

EQUITY FINANCING AND FINANCIAL PERFORMANCE OF DEPOSIT-TAKING MICROFINANCE INSTITUTIONS IN KENYA

Sharon Mukami Kamencu.

Jomo Kenyatta University of Agriculture and Technology, Kenya.

Dr. Kalundu Kimanzi.

Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya.

©2026

International Academic Journal of Economics and Finance (IAJEF) | ISSN 2518-2366

Received: 2nd July 2026

Published: 21st July 2026

Full Length Research

Available Online at: https://iajournals.org/articles/iajef_v5_i4_274_287.pdf

Citation: Kamencu, S. M., Kimanzi, K. (2026). Equity financing and financial performance of deposit-taking microfinance institutions in Kenya. *International Academic Journal of Economics and Finance (IAJEF)* | ISSN 2518-2366, 5(4), 274-287.

ABSTRACT

Deposit-taking microfinance institutions (DTMs) are an important segment of the financial system in that they mobilize deposits and provide credit and other financial services to low-income households, microenterprises and small and medium-sized enterprises that are often denied access to banking services. Equity financing is a key player in the improvement of their stability and capital adequacy. The objective of the study was to investigate whether the financial performance of DTMs in Kenya is significantly affected by equity financing. Agency theory and pecking order theory provided theoretical foundation for the study. All the fourteen licensed DTMs in Kenya were census and secondary panel data was collected from audited financial statements and yearly reports produced by the Central Bank of Kenya for the period 2016-2024. The empirical data was coded and analyzed with R-software. Financial performance was measured by return on assets (ROA) and equity financing was operationalized by the share capital to total assets ratio. Data analysis included descriptive statistics,

correlation analysis, and panel regression model to explore the relationship between equity financing and financial performance of DTMs in Kenya. The study findings demonstrated that the effect of equity financing on financial performance of DTMs in Kenya was negative and statistically significant. The findings reveal that reliance on equity financing may have a negative impact on an institutions' profitability. This highlights the need for an optimal mix of equity and other sources of financing. The results provide helpful knowledge to managers, investors and regulators in designing financial structure strategies to improve profitability while ensuring financial stability and profitability. The study recommends management to increase the efficiency of equity use through channelling funds to income generating investments with high returns.

Key words: Equity Financing, Financial Performance, Deposit-Taking Microfinance Institutions.

INTRODUCTION

Background of the Study

Financing decisions affect how organizations acquire and utilize resources to fulfil their operational needs and strategic objectives. Therefore, these decisions have a significant influence on an institutions' growth, profitability, stability, and sustainability (Brealey et al., 2022). Equity is one of the major financing options available to financial institutions. It comprises of funds from shareholders who in turn receive ownership interests. Equity is a source of funds that improves the resilience and financial flexibility of an institution and also serves as a cushion against financial distress (2022). Unlike debt financing that requires fixed interest payments and required payback obligations, equity financing does not have these requirements. This allows the institutions to absorb financial shocks while keeping appropriate regulatory capital. If managers do not spend equity capital in value-enhancing projects, then agency costs could rise and financial performance deteriorate (Jensen & Meckling, 1976). This results in inefficient use of shareholders' funds. Furthermore, pecking order theory shows that firms prefer to use internally generated funds, then debt, and finally resort to external equity as a last choice because the relative expense of equity financing is due to knowledge asymmetry (Myers, 2001; Myers & Majluf, 1984).

Equity financing is particularly significant in the financial services sector, where adequate capitalization is essential to maintain depositors' confidence, adhere to prudential regulations and promote institutional stability (Basel Committee on Banking Supervision, 2019). Equity financing is consequently an important element of their capital structure, as it offers permanent capital which can be utilized to expand the firm, absorb risks, and meet regulatory obligations. However, large ownership stakes can increase the stability of an institution but they do not necessarily improve the institutions profitability. Institutions that amass equity but do not invest efficiently in productive assets may incur lower asset returns due to lower financial leverage and inefficient capital usage (Myers & Majluf, 1984). The problem for managers, therefore, is not only to expand equity financing, but to assure efficient allocation of shareholders' capital to maximize financial success.

