

Effect of Post Covid-19 on Firm's Specific Attributes and Financial Performance of Quoted Conglomerates Companies in Nigeria

Musa Ahmed Mohammed¹ and Mbatuegwu, David Christopher²

¹ Nigerian College of Accountancy,

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Abstract

The development concern Application issues in post-COVID-19 Africa and the planet are wounding through a litany of scholarship scholarships. Many scholars in Africa and the world, in general, are genuinely interested, and indeed sometimes brain-storm, on what needs to be done by a wide variety of scholars, including but not limited to scientists, economists, sociologists, psychologists, theologians, experts, and finance studies. This examined the characteristics and financial performance of the listed conglomerate companies in Nigeria. The research work has adopted a descriptive design to determine the reciprocal relationship between variables. Data were collected mainly from secondary sources via the published annual reports of the sampled companies for the period 2010-2018 they were analyzed using multiple regression techniques after carrying out a series of robustness tests to determine their validity. The results of the study showed that the size of the business had a positive and significant impact on financial performance. On the other hand, leverage negatively, but insignificantly, on financial results. The study indicates that management should maximize the total amount of assets as much as possible, as this is a guarantor of future economic benefits.

Index terms— firms attribute, performance.

1 Introduction

he intellectual point of convergence between numerous scholars and contemporary writers in post-COVID-19 Africa is that the continent appears to be evolving under impossible conditions, Previously, companies in Nigeria were formed entirely on a sole proprietorship basis, in collaboration with a few limited liability companies. The establishment of Nigeria's Central Bank (CBN) in 1958 and the Securities and Exchange Commission (SEC) in 1979 opened a new dawn in Nigeria's business sector. Businesses are regulated and the Securities and Exchange Commission has set up an atmosphere in which foreign investors can enter and have their shares quoted in Nigeria's stock exchange. They also provided the facility for easy growth of both short-and long-term investment decision capital. This growth was the driving force behind Nigeria's modern business expansion.

The volatility of the modem market situation, marked by the extremely dynamic and competitive economic factors brought on by the globalization of the world economy, has radically changed Nigeria's business sphere from a national to a global economy. Globalization has changed the world economy, and the business world is at the forefront of this global chain movement. In an attempt to meet global demands and a highly competitive business climate, companies are forced to diversify operations to create values that can compete globally so as not to lose out on the market and maximize shareholders' wealth maximization target.

Diversification is a growth technique used by companies to dive into new markets and expand their spectrum of operations.

4 B) CONCEPT OF FIRM SIZE

42 The Tiffany Conglomerate (2007) is a diversification strategy whereby a corporation joins one or more unrelated
43 industries to extend its field of activity and explore other viable market areas. Companies also want to develop
44 as a conglomerate because they feel that other markets provide more opportunities for development than their
45 current industries. They also prefer a conglomerate approach to stabilize revenues and earnings. One of the
46 key characteristics of the Conglomerate Business is the lack of an established partnership with the new company
47 or industry. The vertical or horizontally integrated company has a value or supply chain relationship which the
48 conglomerate does not necessarily have a conglomerate that does not have a common strategic theme and does
49 not gain a strategic profit. Companies that they buy instead are conglomerates of companies that participate in
50 a host of activities involving different management skills. The conglomerate will emerge through organic internal
51 growth and development, as well as through mergers and acquisitions. Businesses in Nigeria are not isolated from
52 this global chain curve.

53 This study places greater emphasis on the specific attributes and performance of conglomerates quoted in
54 the Nigeria stock exchange. The internal characteristics of a conglomerate business plays a key role especially in
55 the area of decision making, exercising control, and exciting expertise strengthening operations perfecting sales
56 and marketing campaign also in ensuring actualization of shareholders wealth maximization objective (men that
57 conglomerate is mostly seen as a large corporation or companies in nature that is composed of several small
58 independently run companies which occur partly because of the need to diversify the business. the overriding
59 benefit of conglomerate is often the diversification of business risk, Participating in different markets, which
60 are achieved through the ownership of controlling stakes in several smaller companies that conduct business
61 separately, offers protection from' sector-specific risks, and sometimes geographical shocks to the group as more
62 often than not, only a section of the revenue-generating channel is affected. The conglomerate structure also offers
63 the group substantial economies of scale especially about administrative cost through a centralized management
64 and distribution system. And in the process, at least theoretically, the parent company does maximize the
65 per-subsidary profit for any given subsector level operational cost.

