

# Corporate attributes and financial performance of listed agricultural and AGRO-allied companies in Nigeria

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## ABSTRACT

This paper empirically examined the influence of corporate attributes on the financial performance of listed agricultural and agro-allied companies in Nigeria. The objectives were to explore the effects of firm age, size, liquidity and leverage on the economic success of these firms. The study was established on stewardship and signalling theories. This study utilized panel data. The population in this research work constituted the five agricultural firms listed in the Nigerian Exchange Group as of 31 December 2021. The sample size was the total population for 2015-2021. This article obtained the variable data from the companies' annual reports between 2015 and 2021. The panel regression analysis examined the relationship between the independent and dependent variables. According to the findings, corporate attributes often have no appreciable influence on Nigeria's financial performance of listed agricultural and agro-allied enterprises. However, this research inferred that all factors about corporate characteristics positively influenced the financial performance of agricultural and agro-allied firms in the Nigerian financial market. It indicates a chance that these factors will play a significant role as the companies expand their operations in the future. The study recommended, among others, that agricultural and agro-allied firms should formulate new strategies for gaining higher market share by differentiating into the new geographical market and developing more products and services.

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## 1. INTRODUCTION

Globally, macroeconomic policies and other social elements that impact the supply and demand for agricultural goods will play a significant role in how the effects of the agricultural policies and programs turn out (Akinola et al., 2021). The fiscal, monetary and trade policies, including the interest rate, tax, and exchange rates, are pertinent and have been used over time to support several sector-specific policies. These policies advance agriculture in Nigeria by promoting export, encouraging import substitution, and improving food security (Babu et al., 2017). It is impossible to overstate the importance of agriculture in supporting long-term economic prosperity. It is a crucial sector of the Nigerian economy that offers a plethora of potential for the country's future fiscal stability, as it has in the past. Despite the oil industry's recent success in the Nigerian economy, the agriculture sector remains resourceful (Aminu & Abdulrahman, 2012). The agriculture industry was the most crucial element of the Nigerian economy until the country's independence in 1960. The quantity of agricultural and agro-based goods produced in the country was so large that it necessitated a staggering 65 per cent contribution to the nation's Gross Domestic Product at the time. Because of the export of agro-cash crops like cocoa, pea, palm seeds, and other agro-products, the agriculture sector also gained a lot of external trade (Bassey et al., 2014; Idode et al., 2014).

Recently, the Nigerian agricultural sector has been experiencing high risk, low production, and a lack of diversification. This industry does not appear to have the potential that business owners and stakeholders, particularly adolescents, demand. Many young people are moving from rural regions to large cities and other urban areas in search of fresh possibilities (Kalu & Onwuka, 2019). Mismanagement is also a significant issue. Although misuse of resources by those who distribute resources affects all aspects of the Nigerian economy, this problem is most acute in the agricultural sector. As a result, multiple research institutes across the country have yet to provide a sustainable agricultural development formula as planned (Emmanuel, 2018). Agricultural and agro-allied enterprises, like other industries, must continually improve their performance in order to maintain their place in the economy. Their performance should improve their market worth and contribute to the growth of the whole sector and the economy (Igbinsosa, 2015). In this regard, solid financial management should align with the drive to improve and enhance profitability to achieve the particular company owners' objectives. Both internal and external factors can impact the performance of agricultural businesses. Internal qualities

are those aspects that management can control and often account for profitability disparities across firms. External qualities, on the other hand, are those factors that influence a firm's choice and over which management has no control (Ofoegbu et al., 2018). Business size, firm age, liquidity, and leverage are the corporate qualities factors studied in this study. It is because, although these variables were prominently featured in previous studies (see Efuntade & Akinola, 2021; Dioha et al., 2018; Abubakar et al., 2018; Evan et al., 2017; Hassan, 2014; Idris & Bala, 2015; Safdar et al., 2013). The results of earlier research in other sectors may not be the same in the case of agricultural and agro-allied enterprises since various sectors provide diverse conclusions about the influence of company features on performance. Similarly, the findings of previous studies done in developed and developing nations may not apply to agricultural enterprises in Nigeria due to differences in the environment and industry in which these agricultural firms operate in terms of supervision, regulation, and operation. To that end, the study aims to add to the body of knowledge by empirically analyzing the impact of business qualities on financial performance in Nigerian agricultural enterprises, which are critical to the country's economy.