Deposit-taking microfinance institutions (DTMs) are an important segment of the financial system in that they mobilize deposits and provide credit and other financial services to low-income households, microenterprises and small and medium-sized enterprises that are often denied access to banking services (Microfinance Act, 2006). DTMs promote the growth of credit markets by providing credit to low-income people, preserving savings, and setting interest rates that are affordable (Ishmael, 2024). To achieve this function of development and financial intermediation, DTMs need an appropriate finance structure that promotes institutional sustainability, regulatory compliance and operational expansion. The Central Bank of Kenya (CBK) prudentially supervises DTMs in Kenya under the Microfinance Act, 2006 and subsequent Prudential Guidelines which

provide for minimum capital and liquidity requirements to protect depositors and promote stability of the financial system (CBK, 2008).

Statement of the Problem

Equity finance is a major pillar in the financial structure of DTMs. It gives cushion to absorb risks, preserve depositors' savings and fulfil the rigid capital adequacy standards imposed by Central Bank of Kenya (CBK, 2008). A substantial equity basis improves the durability of institutions and allows for the ability to fund sustainable operational expansion without the immediate distress and fixed interest commitments that come with debt financing (Ross et al., 2022). Therefore, highly capitalized DTMs are projected to mobilize savings effectively, provide credit to underprivileged households and micro-enterprises, and actively advance Kenya's broader financial inclusion strategy. However, Kenya's DTM sector performance is contrary to these theoretical projections. Financial performance throughout the industry has drastically deteriorated despite efforts to retain their equity positions to meet regulatory capital requirements. The CBK records show that only four DTMs have made profits (CBK, 2024). This implies that, while the high levels of capitalization are important for regulatory compliance and financial stability, they may not necessarily translate into better profitability.

However, empirical evidence on the influence of equity financing on financial performance is inconsistent. Some studies have established a positive relationship, showing that equity increases the profitability of the institutions (Alhassan, 2021, Kweni et al., 2023, Almanaseer, 2024). However, several studies have indicated that equity financing has a detrimental effect on financial performance and that over-reliance on shareholders' funds lead to poor performance (Mutua & Atheru, 2020; Njeru et al., 2025). However, the findings of Mwangi (2016) and Muli and Ibrahim (2023) presented statistically insignificant associations implying that an increase in equity funding does not inevitably translate to better firm performance. These contrasting opinions highlight a number of important gaps in the literature. The existing research have mainly focused on commercial banks, listed enterprises or manufacturing firms, with little attention paid to licensed DTMs. Furthermore, it is very uncommon to find equity financing being treated as one element of broader capital structure theories, therefore making it difficult to isolate its individual effect on the financial performance of regulated microfinance companies.

This study fills these empirical, contextual and methodological gaps by analyzing the influence of equity financing assessed by the share capital to total assets ratio on the financial performance of licensed deposit-taking microfinance institutions in Kenya. The data used are panel data for the period 2016–2024. The study is unique in that it only focuses on equity financing and brings context-specific evidence to the financial structure literature and gives insights in support of financing decisions to increase the sustainability and competitiveness of the deposit-taking microfinance institutions in Kenya.

Objective of the Study

To determine the effect of equity financing on the financial performance of deposit-taking microfinance institutions in Kenya.

Research Hypothesis

H₀: Equity financing does not have a significant effect on financial performance of deposit-taking microfinance institutions in Kenya.

