RELATIONSHIP BETWEEN ASSET MANAGEMENT AND FINANCIAL PERFORMANCE OF LISTED MANUFACTURING FIRMS IN NIGERIA

[1*] **Eniola Victoria Oluwaremi**

Jomo Kenyatta University of Agriculture and Technology
oluwaremieniola@gmail.com

[2 **] **Dr. Florence Memba**

Jomo Kenyatta University of Agriculture and Technology
fmemba@jkuat.ac.ke

Abstract

Asset management deals with providing efficient methods of assets utilization so as to meet organizational goals such as wealth maximization, meeting customers' needs etc. This study strives to find out the relationship between asset management and the financial performance of listed manufacturing firms in Nigeria, Return on Asset will serve as an indicator for the dependent variable of the study which is the financial performance of listed manufacturing companies in Nigeria while the indicators for the dependent variable (asset management) are fixed asset management, cash management, inventory management and accounts receivable management. The entire population of 74 listed manufacturing companies were considered for the study and secondary data was obtained from their Financial Statements (2005-2014) which statutorily were released to the public for consumption. Both Correlational and Regressional Analysis were carried on the data obtained by using Statistical Package for Social Science (SPSS 22). The findings of the study show that there was significant and positive relationship between asset management and the financial performance of listed manufacturing companies in Nigeria as substantiated with the p-value of less than 0.05 recorded by each construct of the Independent variable   Among the major recommendations of the study is that organization should pay premium importance to the management of its fixed assets in terms of high maintenance culture and good depreciation strategy to provide adequate funds for their replacement as and when necessary. Also, organizations should strive for a good account receivable management which will guarantee that good percentage of monies owed to the organization are collected and promptly too. Records of increasing bad debt value and provisioning for doubtful debts erode the financial capability of the organization.

Keywords: Accounts Receivable Management, Cash Management, Fixed Asset Management, Financial Performance, Inventory Management

1. Introduction

Asset management is concerned with the efficient utilization of the organization's investment in both physical and human asset to guarantee profit maximization objective of the firm (Pandey, 2010). The term asset refers to those assets such as: investments (stock, bonds), accounts receivable, inventory which in the ordinary course of business can be, or will be, converted into cash without undergoing a diminution in value and without disrupting the operations of the firm. The prime object of management is to make profit (Freeman, Wicks & Parmar, 2004). This accomplishment in most business depends largely on the manner in which they manage their assets. Administration of fixed assets falls within the realm of capital budgeting while the management of working capital is a continuing function which involves control of every day and flow of financial resources circulating in the company in one form or the other. In turn, these decisions are influenced by the trade-off that must be made between profitability and risk.

Asset management deals with the financial health of a company and it also plays important role in maximizing the shareholders wealth, hence, every company needs to sustain the balance between liquidity and profitability. Liquidity is a requirement to ensure that the firm is able to meet its short-term obligations (Deloof, 2003; Padachi, 2006). The success of operations of a firm is determined to a large extent by the method of administration of its numerous assets. It requires continuous management to maintain proper level in various components of working capital i.e. cash, receivables and inventory and efficient utilization of investment in Fixed Assets (Non-Current Assets).

The performance of the Nigerian manufacturing sector has attracted considerable attention since independence in 1960 because of its potential for rapid economic growth. A growing manufacturing sector reduces poverty, disease and ignorance through wealth creation and employment generation. Despite this potential, the performance of Nigeria's manufacturing sector has been declining over the years. This downward trend has been noticeable since the early period of the 1980s as its contribution to the Gross Domestic Product (GDP) fell from 11.0% in 1980 to 4% in 1998, stagnating around 4% up to 2012 (Onodje M., 2014). The falling performance of the manufacturing sector has also led to the closure of many manufacturing companies. According to Manufacturing Association of Nigeria (MAN, 2009) about 857 manufacturing companies have either closed down their operations in Nigeria or relocated to other neighboring countries since 1999. The development has contributed immensely to the high unemployment rate in Nigeria.

The virtually stagnant manufacturing sector has negatively impacted on the Nigerian economy over the years. The economy relies heavily on imported manufacturing products following the low level of domestic supply of these products. Given the high

population of Nigeria that is put at about 120 million people in the 2002 national Census, the massive importation of foreign manufactured products has imposed a drain on Nigeria's scarce foreign exchange. Additionally, such importation fuels imported inflation. The falling performance of the manufacturing sector has also led to the closure of many manufacturing companies.

2. Statement of the Problem

This study focused on the relationship between asset management and organization's performance to see if asset management has any effect on organization's performance. The assets included in this study are the total assets belonging to the organization including its fixed assets, not just the current assets. This study assisted to conclude if poor asset management of Nigerian manufacturing companies over the years is the cause of their illiquidity and poor profit performance. For this reason, the interaction between asset management and financial performance of the organization is worth the research efforts to determine the direction and effects of this relationship among the Nigerian manufacturing industry from 2005 - 2014, using Ordinary Least Square regression as tool for data analysis.