## 2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

### 2.1 Firm Age and Financial Performance

The resources and competencies of a company are its most important assets. These characteristics separate one company from another and give each one a distinct personality that leads to performance variations (Hills & Jones, 2009). The structure, setting, reward and penalty systems, management styles, prevailing culture, and leadership are all part of the firm's resources (Olumide 2010). According to Umar and Sylvanus (2015), a company's age is the endless amount of time it has been in the business, generally measured in years, from the moment it was founded or listed on the stock market. As a result, firm age is a company's cumulative experience in learning and competency. Colombelli et al. (2014) said that companies' potential to achieve high performance reduces as they age. So, a company's age affects its quality and quantity of resources, which helps it develop through time. They also said that corporations may operate best in old age and their early stages and may have more significant potential than later on. As a result, businesses may be redesigned or resurrected. Financial performance measures how effectively a corporation meets its planned objectives, according to Pervan et al. (2017), and a well-performing organization

decreases negative implications on the desire for sustainable growth. It shows that age is a vital element of firms' resources which eventually falls within the range of perceived association between firms' resources and sustainability development. On the other hand, poor performances entail inefficiencies which translate to losses often found with collapsed firms. Based on the above argument, this study formulates hypothesis one as follows:

*H<sub>01</sub>: Firm age does not significantly influence the financial performance of quoted agricultural firms in Nigeria.*

## 2.2 Firm Size and Financial Performance

Business size is a crucial tool in deciphering financial performance, and many studies have attempted to investigate the impact of firm size on financial success. However, the results have been uneven and disputed. Because financial performance has ramifications for an organization's well-being and, ultimately, survival, it is a significant issue for business professionals across all industries. The high performance demonstrates managerial effectiveness and efficiency in utilizing a company's resources, which benefits the country's whole economy (Maja & Josipa, 2012; Mohamed, 2015; Olawale et al., 2017). Larger companies have more resources, allowing them to commit to more investment possibilities (Pearce & Robinson, 2011). Ulil et al. (2013) claimed that increasing the size of a company enhances its performance and that the size of a corporation can affect its financial performance. However, because of bureaucracy and other factors, the size effect may be detrimental for enterprises that grow to be extremely large. However, it has been shown in the literature that the size of a company has a favourable and strong relationship with its financial performance (Abbasi & Malik, 2015). The positive relationship is supported by (Shaheen & Malik, 2012; Foyeke et al., 2014) when the studies opined that larger companies usually have greater capacity or strength for dealing with adverse industry fluctuations than small companies. In addition, larger companies can recruit more experienced employees with professional knowledge than small ones. According to Babalola (2013), the larger a business is, the more influence it has on its stakeholders, and as a result, giant firms tend to dominate small firms. Because of the phenomena of economies of scale, a company's size is critical to its success. As a result, the study concluded that the nature of the link between company size and corporate performance is a critical aspect of business success, revealing the characteristics that improve corporate performance. As a result of scale diseconomies, Aza (2018) found that business size has a negligible and negative impact on financial performance. On the other hand, Oyelade (2019) discovered that company size has a statistically significant and beneficial impact on firm performance in Nigeria. Based on the above argument, the paper formulates hypothesis two as follows:

*H<sub>02</sub>: Firm size has no significant effect on the financial performance of quoted agricultural firms in Nigeria.*