LITERATURE REVIEW

Theoretical Review

The study was based on two theories, that is, pecking order theory and agency theory. Myers and Majluf (1984) created the pecking order hypothesis to explain the financing decisions of enterprises in the presence of information asymmetry. The assumption of the theory is that the managers have more information about the value and the future of the organization than the investors from the outside. This leads to a hierarchy of finance with an order of preference for internally generated funds first, debt financing second and external equity as the last choice of financing. If a corporation issues fresh shares, it may be overvalued and face substantially greater information and issuance costs, and this leads to the expectation that profitable enterprises will rely less on external equity and more on retained earnings to finance investment possibilities. The theory when applied to deposit-taking microfinance institutions suggests that institutions with strong earnings should have limited dependency on external share capital. Frequent need for equity financing may be a signal of inadequate internally generated funds or financing constraints. However, if the additional capital is not used in productive investments that are sufficiently profitable, over reliance on external equity may not necessarily lead to better profitability. The idea provides a good basis for explaining why an increase in dependence on external equity funding can be related to lower profitability among DTMs in Kenya.

Jensen and Meckling (1976) formulated the agency theory to explain the interaction between the shareholders (the principals) and the managers (the agents) and argued that the conflict of interest between these two parties may lead to agency costs that could degrade the performance of the organization. The theory posits that managers may not always operate in the best interests of shareholders and may deploy organizational resources inefficiently unless there are adequate governance and monitoring procedures. In the equity financing context, agency theory implies that raising only shareholders' cash does not increase financial performance, but the returns from equity are a function of the effectiveness of managers' investment and utilization of the capital at their disposal. Higher capitalization may not lead to enhanced profitability while it improves the financial position of the institution if the extra equity is put into low-return initiatives or operational inefficiencies persist. This is especially the case with Kenyan DTMs, which need to be well capitalized to meet prudential laws, and at the same time produce sustainable profits. The

hypothesis provides a theoretical basis for investigating the effect of equity funding on financial performance of DTMs in Kenya.

Conceptual Framework

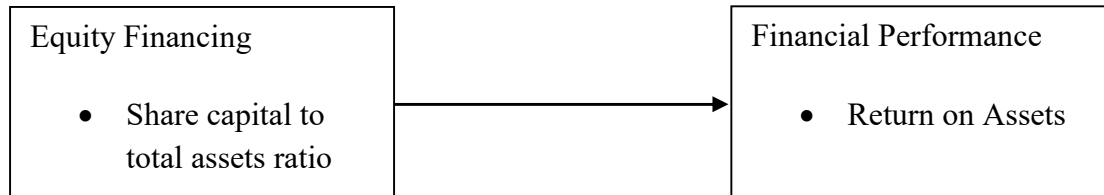


Figure 1: Conceptual Framework

Empirical Review

The empirical evidence on the relationship between equity funding and financial success is mixed. There is strong evidence that equity financing enhances organizational performance in terms of financial stability, capacity to invest and long-term sustainability. Alhassan (2021) believed that equity capital had positive effect on financial performance of consumer goods companies in Nigeria as it provided a stable platform for funding the expansion and growth of the company's activities. Ownership of shareholders was crucial in enhancing the performance of microfinance firms in Kenya by strengthening the financial stability and ability to take up operational and financial risks according to the microfinance company Kwenia et al. (2023). Almanaseer (2024) also revealed a positive and significant relationship between equity financing and the financial performance of industrial firms in Jordan.

Other study, however, suggests that over reliance on equity financing might lead to a decrease in financial performance. Mutua and Atheru (2020) claimed that equity financing has a significant effect on return on equity of the manufacturing and associated industries in Kenya. The analysis cautioned against reliance on shareholders' cash that could result in earnings dilution and loss of financial efficiency. Similarly, Njeru et al. (2025) found equity funding to negatively and statistically significant predict the financial performance of commercial and service firms listed in the Nairobi Securities Exchange. The authors explain this link by inefficient utilization of the funds of the shareholders and reduction in efficiency of generating of profit due to high capitalization. Other research did not discover substantial correlation between equity capital and financial success. Mwangi (2016) showed that external equity had no significant influence on return on assets and positive but modest influence on return on equity among firms on the East African Securities Exchanges implying that increase in equity alone may not result to enhanced organizational performance. In a similar study Muli and Ibrahim (2023) demonstrated that there is no significant correlation between equity funding and performance of companies listed in Nairobi Securities Exchange. Therefore, increased equity does not imply improved profitability.