3. Objectives

The general objective of this study was to determine the relationship between asset management and financial performance of listed manufacturing companies in Nigeria. The specific objectives included;

i. To examine the relationship between the Fixed Asset Management and financial performance of listed manufacturing companies in Nigeria.

ii. To determine the relationship between Cash Management and financial performance of listed manufacturing companies in Nigeria.

iii. To establish the relationship between Inventory Management and financial performance of listed manufacturing companies in Nigeria.

iv. To determine the relationship between Accounts Receivable Management and the financial performance of listed manufacturing companies in Nigeria.

4. Research Hypothesis

$H_{0:}$ There is no significant relationship between the fixed asset management and financial performance of listed manufacturing companies in Nigeria.

$H_{0:}$ There is no significant relationship between Cash Management and financial performance of listed manufacturing companies in Nigeria.

$H_{0:}$ There is no significant relationship between the Inventory Management and

financial performance of listed manufacturing companies in Nigeria.

H_0: There is no significant relationship between Accounts Receivable Management and the Financial Performance of listed manufacturing companies in Nigeria.

5. Research Gap

From the empirical literatures presented in previous studies, authors have studied the effect management of various types of assets (both current and non-current assets) has on the financial performance of firms and also the effect of working capital management on firms performance, conclusions and recommendations aiding further studies and also providing solutions have been made. Several studies often research mainly or only on the effects of current assets management and working capital management thereby excluding fixed asset management which also plays an important role in the long term survival of the firm. Therefore, this study will investigate, in holistic manner on the relationship between management of entire assets and the financial performance of listed manufacturing firms in Nigeria. The assets to be investigated are the total assets owned by the firm i.e. fixed and current assets.

6. Research Methodology

The research study is analytical in nature and involved testing of hypotheses quantitatively. The main strength of this research approach is that it provided a concise answer to the research questions through the collection and analysis of information that could be aggregated from secondary data which are verifiable. This offered an enhanced understanding of the relationships that existed among the variables. Therefore, for this research the identified population is 74 listed Manufacturing companies in Nigeria and on which their comprehensive Financial Statements will be obtained. For this study, secondary data was used which basically are the financial data for the years of study and strictly relevant to the constructs of the study. For instance, figures for Profit before tax, Net Book Value of Fixed Assets, Total Value of Current Assets and Current Liabilities, Cash Balances and others. The secondary data used was obtained from the organisations' Financial Statements for 10 year period covering 2005 to 2014 which was released for public consumption.

The study employed a Pearson's correlation analysis to show the direction of the relationship which exist between Dependent and the Independent Variables. Also, Linear Regression (Univariate and Multivariate) was executed to show the degree of the relationship between the dependent and independent variables.

7. Research Findings and Discussions

Descriptive Statistics of Study Variables

The study investigated effect of four conceptualized factors of asset management on the financial performance of listed manufacturing companies in Nigeria, namely fixed asset management, cash management, inventory management and account receivable management. The study extracted useful information from the financial statements of the companies. Table 1 displays the mean and standard deviation with corresponding normality data statistics for all constructs in the outer model. The normality of data is confirmed through the excess of Kurtosis over Skewness for each item of the construct which must be less or equal to +2 and greater or equal to -2. All the items used in this study met this criteria to depict the normalcy of the data used.

Table 1: Descriptive Statistics for Scales and Test of Univariate Normality

	Missing	Mean	Median	Min	Max	Standard deviation	Kurtosis	Skewness	Diff btw Kurt & Skewness = ≤+2 and≥-2
FAM 1	0	1.302	3	1	5	1.026	-0.863	-0.196	-0.667
FAM 2	0	3.88	4	1	5	1.072	-0.157	-0.759	0.602
FAM 3	0	3.71	4	1	5	1.132	0.241	-0.929	1.17
CM 1	0	3.929	4	1	5	0.921	0.118	-0.983	1.101
CM 2	0	3.946	4	1	5	1.134	0.34	-1.039	1.379
IM 1	0	3.946	4	1	5	1.134	0.34	-1.039	1.379
IM 2	0	3.946	4	1	5	1.134	0.34	-1.039	1.379