## 2.3 Liquidity and Financial Performance

The capacity of business entities to pay off maturing financial pledges, primarily short-term debts, is known as liquidity. It may also be seen as one asset's timely and economic exchange for another. When an asset holder has to convert an asset into cash, it must do it quickly and reliably (Acharya & Naqvi, 2012). Kurotamunobaraomi et al. (2017) expanded on this idea by stating that liquidity is the ability to swap an asset quickly and cheaply. Liquidity is the likelihood that a company will be able to repay its debt, which includes payment for operational expenses and compensation for losses or gains. This likelihood demonstrates the ability to convert an asset into cash on schedule and the businesses' capacity to manage and maintain their working capital at normal levels (Bordeleau & Graham, 2010). When external financing is unavailable or too expensive, a corporation can fund its operations and investments using liquid assets (Aremu, 2011). On the other hand, more liquidity, according to Niresh (2012), enables a corporation to handle unforeseen situations and meet its obligations during low profits or earnings. The amount of money a business utilizes to cover its operational costs is known as liquidity. Additionally, the number of short-term assets may be readily turned into cash to satisfy its ongoing cash demands (Agbada & Osuji, 2013). Because liquidity affects a firm's ability to make performance-enhancing investments, liquidity allows businesses to engage in negotiations with lenders, postpone payments, and invest while taking advantage of this liquidity, which also makes it easier for businesses to get loans at

advantageous interest rates (Bassey & Moses, 2015). Based on the above argument, the article formulates hypothesis three as follows:

*H<sub>03</sub>: Liquidity has no significant effect on the financial performance of quoted agricultural firms in Nigeria.*

## 2.4 Leverage and Corporate Performance

Over the years, extensive theoretical modelling and practical investigation have focused on the proportion of equity and debt in a company's capital structure and project financing ideas (Akinmulegun, 2012; Rehman, 2013). Leverage is a financing method in which the corporation reinvests the proceeds from a long-term loan or other borrowings (debts) to achieve a higher rate of return than the cost of interest connected with the borrowing. Leverage is, therefore, the change in financing structure brought on by a change in the debt to equity ratio. Incorporating debt funding into a company's investment is, therefore, a type of financial leverage (Enekwe et al., 2014; John-Akamelu et al., 2017). According to Pandey (2007), leverage is the ratio of total liabilities to total assets in a company's capital structure. This financing choice is crucial for management since it impacts shareholders' wealth, risk, and corporate value. Leverage has an impact on a company's dividend policy and risk management since it impacts the cost of capital and the corporation, he continued. According to Ojo (2012), a firm's risk and financial leverage rise as its share of debt increases. Substantial leverage may be advantageous during times of high profitability. However, it may also generate liquidity issues during times of financial difficulty since a fall in sales income would prevent the company from covering its debts. Based on the above argument, this paper formulates hypothesis four as follows:

*H<sub>04</sub>: Liquidity has no significant effect on the financial performance of quoted agricultural firms in Nigeria.*

## 2.5 Theoretical Framework

### 2.5.1 Stewardship Theory

Donaldson and Davis' seminar work led to the development of the stewardship theory in 1991. Managers are stewards when their actions and dedication support the goals and missions of their proprietors. Stewards are those who voluntarily choose to carry out a duty or be in control of a corporation's resources or assets (Donaldson & Davis, 1991). The stewardship theory was created as an alternative organizational behaviour theory for management theories of balanced action. According to this view, managers and shareholders have the same interests; hence the corporate objective is to establish a structure that makes it possible for them to work together as effectively as possible (Hernandez, 2008). According to this view, organizational administrators often perform honourably; hence, management control has no inherent difficulty. Stewardship theory's central premise is that managers behave in a way that is consistent with the interests of their shareholders. According to the notion, the manager's interests are less vital than the corporate purpose shared by all business individuals. In a principal-steward partnership, the shareholders win since transaction costs are reduced, and there is less need for management oversight and financial incentives (Davis et al., 1997). In contrast to the agent, the steward is more concerned with attaining group goals than individual ones. The steward views the company's success as his accomplishment. The fundamental goal of the stewardship theory is to pinpoint instances where the interests of the principal and the steward coincide. According to the stewardship idea, becoming a steward or an agent is the outcome of a logical process. The person assesses the benefits and drawbacks of each stance during this reasoning process. Some contributions to the literature on stewardship assert that while stewards are not always selfless, there are times when CEOs believe that acting in the best interests of shareholders also serves their objectives (Miller, & Breton-Miller, 2006). Agents in this situation would understand how the firm's performance directly affects their performance and helps them efficiently manage their careers.