66 In line with those above aforementioned, the specific attributes are among the major determinants of financial
67 performance and profitability of conglomerates. Financial performance is a measure of efficient utilization of a
68 firm's resources towards attaining stated goals using a return on asset, return on investment, return on equity and
69 sales growth amongst others as parameters. Specific attributes can be seen in the perspectives of the firm's size,
70 leverage, liquidity level, the board size, institutional shareholding/ownership, and board compositions among
71 others. The conglomerate strategy has removed the narrow divide of sole proprietorship and expanded the scope
72 of businesses by creating more business opportunities for investors to dive into. Globalization which made it
73 easy for capital to move across borders with ease turning the world into a global village created more business
74 opportunities. The competition became more intense and the need to diversify operations rose. To meet up
75 with the global demands and to remain in business, companies in Nigeria searched for a suitable strategy that
76 conforms with the global trend. That's what brought about the prevalent Conglomerates strategy in the Nigeria
77 business landscape.

78 The base of the conglomerate is deeply rooted in Nigeria's history. The historic development of conglomerate
79 companies in Nigeria dates back to the early colonial period. At the heart of that history is the 80th anniversary
80 of AG-Leventis Plc, which started as a trading and chain store company and later became the assembly and
81 distribution of various consumer and producer goods. Currently, Nigeria's top ten conglomerate investments
82 are estimated to have a combined annual turnover of more than N15 trillion and employ a large number of low
83 middle-level workers. In this context, we are concerned with the study of the basic characteristics and financial
84 performance of the listed conglomerates in Nigeria.

85 To achieve this objective, it is thus hypothesized in a null form that: H0 1 : Firm size has no significant effect
86 on the financial performance of quoted conglomerate companies in Nigeria. H0 2 : Leverage has no significant
87 effect on the financial performance of quoted conglomerate companies.

88 2 II.

89 3 Literature Review a) Concept of Firm Attributes

90 Businesses shall be founded to make profits (Abiodun, 2013). To increase shareholder capital through value
91 development, a variety of factors combine to catalyze to improve efficiency and ensure that the ultimate goal
92 is achieved. The firm attribute is one of the key factors and drivers that improve the success or failure of any
93 business. Businesses are set up to ensure A company with a strong and sound specific attribute has a higher
94 chance of performing than a company with a haphazard specific attribute. In other words, basic characteristics
95 play a major role in ensuring the success or failure of business activities in any organization. For this analysis,
96 the firm attribute is: firm size, leverage, the board size, liquidity, and institutional investors will be properly
97 planned.

98 4 b) Concept of Firm Size

99 According to Velnampy (2013), firm size is the amount and variety of production capability and capabilities that
100 a firm possesses or the amount and variety of services that a firm can offer to its customers at the same time. The

101 firm size represents how it grows and adapts to its climate. Changes in size are therefore extremely significant in
102 the field of firm demography (Wissen, 2002).

103 Classical economist clarified that shifts in the size of firms depend on economies of scale. These economies
104 of scale are due to reduced prices as the business expands. Therefore, the higher the scale economy, the larger
105 the optimum firm size. The size of the company is considered to be an important issue in deciding the essence
106 of the partnership with the company inside and outside its operating environment. And the rising presence of a
107 multinational company worldwide is a direct indication of the importance of the scale and role it can play in the
108 business environment ??Abiodun, 2013, Wissen, 2002).

109 Fajaria and Isnalita, (2018) The size of the business show the size of the company's properties. A large business
110 would have three advantages: it's easy to get venture capital, good at negotiating, and it also has a big advantage.
111 Firm Size can be calculated using the natural logarithm of total assets and acts as a control variable, a variable
112 that is neutral and can be managed in such a way that the relationship of independent variables to the dependent
113 variable is not affected by factors outside the analysis. The natural logarithm of total assets is used while other
114 variables are calculated by the scale ratio that can be interpreted as regression.

115 **5 c) Concept of Leverage**

116 Mbatuegwu, Musa, Ugoh, and Komolafe (2021), Leverage means that the business can borrow money to finance
117 the purchase of an asset, which also intend to have higher bankruptcy risk, went ahead saying that Leverage
118 is all about keeping your pride to borrow to grow your business. Leverage refers to the effective utilization of
119 borrowed funds (debt financing) to increase profitability. It is measured by total liabilities to equity (Alkhatib,
120 2012). Kasmir (2008) indicates that leverage is the ratio used to calculate the size of the company's assets funded
121 by debt. That is to say how much of the debt burden the organization bears on its properties. Typically, the
122 use of leverage is tailored to the goals of the organization. Based on the outcome of the leverage calculations,
123 the company would find a way to use its capital and borrowed capital, as well as assess the ratio of a company's
124 ability to fulfill its obligations.