IM 3	0	3.946	4	1	5	1.134	0.34	-1.039	1.379
ARM 1	0	2.38	3	1	3	0.756	-0.866	-0.757	-0.109
ARM 2	0	2.397	2	1	3	0.632	-0.619	-0.562	-0.057
ROA_2005	0	4.197	4.16	2.78	5.2	0.802	-0.972	-0.333	-0.639
ROA_2006	0	4.04	3.71	3.02	6.23	0.88	-0.679	-0.562	-0.028
ROA_2007	0	3.914	4.11	3.02	5.9	0.743	-0.147	-0.757	-0.109
ROA_2008	0	4.667	4.85	2.98	4.21	0.89	-0.234	-1.039	1.368
ROA_2009	0	4.425	4.69	3.02	5.6	0.88	-1.095	-0.152	-0.938
ROA_2010	0	4.625	4.92	2.98	5.92	0.98	-0.939	-0.256	-0.683
ROA_2011	0	4.688	4.45	3.02	6.03	0.981	-0.923	-0.122	-0.801
ROA_2012	0	3.65	3.5	0.5	6.312	1.561	-1.235	-0.004	-1.231
ROA_2013	0	4.547	4.91	3.98	4.21	0.89	-0.204	-1.039	1.342
ROA_2014	0	4.94	3.01	2.77	5.23	0.48	-0.679	-0.528	-0.009

Inferential Statistics

Autocorrelation Test for Financial Performance (Test for dependence)

The study determined whether there was autocorrelation through calculation of Durbin – Watson statistic. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule of thumb, the residuals are uncorrelated is the Durbin-Watson statistic is approximately 2. A value close to 0 indicates strong positive correlation, while a value close 4 indicates strong negative correlation. The statistic has to lie between 1.5 and 2.5 to show that there is no autocorrelation (Cameron, 2005; Curwin & Slater, 2008; Garson, 2012). The hypothesis test was conducted whether there was evidence of autocorrelation given by H_0 and H_1, set $\alpha = 0.05$, the rule was to reject H_0, if p – value was less than α else fail to reject H0: (Garson, 2012).

 Where:

H_0: There was no evidence of autocorrelation

H_1: There was evidence of autocorrelation

The results of the test are shown in table 2, which indicate a Durbin –Watson coefficient (DWC) of 1.8379 with a p-value of 0.1845 in lag 1, DWC of 1.7293 with a p-value of 0.1561 in lag 2 , while in lag 3 , DWC 1.8094 and the p-value is 0.1246. Since Durbin –Watson coefficients were between 1.5 and 2.5 and p-value higher than 0.05 for lags 1-3, the study accepted the null hypothesis that there was no autocorrelation in the data residual. The study therefore concluded that there was no autocorrelation of the audit expectation gap. Thus, linear regression model was appropriate for this study. Ogundipe, Idowu and Ogundipe (2012) used Durbin – Watson test to determine whether there was autocorrelation in their data residuals. Since the ir calculated Durbin – Watson coefficient was between 1.5 and 2.5; they concluded that there was no autocorrelation in the data residuals.

Table 2: Durbin Watson test for Financial Performance

Lag	D.W. Statistic	p-value
1	1.8379	0.1845
2	1.7293	0.1561
3	1.8094	0.1246

Multicollinearity Test

From the results in table 3, inspection of the Variance Inflation Factors (VIFs) showed that multicollinearity was not a concern. No variable was observed to have VIF value above 10 and no tolerance statistic was below 0.100 as suggested by Hamilton (2006). This hence led to a conclusion that no predictor had a strong linear relationship with any of the predictor(s).

Table 3   Multicollinearity Test for the Study Variables

Variables	VIF	Tolerance	
Fixed Asset Management [FAM]	1.522	0.601	
Cash Management [CM]	1.145	0.733	
Inventory Management [IM]	1.323	0.892	
Account Receivable Management [ARM]	1.141	0.804	
Mean VIF	**1.282**		**0.76**

Correlation Analysis

Dependent variable is financial performance and the independent variables consist of Fixed Asset Management, Cash Management, Inventory Management and Account Receivable Management. The results in table 4 indicates that there is a strong positive correlation of 0.814 between fixed asset management and financial performance of listed manufacturing companies in Nigeria. The p value is actual 0.000 implying that the relationship is significant. This means that fixed asset management is a strong determinant of the financial performance of listed manufacturing companies in Nigeria.

The results in table 4 also indicates that there is a positive correlation of 0.941 between cash management and financial performance of listed manufacturing companies in Nigeria. The p value is actual 0.000 implying that the relationship is significant. This means that cash management is a strong determinant of the financial performance of listed manufacturing companies in Nigeria. Table 4 also shows that there is a positive correlation of .711 between Inventory Management and financial performance of listed manufacturing companies in Nigeria. The p value is actual 0.000 implying that the relationship is significant. This means that inventory management is a strong determinant of the financial performance of listed manufacturing companies in Nigeria. Finally, table 4 also shows that there is a positive correlation of .768 between Account Receivable Management and financial performance of listed manufacturing companies in Nigeria. The p value is actual 0.000 implying that the relationship is significant. This means that account receivable management is a strong determinant of the financial performance of listed manufacturing companies in Nigeria.