### 2.5.2 Signalling Theory

Michael Spence created the signalling theory in 1973 based on information gaps he had noticed between firms and potential employees. However, its rational nature has since applied to a wide range of other fields, including human resource management, business, and financial markets. Understanding why some signals are reliable for making decisions while others are not is the focus of signalling theory. For potential investors to make informed investment decisions, the theory examines the accuracy and

dependability of accounting information provided by a company to its users (Carter, 2006). A successful corporation sets itself apart from a failing one by conveying a trustworthy message about its performance to capital markets and potential investors. The outputs of a company's operational operations that alert investors to the prospects of the business are its signals. The idea made the supposition that access to some crucial information about how a company operates differs for managers and shareholders of a corporation. Only the management can access information unavailable to the shareholders (Goranova et al., 2007). The signalling theory was used in this study to support the corporate attributes of firm size, liquidity, operating efficiency, firm growth, and leverage. A solid company's liquidity situation demonstrates its capacity to satisfy short-term financial needs without causing production to halt. Additionally, efficient management would enable a business to maximize operational productivity, enhancing the firm's financial performance and value. It sends a positive message to current and potential investors that the business can continue to operate following the going concern concept of accounting and satisfy the interests of its stakeholders by maximizing wealth (Janney & Folta, 2006). The theory claims that accounting information signals to the market and impacts investment decisions are pertinent to the study's premise.

**3. METHODOLOGY**

This study utilised the panel data design, a combination of cross-sectional and time-series design properties. The study used panel design because it is a method of studying sample units periodically observed over a defined time frame. The population in this research work constituted the five agricultural firms listed in the Nigerian Exchange Group. The firms include; Ellah Lakes Plc, FTN Cocoa Processing PLC, Livestock Feed PLC, Okomu Oil Palm Plc, and Presco PLC. Using a census sampling method, the sample size was the total population for 2015-2021. The base year of 2015 is justified based on the availability of data. Only the quoted firms were included in the analysis to ensure a balanced panel data set. This study retrieved information on firm age, company size, liquidity, and leverage of the agricultural firms from the companies' annual reports between 2015 and 2021. The relationship between the independent variables, i.e. firm characteristics indicators Firm Age (FAG), Firm Size (FSz), Liquidity (LIQ), and Leverage (LEV) and dependent variable, i.e. financial performance proxied by Return on Assets (ROA), was examined using the panel regression analysis.

**3.1 Model Specification**

This paper developed the following models to analyse the relationship between corporate attributes and the financial performance of agricultural firms. This study adopted the model in the work of Nyamiobo et al. (2018), as specified below.

$$Y_{it} = \beta_0 + \beta_1FAG_{it} + \beta_2FSz_{it} + \beta_3LIQ_{it} + \beta_4Lev_{it} + \varepsilon_{it} \dots \dots \dots 3.1$$

Y represents the performance of quoted agricultural firms in Nigeria, measured by Return on Assets (ROA).

- α= the constant term
- FAG= Firm Age
- FSz= Firm Size
- LIQ= Liquidity
- LEV= Leverage
- β= the coefficient of the function
- e = error term.

Since the return on assets (ROA) is a standard mechanism used in measuring financial performance, the model was modified as follows:  
 $ROA_{it} = f(FAG_{it}, FSz_{it}, LIQ_{it}, LEV_{it}) \dots \dots \dots 3.2$   
 $ROA_{it} = \alpha + \beta_1FAG_{it} + \beta_2FSz_{it} + \beta_3LIQ_{it} + \beta_4Lev_{it} + \varepsilon_{it} \dots \dots \dots 3.3$

**Table 1. Measurement of Variables**

Variables	Measurement	Source
Firm Age	Firm age is measured by number of years in existence of firms	Pervan et al., (2017)
Firm Size	Firm's size is measured by the natural logarithm of the total assets.	Akinola et al., (2021)
Liquidity	Liquidity is measured as natural logarithm of closing net cash and cash equivalent at the end of the financial year	Ofoegbu et al., (2018).
Leverage	Leverage is measured as the ratio of debt to equity	Rehman, (2013)
Return on Assets	Return on Assets is measured by ratio of net income to total assets	Tabash et al., (2021)

Source: Researcher's Compilation, (2022)