125 Financial leverage is caused due to fixed financial interest in every organization. Businesses use fixed financial
126 charges to increase the effect of changes in earnings before interest and tax on the earnings per share and profits.
127 It includes the use of those funds that are obtained at a fixed cost in the expectation of increasing the return to
128 the shareholders in the future. The financial leverage used by every company is anticipated to earn more return
129 to the fixed-charge fund than their costs. The surplus (or deficit) will increase (or decrease) the return on the
130 owners' equity and return on investment (Hallajian, and Tilehnoei (2016).

131 Linawaty and Ekadjaja (2017) The impact of financial leverage is unfavorable when the earnings capacity of
132 the firm is less than what is expected by the lender i.e., the cost of debt. The return on investment comes from
133 leverage appreciation of assets are purchased with only a portion of the purchase price coming from the buyer
134 and the balance coming from the lender. Any increases in the value of the entire asset represent a real return on
135 the original amount invested and the investor will make profits in long run).

136 They discussed that sometimes increase in debt causes bankruptcy. They said that the increase in the debt
137 level reduces the agency cost but increases the bankruptcy cost.

138 **6 d) Measurement of Firm Performance**

139 Kouser (2012), profitability can be defined as the earning of the firm or consistency of cash inflow of the firm. It
140 is influenced by several factors such as firm size, the export of the firm, reliance on debt, age, fixed asset, growth,
141 and sales growth. There are many methods to measure performance such as return on asset (ROA), return on
142 equity (ROE) and return on sales (ROS). Return on asset (ROA) is the measure of how well a company uses its
143 assets to generate profit. Return on sales (ROS) is earning of the firm from every amount of the sales and shows
144 a short-term performance of the company. Return on equity (ROE) is the measure of a firm's profit distributed
145 to the shareholder. ROA and ROE give a long-term view of the performance of the firm ??Kouser et al. 2012).
146 An increase in profitability is the most desire and ultimate reward for all the handiwork and planning of firm
147 management and they are constantly on a look to find ways to increase.

148 For this study, ROA is adopted to measure financial performance based on the premise that it is the most
149 preferable measure of financial performance as it considers the use of profit of the organization over the value of
150 its assets.

151 **7 e) Empirical Studies on Firm Attributes**

152 Agrawal, Sehgal, and Vasishth (2020) looked at corporate characteristics and fundamental factors for the creation
153 of various investment strategies, using data from 200 companies listed on the National Stock Exchange (NSE)
154 from 2005 to 2018. The results show the presence of anomalies in the stock market based on size, volume, earnings,
155 cash flow fluctuations, asset growth, price momentum, price-to-book ratio, and profitability. The performance
156 of trading strategies is subject to the construction of portfolios, i.e. 5/10/20 portfolios. In general, bivariate
157 strategies perform better than univariate approaches in the Indian context. Overall, the size-based approach
158 works better with a mean over-return of 3.63 percent per month. This experiment has been carried out in a
159 foreign country, and the result cannot be openly generalized in Nigeria.

160 Ogoun and Ayaundu (2020) investigated whether or not the attribute count of a firm (FAC) affects the
161 management accounting practices (MAPs) adopted. This initiative is related to the manufacturing sector, using
162 primary data obtained via the issuance of standardized questionnaires. The number of firm attributes was
163 discriminated against based on; the size, the strength of market competition, the rank of accounting staff, and
164 the technology used. A sample size of 80 firms was adopted using the Spearman correlation coefficient method
165 used to analyze the results. The analytical outcome of this initiative shows that all the firm attributes deployed
166 in this study have a substantial effect on MAPs. The study concludes, therefore, that the type of accounting
167 management tool used in any firm is firm in size, the strength of market competition, the quality of the accounting
168 staff and the degree and scope of the tech-based, and that the difference in domains is related to the nature of
169 the impact of these variables. It makes use of primary data, but we are making use of secondary data.

170 Hassan and Farouk (2014) investigated the firm attributes and earnings efficiency of the listed oil and gas
171 companies in Nigeria for the period 2007-2011. The Oil and Gas companies mentioned are Nine (9) in the
172 numbers from which a sample of Seven (7) was used for the analysis. Firm attributes as an independent variable
173 were proxy with firm size, leverage, Institutional ownership, profitability, liquidity, and firm growth), while the
174 residuals from Dechow et al (1995) modified Jones model was used as a proxy for quality earnings. The research
175 adopts multiple panel regression techniques and data were collected from secondary sources via annual reports
176 and business accounts. The findings show that leverage, liquidity, and firm growth have a major positive impact
177 on earnings quality, while firm scale, institutional ownership, and profitability have a significant but negative
178 impact on the earnings quality of listed oil and gas companies in Nigeria. This has been done for oil and gas
179 firms, but this will be done for a conglomerate firm.