Table 4   Pearson Correlations

		FAM_M1	CM_M1	IM_M1	ARM_M1	ROA_M1
FAM_M1	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	74				
CM_M1	Pearson Correlation	-.110**	1			
	Sig. (2-tailed)	.005				
	N	74	74			
IM_M1	Pearson Correlation	.186**	.274**	1		
	Sig. (2-tailed)	.000	.000			
	N	74	74	74		
ARM_M1	Pearson Correlation	-.212**	.267**	.116**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	74	74	74	74	
ROA_M1	Pearson Correlation	.811**	.941**	.711**	.768**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	74	74	74	74	74

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table 4 shows the direction of the relationship that exists between each independent variables and dependent variable. The independent variables is Asset management measured by: Fixed asset management (FAM), Cash management (CM), Inventory management (IM) and Accounts receivable management (ARM) while the dependent variable is Financial performance measured by Return on assets (ROA). The table shows that fixed asset management has a positive relationship with Inventory management(.186) and return on asset (.811) while it has a negative relationship with cash management (-.110) and accounts receivable management (-.212). Cash management has a positive relationship with inventory management (.274), accounts receivable

management (.267) and return on assets (.941) while it has a negative relationship with fixed asset management (-.110). Inventory management has a positive relationship with fixed asset management (.186), cash management (.274) and return on assets (.711) while it has a negative relationship with accounts receivable management. Accounts receivable management has a positive relationship with cash management (.267), inventory management (.116) and return on asset (.768) while it has a negative relationship with fixed asset management (-.212).

Return on asset which is the measurement for the dependent variable has a strong positive relationship with all the measurements of the independent variable (0.811, 0.941, 0.711 and 0.768) which means that all these independent variables affect the dependent variable positively and strongly too. It is also evident that the relationship among independents variable is not strong. Therefore, multi-collinearity is not present in the data obtained for the Independent variables.

Regression Analysis

The linear regression analysis models the relationship between the dependent variable which is financial performance and independent variable which is fixed asset management. The coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between these two variables among listed manufacturing companies in Nigeria. The results of the linear regression in table 4.8 indicate that R^2 =0.658 and R = 0.811. R value gives an indication that there is a strong positive linear relationship between fixed asset management and the financial performance of listed manufacturing companies in Nigeria. The R^2 indicates that explanatory power of the independent variables is 0.658. This means that about 65.8% of the variation in financial performance is explained by the model FP = β_0 + β_1 (FAM) + ε and 34.2% is unexplained by the model. This means that fixed asset management has a strong influence on the financial performance of listed manufacturing companies in Nigeria.

Table 5 Model of Financial Performance and Fixed Asset Management

Model	R	R Square	Adjusted R Square
1	.811[a]	.658	.654

a. Predictors: (Constant), Fixed Asset Management

Table 6 shows the results of ANOVA test which reveal that fixed asset management has significant influence on financial performance of listed manufacturing companies in Nigeria since the P value is actual 0.000 which is less than 5% level of significance. This is depicted by linear regression model FP = β_0 + β_1 (FAM) + ε where FP is financial performance and FAM is Fixed Asset

Management. The P value was 0.000 implying that the model was significant. The study therefore rejected the first null hypothesis:

Ho: There is no significant relationship between fixed asset management and the financial performance of listed manufacturing companies in Nigeria.

Linear Regression Model of Financial Performance and Cash Management

The linear regression analysis models the relationship between the dependent variable which is financial performance and independent variable which is cash management. The coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between these two variables among listed manufacturing companies in Nigeria. The results of the linear regression in table 4.6 indicate that $R^2 = 0.886$ and $R = 0.941$. R value gives an indication that there is a strong positive linear relationship between cash management and the financial performance of listed manufacturing companies in Nigeria. The R^2 indicates that the explanatory power of the independent variables is 0.886. This means that about 88.6% of the variation in financial performance is explained by the model $FP = \beta_0 + \beta_2 (CM) + \varepsilon$ and 11.42% is unexplained by the model. This means that fixed asset management has a strong influence on the financial performance of listed manufacturing companies in Nigeria.

Table 6   Model of Financial Performance and Cash Management

Model	R	R Square	Adjusted R Square
1	.941[a]	.886	.883

a. Predictors: (Constant), Cash Management

Linear Regression Model of Financial Performance and Inventory Management

The linear regression analysis models the relationship between the dependent variable which is financial performance and independent variable which is inventory management. The coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between these two variables among listed manufacturing companies in Nigeria. The results of the linear regression in table 4.7 indicate that $R^2 = 0.506$ and $R = 0.711$. R value gives an indication that there is a strong positive linear relationship between inventory management and the financial performance of listed manufacturing companies in Nigeria. The R^2 indicates that explanatory power of the independent variables is 0.506. This means that about 50.6% of the variation in financial performance is explained by the model $FP = \beta_0 + \beta_3 (IM) + \varepsilon$ and 49.4% is unexplained by the model. This means that inventory management has a strong influence on the financial performance of listed manufacturing companies in Nigeria.

Table 7 Model of Financial Performance and Inventory Management

Model	R	R Square	Adjusted R Square
1	.711[a]	.506	.498

a. Predictors: (Constant), Inventory Management

Linear Regression Model of Financial Performance and Account Receivable Management.