**4. RESULTS AND DISCUSSIONS**

**Table 2. Results of Descriptive Statistics**

	FIRM_AGE	FIRM_SIZE	LEVERAGE	LIQUIDITY	ROA
Mean	37.30000	7.408709	3.138333	2.013333	-0.484044
Median	37.50000	7.180956	1.265000	1.250000	0.023550
Maximum	57.00000	9.073073	70.06000	11.87000	0.290700
Minimum	24.00000	6.390874	-10.32000	0.000000	-15.38000
Std. Dev.	10.77721	0.860969	12.92149	2.815812	2.816747
Skewness	0.444337	0.733667	4.821892	2.815206	-5.179594
Kurtosis	1.978176	2.351889	25.71211	10.10011	27.90188
Jarque-Bera	2.292334	3.216393	761.0531	102.6413	909.2708
Probability	0.317853	0.200248	0.000000	0.000000	0.000000
Sum	1119.000	222.2613	94.15000	60.40000	-14.52133
Sum Sq. Dev.	3368.300	21.49677	4841.982	229.9351	230.0878
Observations	35	35	35	35	35

Source: Researcher's Computation, (2022)

According to Table 2, the listed companies' financial performance throughout the study period, as determined by ROA, was -0.484, with a standard deviation of 2.817. It suggests a sizable range in profitability values among the listed agricultural enterprises in Nigeria throughout the time. The average value for firm age is 37.3, with a standard deviation of 10.78. This suggests that because of its standard deviation, age values may also vary. The firm size has a mean of 7.41 and a standard deviation of 0.8609. This demonstrates that there is significant diversity among the sample of Nigerian listed companies. As a result, the highly divergent company size may have a significant influence on how well Nigerian businesses are doing financially. Leverage has an average value of 3.1383 and a standard deviation of 0.8609. According to the examination of liquidity, the mean value is 2.013, and the standard deviation is 2.815. This suggests that liquidity, as shown by an examination of its standard deviation, does not considerably fluctuate from its mean value for banks. Firm age and firm size passed the normalcy test as determined by Jarque-Bera statistics; however, leverage, liquidity, and ROA failed the test as indicated by the corresponding probability values. It can also be seen that all the variables have 35 observations. This can be linked to the obtainability of information on the variables used in the study.

**Table 3. Correlation Matrix**

	FIRM_AGE	FIRM_SIZE	LEVERAGE	LIQUIDITY	ROA
FIRM_AGE	1.000000				
FIRM_SIZE	-0.219498	1.000000			
LEVERAGE	-0.153601	-0.138712	1.000000		
LIQUIDITY	0.044929	0.660638	-0.088175	1.000000	
ROA	-0.027330	0.175414	0.036190	0.131228	1.000000

Source: E-views Output, (2022)

The linkage of the variables to one another is briefly presented in Table 3. The firm's age is adversely correlated with return on assets (-0.0273). It indicates that a 2.73 per cent decline in financial performance will follow an increase in company age. However, there was a positive correlation between return on assets and company size, leverage, and liquidity (0.1754, 0.0361, and 0.1312), which means that for every 1% rise in these variables, financial performance will increase by 17.54%, 3.61%, and 13.12%, respectively.

**Table 4. Analysis of Hausman Specification Test**

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Period random	3.629321	4	0.4585
Period random effects test comparisons:			
Variable	Fixed	Random	Var.(Diff.) Prob.
FIRM_AGE	0.002559	0.005337	0.000330 0.8784
FIRM_SIZE	0.270856	0.575159	0.232934 0.5284
LEVERAGE	-0.002029	0.014272	0.000641 0.5197
LIQUIDITY	0.044537	0.019948	0.024605 0.8754

Source: Researcher's Compilation, (2022)

The Hausman Specification test was used to determine whether to analyse the panel data using a fixed or random effect model. The test's findings showed that there was little to no change in the estimators utilising either the fixed or random effect models.

In addition, the statistical analysis revealed a probability value of 0.4585, more significant than the benchmark 0.05 level of significance, indicating that the result was not significant and that the null hypothesis was accepted. Consequently, it was determined that the random effect model was suitable for analysing the study's data.