180 8 f) Firm Size and Financial Performance

181 The relationship between firm size and profitability occupies a substantial portion of economic literature.
182 However, previous empirical investigations of the issue have yield conflicting results. Some studies have obtained
183 a weak or negative relationship or none at all others have reported a positive association (Vijayakumar and
184 Tamizhselvan, 2010).

185 Fajaria and Isnalita (2018) analyzed the impact of profitability, liquidity, leverage, and business growth on
186 firm value, with dividend policy as a moderating variable, and firm size as a control variable. This study was
187 performed using a documentation system in Indonesia, as well as a sampling methodology for sampling. This
188 analysis was processed using the SPSS software, with a total of 396 data observations. Where there are 146
189 manufacturers listed on the Stock Exchange during the period from 2013 to 2016 and the number of samples was
190 108, 106, 94, and 112 firms, respectively. Profitability and fast growth are shown to increase Firm Value, but
191 liquidity and high debt are shown to decrease Firm Value. It may be difficult to function in Nigerian material
192 due to externalities and economic variations.

193 Akinyomi (2016) explored the effects of firm size on the profitability of the Nigerian manufacturing sector. The
194 panel data set for the period 2005-2012 is collected from the audited annual reports of the selected manufacturing
195 firms listed on the stock exchange. Return on assets (ROA) was used as a proxy for profitability, while log of
196 total assets and log of turnover was used as a proxy for firm scale. Also, liquidity, debt, and the ratio of
197 inventories to total assets were used as control variables. The results of the study showed that the size of the
198 group, both in terms of total assets and in terms of total revenue, had a positive impact on the profitability of
199 the Nigerian manufacturing company. In the meantime, the control variables have a negative relationship with
200 the inventory, while others have a positive relationship. Research has been done on manufacturing firms, but
201 this will concentrate on conglomerates in Nigeria.

202 However, profitability can affect the firm size and vice versa, It is contended in the literature that the profit
203 rates of the firms can persist over time and increasing levels of profits can help the firm grow faster and at the
204 same time the size of a firm plays an important role in determining the kind of relationship the firm enjoys
205 within and outside its operating environment investigated the relationship between firm size and performance
206 of small and medium-sized Portuguese companies for the period 1999 to 2003. Their results indicate that there
207 is a positive and statistically significant relationship between the size and profitability of SMEs. On the other
208 hand, for the large Portuguese companies, they found a statistically insignificant relationship between size and
209 profitability (Serrasqueiro et al, 2008).

210 9 g) Leverage and Financial Performance

211 Fajaria and Isnalita (2018) analyze the impact of profitability, liquidity, leverage, and business growth on firm
212 valuation, with dividend policy as a moderating variable, and firm size as a control variable. This study was
213 performed using a documentation approach as well as a sampling methodology for sampling. This analysis was
214 processed using the SPSS software, with a total of 396 data observations. Where there are 146 manufacturing
215 companies listed on the Indonesian Stock Exchange between 2013 and 2016 and the number of samples was
216 108, 106, 94, and 112 companies, respectively. Profitability and fast growth are shown to increase Firm Value,
217 but liquidity and high debt are shown to decrease Firm Value. Due to demographic, inflation, and sectoral
218 peculiarities, the finding cannot be consistent with Nigeria at the time of post-covid-19.

219 Ibhagui and Olokoyo (2018), use the Hansen (1999) threshold regression model to analyze the empirical
220 relation between leverage and firm performance through a new threshold variable, firm size. We question if there
221 is an ideal firm size for which the leverage is not negatively linked to the firm's results. the panel data from
222 101 listed companies in Nigeria between 2003 and 2007, were explored to the ultimate effect of leverage on firm
223 performance depends on firm size; that is, whether the type of impact that leverage has on the firm's performance
224 depends on the size of the firm. the findings indicate that the negative impact of leverage on firm output is most
225 important and significant for small firms, and that evidence of negative impact decreases as the firm expands,
226 ultimately disappearing as firm size approaches its estimated threshold. We find that this finding continues to
227 hold, regardless of the debt ratios used. In line with previous research, findings show that the leverage impact
228 on Tobin's Q is positive for Nigeria's listed firms. However, our recent result is proof that the frequency of the
229 positive relationship depends on the size of the business and is often higher for small firms. The current work
230 will make use of multiple regression analysis techniques also the data analysis will make use of the ordinary least
231 square regression technique.

