.136	.041	-.673	-3.303	.001
	Rational_Factors_Int	.034	.010	.731	3.461	.001
	Financial_Analytical_Skills_Int	-.053	.009	-1.264	-6.193	.000
	Irrational_Factors_Management_Int	.136	.015	.897	9.211	.000
	Past_Performance_Awareness_Int	.079	.014	.494	5.790	.000
a. Dependent Variable: Investment_Decisions						

Appendix V: Target Population of the Study

	Nairobi Region				Central Region
No	**Company Name**	**No**	**Company Name**	**No**	**Company Name**
1	Chai Trading Company Ltd	91	Pradip Enterprises (E.A) Ltd	1	Agri Pro Pak Ltd
2	Koba Water Ltd	92	Premier Food Industries Ltd	2	Alliance One Tobacco Kenya Ltd
3	Africa coffee Roasters (EPZ) Ltd	93	Propack Kenya Ltd	3	Bakers Millers Ltd
4	Afrimac Nut Company Limited	94	Rafiki Millers Ltd	5	BIDCO Africa Ltd
5	Agriner Agricultural Development	95	Razco Ltd	6	Broadway Bakery Ltd
6	Al-Mahra Industries Ltd	96	Re-Suns Spices Ltd	7	Carojim Cookery Enterprise Ltd
7	Almasi Beverages Ltd	97	Royal Swiss Bakery Ltd	8	Capwell Industries Ltd
8	Al-Noor Feisal&Co Limited	98	SalimWazarani Kenya CO Ltd	9	Centrlfood Industries Ltd
9	Alpha Fine Foods Ltd	99	Sameer Agriculture & Livestock Kenya Ltd	10	Crofts Ltd
10	Alpharama Ltd	100	SBC Kenya Ltd	11	Del Monte Kenya Ltd
11	Alphine Coolers Ltd	101	Scrumptious Eats Ltd	12	Foods by Likii Ltd
12	Arax Mills Ltd	102	Shree Sai Industries Ltd	13	Jungle Group Holdings Ltd
13	Azaavi Collection Ltd	103	Sigma Feeds Ltd	14	Jetlak Foods Ltd
14	Bakemark Ltd	104	Sima Grains Ltd	15	Kenblest Ltd
15	Bdelo Ltd	104	Simply Foods Ltd	16	Kenafric Bakery Ltd
16	Belfast Millers Ltd	106	Slikridge Limited	17	Kararina Estate Ltd
17	Bio Food Products Ltd	107	Spice World Ltd	18	Kenya Nut Company Ltd
18	Bloc Enterprises Ltd	108	Stockfeed Enterprises Ltd	19	Kigelia Fresh Produce Ltd
19	Blue Plastics & Water Company Ltd	109	Suguna Foods (K) Ltd	20	Kulamawe Poultry Industries Ltd
20	Britania Foods Ltd	110	Sunny Processors Ltd	21	Mama Millers Ltd
21	British American Tobacco Ltd	111	Suntory Bevarage&Food Kenya Ltd	22	Mafuko Industries Ltd
22	Brooomhill Springs Water Ltd	112	Supa Snacks Ltd	23	Murami Ltd
23	Bufallo Millers Ltd	113	Top Food (EA) Ltd	24	Mjengo Ltd
24	C.CzarnikowSuga EA Ltd	114	Trisquare Products Ltd	25	Mwachaka Group Ltd
25	C.Dorman Ltd	115	Tropical Heat Ltd	26	Orchard Juice Ltd
26	Candy Kenya Ltd	116	Tropical Lush Ltd	27	Olivado EPZ Ltd