#### 4.1 Testing of Hypotheses

**Table 5.** Result of Random Effect Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FIRM_AGE	0.005337	0.057035	0.093569	0.9262
FIRM_SIZE	0.575159	0.944742	0.608800	0.5481
LEVERAGE	0.014272	0.045260	0.315330	0.7551
LIQUIDITY	0.019948	0.278503	0.071626	0.9435
C	-5.029242	7.690583	-0.653948	0.5191
R-squared	0.035267	Mean dependent var		-0.484044
Adjusted R-squared	-0.119091	S.D. dependent var		2.816747
S.E. of regression	2.979754	Sum squared resid		221.9734
F-statistic	0.228474	Durbin-Watson stat		2.252072
Prob(F-statistic)	0.919824			

Source: Researcher's Compilation, (2022)

The overall F-statistic displayed a p-value of (0.9198) greater than 0.05; this unmistakably indicated that the independent variables (firm age, firm size, liquidity, and leverage) were not significantly related to the dependent variable (return on assets). The behaviour of the financial performance of Nigeria's listed agricultural and agro-allied enterprises is not significantly impacted by these independent variables. Another result of the investigation was a Durbin-Watson statistic value of 2.252. When doing a statistical regression analysis, the residuals may be checked for autocorrelation using the Durbin-Watson statistic. The result (2.2250) showed that the independent variables were negatively auto-correlated. The hypotheses developed for this study were independently tested against the results of the statistical analysis carried out on the data of the sampled quoted agricultural and agro-allied firms.

#### Hypothesis 1

$H_{01}$ : Firm age does not significantly influence the financial performance of quoted agricultural firms in Nigeria.

The findings showed that company age and financial performance had a positive but negligible association among Nigerian agricultural and agro-allied enterprises. It was demonstrated by the firm age-related coefficient (0.00533) and P-value (0.9262), which were higher than the analysis's predefined threshold of 5%. Thus, the paper adopted the null hypothesis, which claims that "Firm age has no substantial influence on financial performance".

#### Hypothesis 2

$H_{02}$ : Firm size has no significant effect on the financial performance of quoted agricultural firms in Nigeria.

The association between business size and financial performance was favourable but not statistically significant. The P-value for company size, which was greater than the threshold of 5% set for this research (i.e. 0.5481 > 0.05), made this clear. Thus, the paper accepted the null hypothesis that "firm size has no substantial influence on the financial performance of mentioned agricultural and agro-allied enterprises in Nigeria".

#### Hypothesis 3

$H_{03}$ : Leverage has no significant effect on the financial performance of quoted agricultural firms in Nigeria.

The association between leverage and financial success was favourable but not very substantial. The coefficient (0.0142) and P-value (0.7551) for leverage, which was greater than the benchmark of 5% set for this research, made this clear. Thus, this study adopted the null hypothesis, which asserts that "Leverage has no substantial influence on the financial performance of mentioned agricultural and agro-allied enterprises in Nigeria." Therefore, leverage has no discernible effect on the financial performance of listed Nigerian agro-related and agricultural enterprises.

#### Hypothesis 4

$H_{04}$ : Liquidity has no significant effect on financial performance of quoted agricultural and agro-allied firms in Nigeria.

The association between liquidity and financial success was favorable but not very substantial. The coefficient (0.0199) and P-value (0.5191) related to liquidity, which were more significant than

the benchmark of 5% given for this research, made this clear. Liquidity has no discernible impact on the financial performance of listed agricultural and agro-allied enterprises in Nigeria, according to the null hypothesis, which was accepted. As a result, the financial performance of Nigeria's listed agricultural and agro-allied enterprises is unaffected by liquidity.

## 5. DISCUSSION OF FINDINGS

According to hypothesis one, a slightly favourable correlation exists between a company's age and financial success. It suggests that the enterprises' ages are not a significant determinant of their commercial performance. In particular, on a sample of the listed agricultural and agro-allied firms in Nigeria, firm age was found to be non-statistically significant with a positive coefficient sign. It indicates that over time, their performance may be influenced by age, suggesting that age may be an advantage because it may mean more experience. This result differs from Umar and Sylvanus (2015)'s research, which examined the association between business age and financial performance in Nigeria using a combined and segmented dataset for the manufacturing sector. A negative correlation between company age and financial performance was discovered in the Nigerian manufacturing enterprises that were chosen. On the other hand, the findings of Nyamiobo et al. (2018) on the impact of firm characteristics on the financial performance of listed businesses in the Nairobi Securities Exchange are comparable to the current finding. Although statistically significant, they discovered a link between company age and the economic success of businesses.