232 Alkhatib (2012) Analyzed the Leverage Determinants of Listed Companies sampled by 121 listed companies
233 on the Jordanian Stock Exchange, extended from 2007 to 2010. The survey represented the manufacturing and
234 utility industries, while the financial sector was excluded from the report. For the data analysis, the regression
235 model was used; the explanatory variables included firm liquidity, scale, growth rate, benefit, and tangibility,
236 while the independent variable was the leverage ratio. The findings indicate that there was no statistically
237 important association for both the manufacturing and service sectors. When the two sectors were divided, the
238 results for the manufacturing sector revealed that liquidity and tangible linkages with leverage were important,
239 while the results for the services sector revealed that the rate of growth, liquidity, and tangibility had a significant
240 relationship with leverage. Due to demographic, inflation, and sectoral peculiarities, work is now almost decayed,
241 but the finding cannot be compatible with Nigeria at the moment.

242 10 h) Theoretical Framework i. Agency Costs Theory

243 According to Agency cost theory, a higher level of debt increases shareholders' value because of its disciplinary
244 effect on manager behavior. There are two types of inherent conflicts of interest in this theory: (a) Manager -to-
245 shareholder conflicts, and (b) creditors-to shareholders conflict. In the first case, when debt increases, shareholders
246 can bind managers to service the debt obligation. Thus, when the debt level is increased, a large portion of the free
247 cash flow should be used to pay the debt obligation. In this case, shareholders or boards of directors effectively
248 reduced the free cash flow in the company and prevent managers from investing in sub-optimal or excessive
249 investments (Berle and Means (1932) the firm size and leverage structure helped to prevent conflict by making
250 information conformity and balance.

251 11 III.

252 12 Methodology

253 The work employs multiple regression analysis techniques for data analysis using the ordinary least square
254 regression technique. The population comprises all 25 quoted conglomerates on the Nigerian stock exchange
255 (NSE) as of 31 st December 2018. The choice of the year and variables is considered appropriate given that
256 the objectives of the study. The variables were preferred given their importance in the determination of quoted
257 conglomerates companies in Nigeria.

258 13 a) Model Specification and variables measurement

259 $Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 ROA_{it} + \beta_4 FS_{it} + \beta_5 LEV_{it} + \epsilon_{it}$
260 $+ \gamma_1 \Delta ROA_{it} + \gamma_2 \Delta FS_{it} + \gamma_3 \Delta LEV_{it} + \eta_{it}$

261 14 IV.

262 15 Result and Discussion

263 16 a) Descriptive Statistics

264 The sample descriptive was first presented in the table below where the minimum, maximum, mean, standard
265 deviation, skewness, and kurtosis of the data for the variables used in the study were described. As can be
266 inferred from the above presented descriptive result, ROA topped the chart with an average return of 6.72%
267 approximately ranging from a minimum of -3.97% to a maximum value of 24.68% implying that the industrial
268 ROA average rises marginally over the period. As for the predictors used; firm size had the highest industrial
269 average of 6.3758 implying that at par level, the asset of the firms in this industry increase by approximately
270 N6.38 per every cost Ni cost incurred ranging from a minimum of N5.74 to a maximum of N7.33.

271 In the industry potentially can convert its current assets into liquid cash easily while leverage was averaged
272 at 1.592% ranging between 0.33% to 4.94% implying that the firms in this industry are averagely levered across
273 the period.

274 The most prominent among the result in the descriptive statistics was the higher standard deviations of
275 performance (0.049) relative to the standard deviation of other independent variables used in the study model
276 when compared with their mean value. The high standard deviation of performance indicates that our sample
277 firms were of varying performances.

278 Finally, the skewness and kurtosis statistics revealed that the data obtained for all the variables including
279 dependent and independents were not abnormal. Then, the study is considered valid when it is based on valid
280 data or information, and this information is considered valid if obtained from the data quality. Therefore, the
281 result from the normality test signified the normality of the data and further substantiated the validity of the
282 regression result.

283 17 b) Correlation Matrix

284 The table displays the correlation values between the dependent and the independent variables and also the
285 relationship between the independent variables themselves. The values were gotten from the Pearson correlation
286 of two-tailed significance. It shows the correlation the top values displaying the Pearson correlation coefficient
287 between all pairs of variables and the asterisk beside the Pearson correlation coefficient showing the two-tail
288 significance of these coefficients. The accumulated R2 Total value of (0.3115) which is the multiple coefficients
289 of determination gave the proportion of the total variance of the dependent variable explained jointly by the
290 independent variable. It, therefore, meant that 31.15 percent of the overall shift in output of listed conglomerate
291 firms in Nigeria was attributed to company unique attributes of firm size, liquidity, and leverage, assuming all
292 other factors remain constant.