Overall, the empirical evidence is inconsistent on the impact of equity financing on financial profitability. Some research finds equity financing to be linked with better financial stability and

profitability whereas some others find negative or insignificant impact due to inefficient capital use, ownership dilution or institutional variations. Moreover, the extant evidence is mostly based on listed corporations, manufacturing firms, commercial banks and non-financial institutions, with very few studies focusing on regulated deposit-taking microfinance institutions in Kenya. These inconsistencies offer the empirical foundation for the present study which evaluates the influence of equity financing defined by the ratio of share capital to total assets on the financial performance of deposit taking microfinance institutions in Kenya.

RESEARCH METHODOLOGY

The study used descriptive research design to investigate the effect of equity financing on the financial performance of deposit-taking microfinance organizations in Kenya. In the words of Murray and Durrheim (2019), this design is appropriate for describing and interpreting events as they are without changing the study environment. The approach helped in detailed research of the influence of equity financing on the financial performance of DTMs in Kenya in this study. The study population included all deposit-taking microfinance firms licensed by Central Bank of Kenya and have been in operation between 2016 and 2024. As at 31st Dec 2024, there are fourteen licensed deposit taking microfinance institutions operating in Kenya (CBK, 2024). As the population number was relatively small, a census technique was used, with all the fourteen deposit-taking microfinance institutions included in the survey. The study was based on secondary data which was readily available. The data was obtained from the DTMs audited financial statements and the CBK banks' supervisory annual reports, for a span of nine years, from 2016 to 2024. Data on the variables were available in the reports released by the individual institutions and the regulator, CBK. The statistics were obtained from the statements of comprehensive income and statements of financial condition. The main variables were the share capital, the total assets and the net profit after taxes. To determine the association between equity finance management and financial performance panel regression analysis and correlation analysis was carried out. All the analysis were carried out using R-software. The study results were shown in tables, depicting the behavior of the variables during the study period. The financial performance was measured by the return on assets (ROA) and equity financing was measured by the share capital-to-total assets ratio. Diagnostic tests were conducted before the regression analysis to confirm data suitability. These tests included; normality, linearity, heteroscedasticity, serial correlation, multicollinearity, and stationarity test. The Breusch-Pagan Lagrange Multiplier (LM) test was conducted to determine the suitable panel regression model. The study regression model was;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where;

Y = Financial performance (Return on Assets)

β_0 = Intercept

β_1 = Regression coefficient for equity financing

X_1 = Equity financing

ε = Error term

RESEARCH FINDINGS AND DISCUSSION

Descriptive Statistics

Descriptive analysis was used to provide an overview of the key features of the study variables. This was based on panel data of all licensed DTMs in Kenya for the period between 2016 and 2024. Table 1 shows the standard deviation, mean, median, maximum and minimum value of the variables in the study.

Table 1: Descriptive Statistics

Variable	N	Mean	Median	Min	Max	SD
Equity Financing	126	0.61	0.44	0.09	3.51	0.45
ROA	126	-0.09	-0.03	-1.11	0.07	0.03

The data show that share capital to total asset was varied from 0.09 to 3.51 with the mean of 0.61 and standard deviation of 0.45. The contributed capital of the owners covered on average 61% of the assets of the institutions. This implies that equity finance was a significant source of funding for licensed DTMs. The large range also showed a good deal of diversity in capitalization levels amongst institutions. The results are consistent with those of Ngumo et al. (2020) who found that equity is a significant component in the capital structure microfinance institutions.

The findings indicate that the DTMs' average ROA (return on assets), during the period of study was -0.09. This is an indication that the average financial performance of the deposit-taking microfinance institutions between 2016 and 2024 in Kenya was negative. The findings are in line with Annan (2024) who observed that high operating cost and inefficiency in the capital use make microfinance firms to be unprofitable.