The linear regression analysis models the relationship between the dependent variable which is financial performance and independent variable which is account receivable management. The coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between these two variables among listed manufacturing companies in Nigeria. The results of the linear regression in table 4.8 indicate that $R^2 = 0.59$ and R = 0.768. R value gives an indication that there is a strong positive linear relationship between account receivable management and the financial performance of listed manufacturing companies in Nigeria. The R^2 indicates that explanatory power of the independent variables is 0.59. This means that about 59% of the variation in financial performance is explained by the model $FP = \beta_0 + \beta_4 (ARM) + \varepsilon$ and 41% is unexplained by the model. This means that account receivable management has a strong influence on the financial performance of listed manufacturing companies in Nigeria.

Table 8   Model of Financial Performance and Account Receivable Management

Model	R	R Square	Adjusted R Square
1	.768[a]	.59	.582

a. Predictors: (Constant), Account Receivable Management

Multiple Regression Model of Financial Performance and Asset Management (Overall Model)

The linear regression analysis models the relationship between the dependent variable which is financial performance and independent variable which is Asset Management. The coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between these two variables among listed manufacturing companies in Nigeria. The results of the linear regression in table 4.8 indicate that $R^2 = 0.644$ and R = 0.803. R value gives an indication that there is a strong positive linear relationship between asset management and the financial performance of listed manufacturing companies in Nigeria. The R^2 indicates that explanatory power of the independent variables is 0.644. This means that about 64.4% of the variation in financial performance is explained by the model $FP = \beta_0 + \beta_1 (FAM) + \beta_2 (CM) + \beta_3 (IM) + \beta_4 (ARM) + \varepsilon$ and 35.6% is unexplained by the model. This means that asset management has a strong influence on the financial performance of listed manufacturing companies in Nigeria.

Table 9 Model of Financial Performance and Asset Management

Model	R	R Square	Adjusted R Square
1	.803[a]	.644	.641

a. Predictors: (Constant), Fixed Asset Management, Cash Management, Inventory Management and Account Receivable Management

Discussion of Findings

Firstly, the result of the study shows that there is significant and positive relationship between fixed asset management and the financial performance of the organization. This position is consistent with the study by Ani (2014) that found there is a significant association between fixed assets and the financial performance of the organization. However. Okelue (2012) in a research work concluded that investment in fixed asset does not have any strong and statistical impact on the profitability of brewery firms in Nigeria. This different position could be attributed to the different industries studied as some may be labor-intensive while the other is capital-intensive.

Secondly, the result of the study shows that there is significant and positive relationship between cash management and the financial performance of the organization. This result is consistent with the findings of previous studies (Yasir, Majid & Yousaf, 2014; Garanina & Petrova, 2015) that showed that there is inverse relationship between cash conversion cycle and financial performance of organizations. Hence the longer the cash-conversion cycle emanating from poor cash management, the lower the profitability level of the organization.

Furthermore, the result of the study shows that there is significant and positive relationship between inventory management and the financial performance of the organization. This result is consistent with the finding of previous study of Timothy, Patrick, Nebat and Virginia (2013) who examined the impact of inventory management practices on the financial performance of sugar manufacturing firms in Kenya and their finding shows that there exists a positive correlation between inventory management and Return on Sales (a financial performance indicator). Munyao (2015), in a similar study, succinctly brought the danger of ineffective inventory management as leading to incidences of overproduction, underproduction, excessive stocks, and stock-out of spare parts for machines, production bottlenecks and delays in delivery of raw materials with their consequential negative effect on profitability of the organisation.

Finally, the study shows that there is significant and positive relationship between account receivable management and the financial performance of the organization. This position was supported by the previous studies of Mbula, Memba and Njeru 2016 and Onodje 2014 where Receivable conversion period among others was used as a measurement of working capital and after the data analysis, receivables collection period was concluded to have a positive relationship

with financial performance which is also in conformity with the conclusion of the research conducted by Deloof, (2003).

8. Summary of the Study

The current research set out to investigate the relationship between asset management and the financial performance of listed manufacturing companies in Nigeria. Specifically the research investigated how fixed asset management, cash management, inventory management and account receivable management influence the financial performance of these companies in Nigeria. Relevant hypotheses were formulated, tested and results obtained. The result so obtained assisted in intelligent interpretations of the direction and significance of the relationships among the variables of the study.

Specific Objective 1: Relationship between fixed asset management and the financial performance of listed manufacturing companies in Nigeria.

The research results found that the fixed asset management has a significant and positive relationship with firm performance($r = 0.811$ and $p<0.05$).

Objective 2: Relationship between cash management and the financial performance of listed manufacturing companies in Nigeria.