293 The Wald chi2 of 9.50, which is important at a significance level of 0.05, suggests that the model of success
294 and firm attributes are acceptable. This means that the independent variables are chosen, combined, and used
295 correctly. It implies that any improvement in firm unique attributes will have a direct effect on results. The value
296 of Wald Chi2 which is statistically significant at a level of 0.0233 implies that there is a 99.08 percent likelihood
297 that the relationship between the variables was not due to mere chance.

298 From Table ??.3, it was observed that the z-value for firm size (FS) was 2.11 with a coefficient value of 7.629132
299 is significant at of 0.05 significance level. This signifies that firm size positively and significantly influences the
300 performance of firms in this industry meaning that for every unit change in firm size performance will increase
301 by 7.62% is that all other factors are held constant.

302 As for leverage as one of the determinants of firm-specific attributes, a negative relationship can be inferred
303 as depicted by the negative coefficient and zvalue of -3.498806 and -1.87 respectively and at the same time not
304 statistically significant at a 5% significance level. This means that how levered the firms are cannot significantly
305 influence performance in the short-run assuming all other factors are held constant.

306 V. Table ??.4 shows that majority of the variables are positive, while one of the predictors (leverage) is
307 negative. Only one predictor is significantly impactful at 1% and 5% levels. This revealed that all firm attributes
308 explain the attitude of performance of conglomerate firms in Nigeria to a large extent.

309 18 Discussion of Findings

310 The results for each hypothesis are presented below:

311 As can be inferred from the above-presented result under hypotheses testing, drawing inference from the result
312 shows that firm size significantly influences financial performance for the reason being that computed p-value of
313 0.035 is less than 5% significance level. Therefore, the first null

314 The hypothesis is rejected.

315 Also, from the table above, while leverage has shown a negative effect on financial results but not statistically
316 significant at a 5 percent significance level because the p-value of 0.065 is higher than 0.05. Therefore, we conclude
317 here by failing to dismiss the second null hypothesis. This means that the leverage does not have a significant
318 influence on performance.

319 In summary, from the study carried out, it can be seen that, overall, firm-specific attributes have a major effect
320 on results. Specifically, it was noted that, among the three specific attributes used in our analysis, only firm size
321 significantly influences financial performance positively, as well as liquidity positively, but not significantly, while
322 leverage negatively affects the financial performance of conglomerate firms in Nigeria. Which was also in line
323 with the finding of Mahendra Dj et al. (2012) and Sisca (2018) Martini (2015) and Lestari (2017) found that the
324 positive effect of debt policy on corporate value, and can be moderated dividend policy.

325 A firm with a high leverage level tends to be negatively affected for the reason being that finance cost is
326 involved here. A high leverage level is a potential to the existence of a corporation; therefore, it should be kept
327 at bay and an internal source of finance should be opted for through retained earnings to finance the cost of
328 operation as they retain earnings connotes a reservoir of firm's existence. This further goes in line with Zhang
329 and Li, (2008), who discussed that increase in leverage decreases the agency cost. In their study, they also stated
330 that if the leverage is increased from the optimal level then those results in the opposite put an effect on the
331 agency cost of free cash flow. They discussed that sometimes increase in debt causes bankruptcy. They said that
332 the increase in the debt level reduces the agency cost but increases the bankruptcy cost.

333 A firm with a large asset base tends to perform better-off than those with less capacity in terms of assets.
334 Assets are often time referred to as economic resources of which are expected to flow economic benefits to the
335 owners for the next foreseeable future. By so doing, a firm with a large asset base would receive a higher economic
336 benefit in both the short-run and the long-run. This reason accounts for the significant effect of firm size on
337 performance. Findings from this study correlate with the findings of (Dogan, 2013).

338 19 VI. Conclusion and Recommendations

339 The study found that the size of the company has a positive and important effect on financial performance at this
340 point of post-COVID-19, and therefore management should try to increase its total asset level as much as possible
341 because assets have been described in accounting as business capital in which long-term economic benefits are
342 expected to flow for a long period. The higher the number of assets, the higher the valuation of the businesses,
343 and the more likely it is to produce more returns.

344 Accordingly, this study concludes that firm size and firm leverage are determinants of the financial performance
345 of listed firms in Nigeria.

346 Also, this study advises that the management track its leverage level to maintain it at an optimum stage. High
347 debt adversely affects the output of conglomerate companies. Therefore, the amount of leverage (debt-to-equity
348 ratio) should be 3 5:65 to avoid high capital costs that guarantee performance in the post-COVID-19 Era.