Diagnostic Tests

Diagnostic tests were conducted to verify the data met the fundamental assumptions of the panel data regression. The study specifically checked the assumptions of stationarity, linearity, multicollinearity, heteroscedasticity, normality, and serial correlation.

Stationarity Test

The research used Augmented Dickey–Fuller Fisher (ADF-Fisher) test to test for stationarity on the study variables. The test results are presented in Table 2.

Table 2: Stationarity

Variable	Test Statistic	p-value	Stationary
Equity Financing	35.4125	4.552e-07	Yes
ROA	47.1682	5.559e-04	Yes

With a p-value below the 0.05 threshold in the ADF-Fisher test, equity financing is found to be stationary at the five percent level of significance. This result implies that the series does not exhibit a stochastic trend or persistent divergence from its long-run mean. The stationarity of the dependent variable, return on assets, was derived from the p-value result of 5.559e-04, which is below the 0.05 threshold. Therefore, the study variables do not contain a unit root, satisfying the model's stationarity assumption.

Linearity Test

The Rainbow test was used to verify that the regression model's linearity test holds. The test's null hypothesis states that the linear function form is correct whereas, the alternative hypothesis states that the relationship is nonlinear. Table 3 summarizes the results of the Rainbow test.

Table 3: Linearity

Rainbow test	p-value
0.1147	1

The rainbow test yielded a p-value of 1, which provides insufficient evidence to reject the null hypothesis of linearity. This suggest that the relationship between the variables is adequately linear, and the linearity assumption is satisfied.

Multicollinearity Test

To examine the presence of correlation among the independent variables used in the study, the Variance Inferential Factor (VIF) test was applied. The null hypothesis of the test states that there is no multicollinearity among the study's explanatory variables, while the alternative hypothesis indicates multicollinearity issues. Table 4 presents the results of the VIF test results.

Table 4: Multicollinearity

Variable	VIF
Equity Financing	1.78

The VIF analysis indicated that the predictors' VIFs was below the threshold of 10. The results suggest that the model does not exhibit multicollinearity.

Homoscedasticity Test

To assess whether the panel regression model satisfies the assumption of constant error variance, the Breusch–Pagan test was conducted. The null hypothesis of the test states that the residuals exhibit homoscedasticity, while the alternative hypothesis suggests the presence of heteroscedasticity. Table 5 presents the results of the Breusch-Pagan test.

Table 5: Homoscedasticity

Breusch-Pagan	p-value
10.433	0.1964

The computed p-value of 0.1964, as presented in Table 4.6, surpasses the standard 5% significance level. The results provide insufficient statistical evidence to reject the null hypothesis of homoscedasticity. Therefore, indicating that the model does not suffer from heteroscedasticity.

Normality test

The normality test aimed to assess whether the study variables followed a normal distribution. In this study, the Shapiro-Wilk test was used to assess normality. The test has a null hypothesis that the data is normally distributed. The study findings are summarized in Table 6.

Table 6: Normality

W	p-value
0.9703	0.0933

The test produced a p-value of 0.09, which exceeds the conventional five percent level of significance. This provides insufficient statistical evidence to reject the null hypothesis of normality, implying that the assumption of normality holds.

Serial Correlation Test

Finally, the Wooldridge test was used to detect the presence of serial correlation in the panel data residuals. The null hypothesis states that there is no serial correlation in the residuals, while the alternative hypothesis indicates that serial correlation is prese. Table 7 outlines the Wooldridge test results.

Table 7: Serial Correlation

chisq	p-value
3.820	0.9228

The Wooldridge test yielded a p-value of 0.9228, indicating there is no serial correlation in the residuals. The findings indicate that the errors are not significantly related across time within each DTM.

The diagnostic test results indicate that the panel regression model assumptions hold, providing strong evidence that the model is valid for this research and the estimated results are robust.

Correlation Analysis

A pair wise correlation study was conducted to investigate the direction and intensity of the link between equity financing and financial performance of deposit accepting microfinance companies in Kenya. The results were presented in table 8 below.