The research results found that the cash management has a significant and positive relationship with firm performance($r = 0.941$ and $p<0.05$). Both the Univariate and Multivariate Regression Analysis are consistent about this relationship as their β of .889 and .209 obtained respectively are not equal to zero ($\beta \neq 0$) and recorded $p \leq 0.05$. Consequently, the study rejected the null hypothesis that there is no significant relationship between the cash management and the financial performance of listed manufacturing companies in Nigeria.

Objective 3: Relationship between inventory management and the financial performance of listed manufacturing companies in Nigeria.

The research results found that the inventory management has a significant and positive relationship with firm performance($r = 0.711$ and $p<0.05$).

Objective 4: Relationship between account receivable management and the financial performance of listed manufacturing companies in Nigeria.

The research results found that the account receivable management has a significant and positive relationship with firm performance($r = 0.768$ and $p<0.05$).

Conclusions

The overall objective of the study was to investigate the relationship between asset management and the financial performance of listed manufacturing companies in Nigeria. Several hypotheses were formulated based on the constructs of the Independent Variables in relations to the Dependent

Variables within Nigerian context. The study specifically seeks to explore various facets of asset management by looking at what constitute assets of manufacturing companies and their influence on the profitability potential of the organisation.

Based on the empirical evidences and results of the analysis, a number of logical conclusions were reached. The researcher concludes that there is a strong and positive relationship between all the constructs of asset management and the financial performance of listed manufacturing firms in Nigeria. This position was clearly shown through the inference statistics which confirmed the existence on significant relationship where their p-values obtained are less than 5% significant level.

Recommendations

Based on the investigations conducted and the findings of this study, the following recommendations are put forward by the researcher, for the effective asset management of listed manufacturing companies in Nigeria:

- The significant and positive relationship between fixed asset management and financial performance depicts that organization should pay premium importance to the management of its fixed assets in terms of high maintenance culture and good depreciation strategy to provide adequate funds for their replacement as and when necessary.

- The significant and positive relationship between cash management and financial performance depicts that organizations should pay attention to the management of their cash flows. The company should reduce the period between the time cash is paid out for raw materials and the time cash is recorded from sales of the company's product. This will provide funds for re-generation and increasing working capital of the firm there after.

- The significant and positive relationship between inventory management and financial performance depicts that an organization should run an effective and efficient inventory management so as to be able to positive affect its bottom-line.

- The significant and positive relationship between account receivable management and financial performance depicts that organizations should strive for a good account receivable management which will guarantee that good percentage of monies owed to the organization are collected and promptly too. Records of increasing bad debt value and provisioning for doubtful debts erode the financial capability of the organization.

REFERENCES

Achrol, R.V. (2011). Evolution of the marketing organization: New forms for turbulent environments. Journal of Marketing, Vol. 55, pp. 77-93.

Andaleeb, S.S. (2006), "An experimental investigation of satisfaction and commitment in marketing channels: the role of trust and dependence", Journal of Retailing, Vol. 36pp.77-93.

Anderson, E. &Weitz, (2009). *Determinants of management in conventional industrial channel dyad, Marketing Science, Vol. 9 No. 1, pp. 30-42.*

Anderson, E. &Weitz, B. (2012), *"The use of pledges to build and sustain commitment in distribution channels", Journal of Marketing Research, Vol. 29 No. 1, pp. 18-34.*

Anderson, J.C., Håkansson, H. & Johanson, J. (2014), *"Dyadic business relationships within a business network contact", Journal of Marketing, Vol. 58, pp. 1-15.*

Auruškevičienė, V and Palaima (2007). *Identification of key success factors in free economic zone development in Lithuania. Kauno technologijos universitetas,Vol. 71 No. 4,pp. 277–284*

Barratt, M. (2014), *"Understanding the meaning of collaboration in the supply chain", Supply Chain Management, Vol. 9 No. 1, pp. 30-42.*

Barratt, M. (2014), *"Understanding the meaning of collaboration in the supply chain", Supply Chain Management: An International Journal, Vol. 9 No. 1, pp. 30-42.*

Basheka, B. (2007) *"Advancing Public Procurement: Practices, Innovation and Knowledge Sharing", The case for Public Entities in Uganda: Paper presented at the 4th International Public Procurement Conference, October 21-23, Fort Lauderdale, Florida, USA.*

Berry, L.L. and Parasuraman, A. (2011), *Marketing Services: Competing through Quality, The Free Press, New York, NY.*

Brown, J.R., Lusch, R.F. and Nicholson, C.Y. (2005), *"Power and relationship commitment: their impact on marketing channel member performance", Journal of Retailing, Vol. 71 No. 4, pp. 363-92.*

Corsten, D. &Felde, J. (2005), *"Exploring the performance effects of key-supplier collaboration: an empirical investigation into Swiss buyer-supplier relationships",*

International Journal of Physical Distribution & Logistics Management, Vol. 35 No. 6, pp. 445-61.