27	Capel Food Ingredients Ltd	117	Trufoods ltd	28	Olenguruone Natural Water Ltd
28	Coca-Cola Central East & West Africa Ltd	118	Umoja Flour Mills Ltd	29	Palmhouse Dairies Ltd
29	Confini Ltd	119	Unga Group Ltd	30	Savanah Brands Company Ltd
30	Crystal world Agencies Ltd	120	Upfield Kenya Ltd	31	Selecta Kenya GMBH&CO Kenya
31	DanoneNutriciaAfric a&Overseas Ltd	121	Ustawi Grain Millers Ltd	32	Sky Foods Ltd
32	Devyani Foods Industries Ltd	122	ValeY Confectioners Ltd	33	Tuggen Milk Ltd
33	Diamond Industries LTD	123	Vert Factory Limited	34	Umoja Flour Mills Ltd
34	DPL Festive Ltd	124	Victory Farms Ltd		**Mombasa Region**
35	Eagles Bread Ltd	125	Waker Industries Ltd	1	APT Commodities Ltd
36	East Africal Breweries Ltd	126	Wany Food Industries Ltd	2	Coastal Botllers Ltd
37	East African Sea Food Ltd	127	Weetabix East Africa Ltd	3	Coff Tea Agencies Ltd
38	Eastern Produce Kenya Ltd (KAKUZI)	129	Zeetandia East Africa Ltd	4	Crown Beverages Ltd
39	Edible Oil Products Ltd	130	Zheng Hong (k) ltd	5	Diamins Industries Ltd
40	Elekea Ltd			6	Glacter Food Industries Ltd
41	Europack Industries Ltd		**North Rift Region**	7	Global Tea Commodities (K) Ltd
42	Everest Enterprises ltd	1	Agricultural Veterinary Supplies Ltd	8	Gold Crown Foods (EPZ) Ltd
43	Excel Chemical Ltd	2	Arkay Industries Ltd	9	Grains Industries Ltd
44	Farmers Choice Ltd	3	Bakers Point ltd	10	Halisi Maize Mills Ltd
45	Frigoken Ltd	4	Bakers Yard Ltd	11	Kilimanjaro Biscuits Ltd
46	Giloil Company Ltd	5	Baringo animal feeds LTD	12	Kitui Flour Mills Ltd
47	Githunguri Dairy Farmers SACCO Ltd	6	Bufallo Millers Ltd	13	Krish Commodities Ltd
48	Glaciers Products Ltd	7	Choronok Bakery ltd	14	L.A.B International Kenya Ltd
49	Global Marks Food Ltd	8	Cornbelt Flour Mills ltd	15	Milly Fruit Processing Ltd
50	Gonas Best Ltd	9	DL Koisagat Tea Estate Ltd	16	Mombasa Millers Ltd
51	Grainuts Craft Ltd	10	Eagle Bread ltd	17	Mvita Oils Ltd