349 Finally, a high level of liquidity is toxic to conglomerate companies because cash is tied down in the production
350 process. Low liquidity leads to an inability to meet current obligations as they are due. An optimum liquidity
351 level of 50% is therefore recommended for optimum performance.

352 The study, therefore, suggests that constructive steps be taken in addition to traditional practices and
353 transparency criteria for companies in conglomerates in Nigeria: * Financing of the economy and diversification
354 with transparent management. The economy must be funded to develop, first of all, for businesses like
355 conglomerates to fall in line with growth. * Financing and planning for the health care system is a very important
356 factor. * Reducing much of the pressure on the revenue and financial structure of conglomerates by the owners and
357 their family members. * Collaborating, organizing, and helping each other first to solve this lethal pandemic to
358 save the global economic system by the IMF findings (2020). We suggest that in this post-COVID-19 period and
359 the subsequent economic crisis should not lead to a recession in the economy, some of the imperatives addressed
360 in this work Yet effective supervision, probity, fairness, integrity, prudence, accountability and the best values of
361 conglomerate business practice are important to the post-COVID-19 Nigerian economy in terms of world best
362 practice and practice. Be wise, and the truthful Covid-19 is real.

363 20 Suggestion for Studies

364 i. Since this study focused on the conglomerate's companies, other future researches can focus on other sectors
365 of the economy especially, the ones with governance and reporting failures. ii. Also, the study did not capture
366 all variables as such other studies may consider variables that were not used in this study. iii. The new code of
367 corporate governance addresses so many issues bothering conglomerates companies and governance hence, new
368 endeavors can make massive use of the new code. ¹

¹Effect of Post Covid-19 on Firm's Specific Attributes and Financial Performance of Quoted Conglomerates Companies in Nigeria

liq				
	Percentiles	Smallest		
1%	.41	.41		
5%	.51	.51		
10%	.57	.57	Obs	25
25%	1.12	.72	Sum of wgt.	25
50%	1.41		Mean	1.7432
		Largest	Std. Dev.	1.033944
75%	2.32	3.17		
90%	3.41	3.41	Variance	1.069039
95%	3.47	3.47	Skewness	.9887972
99%	4.45	4.45	Kurtosis	3.242478

lev				
	Percentiles	Smallest		
1%	.33	.33		
5%	.35	.35		
10%	.38	.38	Obs	25
25%	.79	.43	Sum of wgt.	25
50%	1.23		Mean	1.592
		Largest	Std. Dev.	1.220174
75%	1.97	2.62		
90%	3.06	3.06	Variance	1.488825
95%	4.68	4.68	Skewness	1.43723
99%	4.95	4.95	Kurtosis	4.619586

. sum roa fs liq lev, detail

roa				
	Percentiles	Smallest		
1%	-23.9	-23.9		
5%	-6.04	-6.04		
10%	-4.92	-4.92	Obs	25
25%	1.1	-3.97	Sum of wgt.	25
50%	5.12		Mean	6.7296
		Largest	std. Dev.	11.22401
75%	12.9	21.45		
90%	22	22	Variance	125.9783
95%	23.81	23.81	Skewness	-.3884459
99%	24.68	24.68	Kurtosis	3.55144

fs				
	Percentiles	Smallest		
1%	5.195581	5.195581		
5%	5.262589	5.262589		
10%	5.734264	5.734264	Obs	25
25%	5.911939	5.746411	Sum of wgt.	25
50%	6.444484		Mean	6.375879
		Largest	Std. Dev.	.5906449
75%	6.847922	7.050152		
90%	7.150881	7.150881	Variance	.3488614
95%	7.248228	7.248228	Skewness	-.2588283
99%	7.333876	7.333876	Kurtosis	2.287433

Figure 1:

. sum roa fs liq lev

variable	Obs	Mean	Std. Dev.	Min	Max
roa	25	6.7296	11.22401	-23.9	24.68
fs	25	6.375879	.5906449	5.195581	7.333876
liq	25	1.7432	1.033944	.41	4.45
lev	25	1.592	1.220174	.33	4.95

. pwcorr roa fs liq lev, sig

	roa	fs	liq	lev
roa	1.0000			
fs	0.3779 0.0626	1.0000		
liq	0.1224 0.5601	-0.2813 0.1732	1.0000	
lev	-0.4009 0.0470	0.0177 0.9329	-0.4611 0.0204	1.0000