Table 8: Correlation Matrix

Variable	ROA	Equity
ROA	1.00	
Equity Financing	-0.62 0.00	1 -

Equity financing exhibited a negative and statistically significant correlation with financial performance ($r = -0.61$, $p < 0.001$). Thus, institutions with higher levels of equity financing are more likely to have low return on assets. Additionally, the correlation coefficients were below the commonly accepted threshold of 0.80, indicating that multicollinearity was unlikely to be a concern in the subsequent regression analysis.

Breusch Pagan Lagrange Multiplier (LM) Test

The Breusch-Pagan LM Test was run to determine whether a random effect model was more appropriate compared to pooled ordinary least squares (OLS) regression in a panel data analysis. The test's null hypothesis states that there are no significant panel effects present in the data, while the alternative states that there are significant panel effects present in the data. The estimated results were as follows:

Table 9: Model Specification

Chisq	p-value
0.025174	0.8739

The results show that the p-value was greater than the 0.05 significance level. Consequently, there is insufficient evidence to reject the null hypothesis. This implies there were no significant panel effects present in the data. Therefore, the pooled OLS model was considered more appropriate than the random effects model for the study.

Regression Analysis

Pooled ordinary least squares (OLS) regression model was built to find out the effect of equity financing on financial performance of deposit accepting microfinance organizations in Kenya. Table 10 below summarizes the model summary results.

Table 10: Model Summary

N	R²	Adjusted R²	F-statistic
126	0.4133	0.3939	21.3066 (p < 0.01)

The pooled ordinary regression model analysis estimates provided in Table 11 shows that financial structure components jointly explain up to 41.33% percent of variations in the ROA of DTMS in Kenya. It is based on the coefficient of determination (R²) value equivalent to 0.4133. The remaining percentage of variation in ROA may result from variables not included in the model. The model F statistic indicated a strong statistical significance at 5% significance level (F-statistic = 21.3066, p < 0.01).

The findings of the regression analysis are shown in the table 11 below.

Table 11: Regression Results

Predictor	Coeff	Std. Err.	t-value	p-value
Equity Financing	-0.1024	0.0430	-2.3806	0.0188**

The regression results show that equity financing has a negative coefficient and statistically significant effect on the financial performance of licensed DTMs in Kenya ($\beta = -0.1024$, $p = 0.0188$). The findings mean that, *ceteris paribus*, an increase in share capital to total assets ratio by one unit is associated with 0.102 times reduction in DTMs' ROA. The findings offer enough evidence to reject the null hypothesis that equity financing has no significant effect on the financial performance of DTMs in Kenya. Similarly, Njeru et al. (2025), reported that equity financing negatively influences the performance of commercial and service firms listed on the Nairobi Securities Exchange as it increases the cost of capital and limits the ability of a firm to maximize profitability. The results also support the pecking order theory, which states that firms prefer internal funds, then debt and finally external equity when the preferred sources of finance are unavailable due to information asymmetry and the relatively high cost of issuing equity (Myers & Majluf, 1984). The results are also consistent with agency theory, which predicts that poor use of shareholders' funds may intensify agency conflicts between managers and shareholders and lead to suboptimal investment choices and poorer organizational performance (Jensen & Meckling, 1976).

CONCLUSION AND RECOMMENDATIONS

Conclusion

The results of this study indicate that equity financing is still a significant strategic choice in the financial viability of deposit-taking microfinance companies. Although sufficient equity capital is crucial for regulatory compliance, institutional stability, and depositor confidence, the research demonstrates that higher equity financing does not inevitably lead to better financial performance. Rather, the value of equity financing is a function of the effectiveness of shareholders' money in making productive investments and generating sustainable returns. The results support that

maintaining an optimal balance between capitalization and operating efficiency remains key to improving financial success.

Recommendations

The study suggested that management of deposit-taking microfinance organizations should focus on boosting returns from equity financing by ensuring that additional capital is efficiently put into income-generating, risk-adjusted assets. They should also consider internal performance criteria for monitoring capital productivity to ensure that compliance with capital adequacy is matched with that of profitability efficiency.