52	Green Forest Foods Ltd	11	Eldoret Grains Ltd	18	Mzuri Sweets Ltd
53	Groove Ltd	12	Elwan Wells ltd	19	OkerioNyangau Bakery Ltd
54	Health U Two thousand Ltd	13	Farmyard International Ltd	20	Peraly Limited LiabiltyPatnership (LLP)
55	Italian Geleta 7 Food Products Ltd	14	Great Rift Coffee ltd	21	Peshwood Enterprises Ltd
56	Kamili Packers Ltd	15	Kaptagat Springs ltd	22	Pride Industries Ltd
57	Kenafric Industries Ltd	16	Kerio Valley Development Authority	23	Pwani Oil Products Ltd
58	Kenchic Ltd	17	Khetia Drapers ltd	24	Salwa Kenya Ltd
59	Kentaste Product Ltd	18	Kipchabo Tea Factory	25	Shake & Cream Ltd
60	Kenya Highlands Seed CO Ltd	19	Kitale industries LTD		
61	Kenya Sweets Ltd	20	Mbogo Valley Tea Factory		
62	Kenya Tea Development Agency	21	Msafiri Grain Millers LTD		**Nyanza &Western Region (Pilot Study)**
63	Kenya Wine Agencies Ltd	22	Sky Cake House Ltd	**No**	**Company Name**
64	Kevian Kenya Ltd	23	Tulwet Water Bottling plant	1	Agro Chemical & Food Company Ltd
65	Kigelia Fresh Produce	24	Zaytuna Enterprises Ltd	2	Amatsi Mineral Water Co LTD
66	Kirinyaga Flour Mills Ltd	25	Mace foods ltd	3	Butali Sugar Mills Ltd
67	Koba Waters Ltd	26	Riftvalley bottlers ltd	4	Equator Bottlers Ltd
68	Kwale International Suga CO Ltd	27	Nandi tea Estates Ltd	5	Jjasm Mini Distillery Ltd
69	lactacare Kenya Ltd	28	Ramm millers ltd	6	Kibos Sugar & Allied Industries
70	Lesere Kenya Ltd	29	Maize Milling Company Ltd	7	Kibos Dairy & Farm Produce Ltd
71	Mafuko Industries Ltd			8	Kina Loaf Bakery Ltd
72	Manji Food Industries Ltd		**Machakos Region**	9	Mamboleo Distillery Ltd
73	Marakigina Ltd	1	Brava Food Industries Ltd	10	Sunbake Enterprises Ltd
74	Max Grains Ltd	2	Acee Ltd	11	United Millers Ltd
75	Mayfeeds Kenya Ltd	3	Caterina Bakery Ltd	12	West Kenya Sugar Ltd
76	Melvin Marsh International Ltd	4	FRM EA Packers LTD	13	East Africa Sea Food Ltd
77	Midrow Kenya Ltd	5	Golden Africa Kenya Ltd	14	Bahati AgroProcessers Ltd

78	Mini Bakers (NBI) Ltd	6	Isinya Feeds Ltd	15	Benita Cakes Ltd
79	miyonga Fresh Greens Enterprises LTD	7	Kapa Oil Refineries Ltd		**Kericho Region**
80	Mount Elgon Orchards Ltd	8	Mars Wrigley Confectinery Kenya Ltd	1	Kabianga Dairy Ltd
81	MulsonsImpex Ltd	9	Norda Industries Ltd	2	Browns Plantations Kenya Ltd
82	Mwakawa Investment Ltd	10	Promasidor (Kenya) Ltd	3	Kenya Tea Packers Ltd (KETEPA)
83	Mwananchi Bakery Ltd	11	Winnies Pure Health Ltd	5	Mau Tea Factory Ltd
84	Nairobi Bottlers Ltd			6	Agrewa Ltd
85	Nairobi Flour Mills Ltd		**Nakuru Region**	7	Mobi Water Bottling Plant Ltd
86	Nairobi Java House Ltd	1	DeylinUnltimate Springs Ltd	8	Ekatera tea PLC
87	Nestle Kenya Ltd	2	Happy Cow Ltd	9	Highlands drinks ltd
88	Parco Industries Ltd	3	Honey Care Ltd	10	Kapkatet Tea Factory
89	Patian Enterprises Ltd	4	Kinangop Dairy Ltd	11	Bureti Tea Factory
90	Pembe Flour Mills Ltd	5	Malchite Ltd		
		6	Menengai Oil Refineries Ltd		
		7	Njoro Canning Factory Ltd		
		8	Transmara Sugar Company Ltd		
		9	Valley Confectionery Ltd		
		10	Xpressions Flora Ltd		

Source: (K.A.M, 2023)

Appendix VI: Research License

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 325517

Date of Issue: 17/September/2023

RESEARCH LICENSE

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Nakuru, Nandi, Transzzoia, Uasin-Gishu, Vihiga on the topic: Financial literney, Managerial Tenure and Investment Decisions of Manufacturing companies in Kenya for the period ending : 17/Septenber/2024.

License No: NACOSTI/P/23/29515

325517

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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Appendix VII: Plagiarism Awareness Report

SR548

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