Cronbach, L.J. (2011). *Coefficient alpha and the internal structure of tests, Psychometrika, Vol. 16, pp. 297-334.*

DenzinL.M, &Linkoln K., (2005)*"Understanding the meaning of collaboration in the supply chain", Supply Chain Management: An International Journal, Vol. 9 No. 1, pp. 30-42.*

Doney, P.M. & Cannon, JP. (2007). *An examination of the nature of trust in buyer-seller relationships, Journal of Marketing, Vol. 25 No. 2, pp. 22-37.*

Dwyer, F.R., Schurr, P.H. & Oh, S. (2007).*Developing buyer-seller relationships. Journal of Marketing, Vol. 51, pp. 11-27.*

Halleˊn, L., Johanson, J. &Seyed-Mohamed. N. (2011), *"Interfirm adaptation in business relationships", Journal of Marketing, Vol. 55 No. 2, pp. 29-37.*

Han, S.L., Wilson, D.T. &Dant, S.P. (2013), *"Buyer-supplier relationships today", Industrial Marketing Management, Vol. 22, pp. 331-38.*

Handfield, R.B. & Bechtel, C. (2012). The role of trust and relationship structure in improving supply chain responsiveness. Industrial Marketing Management, Vol. 4, pp. 367-82.

Heide, J.B. & John, G. (2010). Alliances in industrial purchasing: the determinants of joint action in buyer-supplier relationships", Journal of Marketing Research, Vol. 27 No. 1, pp. 24-36.

Johanson, J., Hallén, L. & Seyed-Mohamed, N. (2011) "Inter-firm adaptation in business relationships", Journal of Marketing, Vol. 55 No. 2, pp. 29-37.

Kent, J.L. & Mentzer, J.T. (2013).The effect of investment in inter organizational information technology in a retail supply chain. Journal of Business Logistics, Vol. 24 No. 2, pp. 155.

Kothari M., (2014), Social Science Research ; Theory and Principles. Nairobi, ARTS press.

Krause, D.R., Handfield, R.B. & Tyler, B.B. (2007),"The relationships between supplier development, commitment, social capital accumulation and performance improvement", Journal of Operations Management, Vol. 25 No. 2, pp. 528-45.

Krejcie, R.V& Morgan D.W (2006). Determining sample size for research activities. Education and Psychological measurement, Vol. 30, pp. 607-610.

Kim, S.K., Doney, P.M. & Cannon, JP. (2014). An examination of the nature of trust in buyer-seller relationships, Journal of Marketing, Vol. 25 No. 2, pp. 22-37

Lewicki, R.J., Mcallister, D.J. & Bies, R.J. (2008), "Trust and distrust: new relationships and realities", Academy of Management Review, Vol. 23 No. 3, pp. 438-58

Dyer, J.H. and Nobeoka, K. (2010), "Creating and managing a high-

Performance knowledge-sharing network: the Toyota case", Strategic Management Journal, Vol. 21 No. 3, pp. 345-67.

Ellram, L.M. (2005), "Partnering pitfalls and success factors", International Journal of Purchasing and Materials Management, Vol. 31 No.2, pp.36-44.

Fram, E.H. (2005), "Purchasing partnerships: the buyer's view", Marketing Management, Vol. 4 No.1, pp.49-55.

Harland, C. (2006), .Supply Chain Management: Relationships, Chains, and Networks. British Journal of Management, Vol. 7, pp.63-80.

Heide, J.B., John, G. (2010), "Alliances in industrial purchasing: the determinants of joint action in buyer-supplier relationships", Journal of Marketing Research, Vol. 27 pp.24-36.

Inayatullah, Rakesh Narain, and Amar Singh (2012) role of buyer-supplier relationship and trust on organizational performance. Delhi Business Review Vol13, pp.4 No 2

Johnston, D.A., McCutcheon, D.M., Stuart, F.I., Kerwood, H. (2014), "Effects of supplier trust on performance of cooperative supplier relationships", Journal of Operations Management, Vol. 22 pp.23-38.

Lambert, D.M., Emmelhainz, M.A., and Gardner, J.T. (2006), .Developing and Implementing Supply Chain Partnerships., The International Journal of

Logistics Management, Vol. 7, No. 2, pp.1-17.

Lee, H.L., Padmanabham, V., and Whang, S. (2007), .The Bullwhip Effect in Supply Chain. ,Sloan Management Review, Vol. 38, No. 3, pp.93-102.

Luo, Y. & Park, S.H. (2014). Multi-party co-operation and performance in international equity joint ventures. Journal of International Business Studies, Vol. 35, pp. 140-60.

Linkoln, Z.K. (2005) The role of marketing in supply chain management. International

Journal of Physical Distribution and Logistics Management, Vol. 30 No. 9, pp. 765-87.

Lusch, R.F. & Brown, J.R. (2006).Interdependency, contracting, and relational behavior in market channels. Journal of Marketing, Vol. 60. pp. 19-38.

Macbeth, D.K. & Ferguson, N. (2014). Partnership Sourcing: An Integrated Supply Chain Management Approach, Pitman, London.