REFERENCES

- Alhassan, I. (2021). Capital structure and financial performance of consumer goods companies in Nigeria. *International Journal of Accounting Research*, 6(2), 1–12.
- Almanaseer, A. (2024). *Capital structure and financial performance of industrial firms in Jordan*. Amman, Jordan: Amman University Press.
- Annan, A., Ciccotello, C. S., & Rioja, F. (2024). Sources of funding and performance of microfinance institutions over the life cycle. *International Review of Financial Analysis*, 95, 103415.
- Basel Committee on Banking Supervision. (2011, rev. 2019). *Basel III: A global regulatory framework for more resilient banks and banking systems*. Bank for International Settlements.
- Brealey, R. A., Myers, S. C., Allen, F., & Edmans, A. (2022). *Principles of corporate finance* (14th ed.). McGraw-Hill.
- Central Bank of Kenya. (2008). *The Microfinance (Deposit-Taking Microfinance Institutions) Regulations, 2008* (Legal Notice No. 58 of 2008).
- Central Bank of Kenya. (2024). *Bank supervision annual report 2024*. Central Bank of Kenya.
- Ishmail, D. M. (2024). *Financial risk, firm size and financial performance of microfinance banks in Kenya* (Doctoral dissertation, Jomo Kenyatta University of Agriculture and Technology).
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.
- Kothari C. R (2004), *Research Methodology: Methods and Techniques*, Second Revised Edition. New Delhi: New Age International (p) limited, Publishers.
- Kwena, I. A., Githui, T., & Kihara, A. (2023). Capital Structure and Financial Performance of Micro-Finance Institutions in Kenya. *International Journal of Finance*, 8(4), 50-76.
- Microfinance Act (Cap. 493C, Laws of Kenya). (2007). National Council for Law Reporting.
- Modigliani, F., & Miller, M. (1963). Corporate income taxes and the cost of capital: A correction. *American Economic Review*, 53(3), 433–443.

- Mugenda, A. & Mugenda, O. (2018). *Research methods: Qualitative and quantitative approaches*. (3rd ed.). Nairobi: ACTS
- Muli, J., & Ibrahim, A. (2023). Capital structure on financial performance for firms listed at the Nairobi Securities Exchange. *The Strategic Journal of Business & Change Management*, 10 (2), 141 –152.
- Murray, A. J., & Durrheim, K. (Eds.). (2019). *Qualitative studies of silence*. Cambridge University Press.
- Erasmus, P. D. (2008). *Evaluating value based financial performance measures* (Doctoral dissertation, Stellenbosch: University of Stellenbosch).
- Mutua L., M. & Atheru G. K (2020) Capital Structure and Financial Performance of Companies listed under Manufacturing and Allied Sector at Nairobi Securities Exchange in Kenya. *Journal of Finance and Accounting*, Vol 4(1) pp. 24-38.
- Mwangi, J. M. (2016). *Effect of financial structure on financial performance of firms listed at East Africa securities exchanges* (Doctoral dissertation, Jomo Kenyatta University of Agriculture and Technology).
- Myers, S. C. (2001). The capital structure puzzle. *The journal of finance*. Issue 39(3). Pp. 574-592.
- Myers, S., & Majluf, N. (1984). Corporate financing and investment decisions when firms have information investors do not have. *Journal of Financial Economics*, 13(2), 187–221.
- Ngumo, K. O. S., Collins, K. W., & David, S. H. (2020). Determinants of financial performance of microfinance banks in Kenya. *arXiv preprint arXiv:2010.12569*.
- Njeru, F., Mwikamba, T., & Simiyu, J. (2025). *The role of equity financing in determining the financial performance of commercial and services firms listed on the Nairobi Securities Exchange, Kenya*. *International Journal of Finance and Accounting*, 4, 272–284.
- Ross, S. A., Westerfield, R. W., & Jordan, B. D. (2022). *Fundamentals of corporate finance* (13th ed.). McGraw Hill.