. reg roa fs liq lev

Source	SS	df	MS	Number of obs =	25
Model	941.844391	3	313.94813	F(3, 21) =	3.17
Residual	2081.63553	21	99.1255015	Prob > F =	0.0457
Total	3023.47992	24	125.97833	R-squared =	0.3115
				Adj R-squared =	0.2132
				Root MSE =	9.9562

roa	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
fs	7.629132	3.616968	2.11	0.047	.1072361 15.15103
liq	.6505058	2.328105	0.28	0.783	-4.191053 5.492065
lev	-3.498806	1.893424	-1.85	0.079	-7.436398 .4387854
_cons	-37.47668	25.47298	-1.47	0.156	-90.45064 15.49728

. vif

variable	VIF	1/VIF
liq	1.40	0.712813
lev	1.29	0.773810
fs	1.11	0.904965
Mean VIF	1.27	

. hettest

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

H0: Constant variance
variables: fitted values of roa

chi2(1) = 1.99
Prob > chi2 = 0.1581

```
. xtreg roa fs liq lev, fe
Fixed-effects (within) regression
Group variable: year
Number of obs   =    25
Number of groups =     5
R-sq:  within = 0.3917
      between = 0.0090
      overall = 0.2980
Obs per group: min =     5
              avg  =    5.0
              max  =     5
corr(u_i, Xb) = -0.0769
F(3,17)         =     3.65
Prob > F        =    0.0338
```

roa	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
fs	8.815284	3.472624	2.54	0.021	1.488687	16.14188
liq	-.1925496	2.448499	-0.08	0.938	-5.358432	4.973332
lev	-3.300238	1.844048	-1.79	0.091	-7.19084	.5903637
_cons	-43.88595	24.28636	-1.81	0.088	-95.12569	7.353787
sigma_u	5.5456637					
sigma_e	9.4278554					
rho	.25706021	(fraction of variance due to u_i)				

F test that all u_i=0: F(4, 17) = 1.60 Prob > F = 0.2187

```
. estimates store fixed
```

```
. xtreg roa fs liq lev, re
Random-effects GLS regression
Group variable: year
Number of obs   =    25
Number of groups =     5
R-sq:  within = 0.3773
      between = 0.0157
      overall = 0.3115
Obs per group: min =     5
              avg  =    5.0
              max  =     5
Random effects u_i ~ Gaussian
corr(u_i, X)      = 0 (assumed)
Wald chi2(3)     =     9.50
Prob > chi2      =    0.0233
```

roa	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
fs	7.629132	3.616968	2.11	0.035	.5400058	14.71826
liq	.6505058	2.328105	0.28	0.780	-3.912496	5.213507
lev	-3.498806	1.893424	-1.85	0.065	-7.20985	.2122374
_cons	-37.47668	25.47298	-1.47	0.141	-87.4028	12.44944
sigma_u	0					
sigma_e	9.4278554					
rho	0	(fraction of variance due to u_i)				

```
. estimates store random
```

```
. hausman fixed
```

	Coefficients		(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
	(b) fixed	(B) random		
fs	8.815284	7.629132	1.186152	
liq	-.1925496	.6505058	-.8430554	.7583382
lev	-3.300238	-3.498806	.1985681	

b = consistent under H₀ and H_a; obtained from xtreg
 B = inconsistent under H_a, efficient under H₀; obtained from xtreg

Test: H₀: difference in coefficients not systematic

chi2(3) = (b-B)'[(V_b-V_B)^(-1)](b-B)
 = 0.52
 Prob>chi2 = 0.9155
 (V_b-V_B is not positive definite)

Figure 3:

```
. xtreg roa fs liq lev, re
```

```
Random-effects GLS regression           Number of obs   =    25
Group variable: year                   Number of groups =     5

R-sq:  within = 0.3773                  Obs per group:  min =     5
      between = 0.0157                  avg           =    5.0
      overall  = 0.3115                  max           =     5

Random effects u_i ~ Gaussian          Wald chi2(3)    =     9.50
corr(u_i, X) = 0 (assumed)             Prob > chi2     =    0.0233
```

roa	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
fs	7.629132	3.616968	2.11	0.035	.5400058	14.71826
liq	.6505058	2.328105	0.28	0.780	-3.912496	5.213507
lev	-3.498806	1.893424	-1.85	0.065	-7.20985	.2122374
_cons	-37.47668	25.47298	-1.47	0.141	-87.4028	12.44944
sigma_u	0					
sigma_e	9.4278554					
rho	0	(fraction of variance due to u_i)				

Figure 4:

1

Source: Annual Report (2010-2018)

Figure 5: Table 1 :

Variables	Z-Values	Variable Coefficients	
		P. Values	Tolerance/VIF
FS	2.11	0.035	0.712813/1.40
LIQ	0.28	0.780	0.773810/1.29
LEV	-1.85	0.065	0.904965/1.11

Source: Result output from STATA 10

Figure 6:

.1 Appendix II

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