According to hypothesis two, business size and financial performance have a slight positive correlation. It suggests that the financial performance rises, although not dramatically, as the size of the agricultural and agro-allied companies increases. It is a warning indicator that future growth in business size may result in economies of scale that large enterprises should benefit from, raising the performance bar. Due to the strong correlation between company size and performance, the findings of this study and those of Dioha et al. (2018) are comparable. They concluded from their analysis that a business's size had a positive and substantial impact on the profitability of publicly traded consumer goods companies in Nigeria, i.e., that a firm's stated profitability increased with size. Their findings are consistent with the resource-based approach, which asserts a link between business size and profitability. On the other hand, the findings of this study go against those of Aza (2018) research, which looked at the impact of business size on the financial performance of listed firms on the Nigerian stock exchange. According to his study, diseconomies of scale caused by business size had a negligible negative impact on financial performance. Furthermore, Hassan (2014) discovered that firm size had a detrimental effect on the earnings quality of listed oil and gas businesses in Nigeria from 2007 to 2011. His research focused on the effects of company characteristics on earnings quality.

According to hypothesis three, the financial performance of Nigerian agro-related and agricultural enterprises is not significantly impacted by borrowing. Nigeria's leveraged agricultural and agro-allied businesses are profitable, as evidenced by the favourable association between leverage and financial success. Positive effects of the enterprises' leverage ratio levels on their profitability include the likelihood that highly profitable firms would rely more on equity capital and loan capital for financing. This outcome on leverage and financial performance is in line with Gadzo and Asiamah (2018). Their study suggested that a firm's leverage position grows, so does its performance in the agricultural and agro-allied industries. The resource-based theory, which holds that increasing leverage results in better profitability, is also supported by this data. However, this outcome conflicts with Mohammed and Usman's (2016). According to hypothesis four, there was a slight but favourable correlation between liquidity and financial performance. The positive correlation indicates that, albeit not significantly, the company's reported financial performance increases as the firm's liquidity position increases. It suggests that highly liquid agricultural and agro-allied companies will likely invest their idle funds in productive ventures. High liquidity also encourages the management of the companies to focus resources on projects that will maximise profits. Nyamiobo et al. (2018), who discovered that liquidity positively influences enterprises' financial performance, align with this. They held the opinion that businesses should keep enough liquidity to satisfy their daily demands as they come up since doing so will assist these banks in reducing their exposure to liquidity risk and financial crises. The

findings of Abubakar et al. (2018), Dioha et al. (2018), and Kurotamunobaraomi et al. (2017) contradict this, though.

## 6. CONCLUSION AND RECOMMENDATIONS

According to the findings, corporate attributes often have no appreciable influence on Nigeria's financial performance of listed agricultural and agro-allied enterprises. However, it can be inferred from this research that all factors about corporate attributes positively reacted to the financial performance of agricultural and agro-allied firms in the Nigerian financial market. It indicates that there is a chance that these factors will play a significant role as the companies expand their operations in the future. The study therefore made the following recommendations; Agricultural and agro-allied firms should not only rely on their status and years of existence in the market but also formulate new strategies for gaining higher market share by differentiating into new geographical markets and developing more products and services. Agricultural and agro-allied firms in Nigeria should minimise the cost associated with expansion and embrace every potential strategy to utilise the maximum advantage of economies of scale since firm size shows a positive relationship. Agricultural and agro-allied firms should discover ways to optimise their assets while making the best use of their resources while delivering their services. It would go a long way in improving their performance. The management of agricultural and agro-allied firms should carefully make their decisions concerning leverage. Even though leverage was positively related to financial performance, their financing decision should be more of equity capital through issuing more shares in the capital market than debt to avoid high leverage and low profitability. Agricultural and agro-allied firms in Nigeria should maintain their sound liquidity profile and standard while diversifying their assets to remain profitable and sustainable.

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