Macneil, I.R. (2011). Economic analysis of contractual relations. Its shortfalls and the need fora 'rich classificatory apparatus. Northwestern University Law Review,

Vol. 75 No. 1, pp. 1018- 63.

Miller, D. & Shamsie, J. (2006), "The resource based view of the firm in two environments: the Hollywood film studios from 1936-1965", Academy of

Management Journal, Vol. 39 No. 3, pp. 519-43.

Min, S. & Mentzer, J. (2010). The role of marketing in supply chain management. International Journal of Physical Distribution and Logistics Management, Vol. 30

No. 9, pp. 765-87.

Mittal, V. & Kamakura, W.A. (2011). Satisfactions, repurchase intent, and repurchase behavior: investigating the moderating effect of customer characteristics. Journal of Marketing Research, Vol. 38 No. 1, pp. 131-142. 68

Moorman, C., Deshpande, R. & Zaltman, G. (2013). Factor affecting trust in market research relationships. Journal of Marketing, Vol. 57 No. 1, pp. 81-101.

Morgan, R. M. & Hunt, S. D. (2014). The Commitment-Trust Theory of Relationship Marketing. Journal of Marketing, 58, 20.

Muhwezi, M. (2014).Horizontal Purchasing Collaboration in developing Countries: Behaviour Issues: Journal of Global Business Issues Vol. 11, pp. 301-13

Mugenda, A.G. (2009). Social Science Research; Theory and Principles. Nairobi, ARTS press.

Myhr, N. &Spekman, R.E. (2005). Collaborative supply chain partnerships built upon trust and electronically mediated exchange. Journal of Business & Industrial Marketing, Vol. 20 No 5, pp. 179-86.

Narasimhan, R. & Nair, A. (2005). The antecedent role of quality, information sharing and supply chain proximity on strategic alliance formation and performance. International Journal of Production Economics, Vol. 96, pp. 301-13.

Ntayi. M .J.,Eyaa .S., Zeija . F &Gerrit.R. (2010).Contract enforcement in Uganda business transactions: the case for small and medium Entreprises. A report submitted to Trust Africa Investment Climate and Business Environment (ICBE) Research Fund.

Nunnaly,J.C. (2007), Psychometric Theory, New York: McGraw Hill Putnam, R. D.

(2013), "The prosperous community: Social capital &Public life", The American

Prospect, Vol.13, PP.35-42

Ramsay, J., 2006. The case against purchasing partnerships. International Journal of Purchasing and Materials Management, Vol. 53, pp. 301-13.

Rusbult, C.E. & Farrell, D. (2013). A longitudinal test of the investment model: the impact on job satisfaction and commitment, and turnover of variations in rewards, costs, alternatives, and investments. Journal of Applied Psychology, Vol. 63, pp. 429-38.

Ruyter, J.C. de, L. Moorman &J.G.A.M. Lemmink. (2011). Antecedents of commitment and trust in customer-supplier relationships in high technology markets. Industrial Marketing Management Vol30 No 3, pp. 271-286.

Sako, M., 2012. Prices, Quality and Trust – Inter-firm Relationships in Britain and Japan. Cambridge University Press, Cambridge UK

Selnes, F. & Gronhaug, K. (2000). Effects of supplier reliability and benevolence in business marketing. Journal of Business Research, Vol. 49 No. 3, pp. 259-71.

Simatupang, T. M., Sridharan, R. (2012). The collaborative supply chain. International Journal of Logistics Management, Vol13, pp. 15-30

Sousa, C.M.P. & Bradley, F. (2008). Antecedents of international pricing adaptation and export performance. Journal of World Business, Vol. 43 No. 3, pp. 307-20.

Spekman, R., Kamauff, J. &Myhr, N. (2008). An empirical investigation into supply chain management: a perspective on partnership. Supply Chain Management: An International Journal, Vol. 3 No. 2, pp. 53-67.

International Journal of Physical Distribution and Logistics Management, Vol. 30 No. 9, pp. 765-87.

Togar, M.S. & Sridharan, R. (2012). The collaborative supply chain. International Journal of Logistics Management, Vol. 13 No. 1, pp. 15-30.

Walter, A., Muller, T.A., Helfert, G., Ritter, T. (2013) "Functions of industrial supplier relationships and their impact on relationship quality", Industrial Marketing Management, Vol. 32,No. 1, pp. 159-169.

Weitz, B.A. & Jap, S.D. (2005), "Relationship marketing and distribution channels", Journal of the Academy of Marketing Science, Vol. 23 No. 4, pp. 305-20.

Wilson, D. (2005), "An integrated model of buyer-seller relationships", Journal of Academy of Marketing Science, Vol. 23, Fall, pp. 335-45.

World Bank (WB) (2015). Electronic Government Procurement (e-GP): World Bank Draft Strategy. Washington, DC: Author.