

INTELLECTUAL CAPITAL, ASSETS MANAGEMENT AND FINANCIAL PERFORMANCE OF LISTED CONSUMER GOODS COMPANIES IN NIGERIA

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Abstract

Financial performance is very important for the success of any profit making organization. It is one of the element that attracts the attention of investors, hence, the need to be maximize. Despite the attention gain in finance theory, the results of the studies on the relationship between assets management and financial performance remain inconsistent and inconclusive. Thus, this study examined the moderating effect of intellectual capital on the relationship between assets management and financial performance of listed consumer goods companies in Nigeria. Adopting correlation research design and agency theory, the data collected from annual reports and accounts of the sampled companies for the period of five (5) years (2016-2020) were analyzed using both descriptive and inferential statistics. The study revealed that fixed assets turnover and inventory turnover have positive and significant effect on return on assets of the companies, while account receivables turnover has negative but significant influence on return on assets. Furthermore, intellectual capital was found to have positively and significantly moderated the relationship between assets management and financial performance of the companies. This implies that, listed consumer goods companies that invest high in human and structural capital perform financially better than its counterpart through effective and efficient utilization of companies' assets and minimization of agency cost. Hence, the study recommended that, for the listed consumer goods companies in Nigeria to improve their financial performance, they should improve investment in both human and structural capital.

Keywords: Assets management, Consumer goods Company, Financial performance, Intellectual capital, Nigeria

1. Introduction

The major concern of any company is to maximized owners wealth. This can be achieved through effective and efficient asset management. Asset management is concerned with the efficient utilization of the organization's investment in both physical and financial asset to guarantee profit maximization (Oluwaremi & Memba, 2016). The availability and efficient utilizations of assets is vital to the performance of an organizations. These assets are mobilized to enhance corporate

performance. The ability of the management to garner resources and effectively and efficiently utilized is reflected in the performance of the company. Several studies have examined the effect of assets management on financial performance of firms in both developed and developing countries. However, the results remained inconsistent (Seng, 2011; Purba & Bimantara, 2019).

The studies such as Oluwaremi and Memba (2016) examined the relationship between assets management and firm performance of listed manufacturing companies in Nigeria. The findings of the study indicated a positive and significant relationship between asset management and the financial performance of listed manufacturing companies in Nigeria. Akinleye and Dadebo (2019) assessed assets utilizations and performance of manufacturing firms in Nigeria. The empirical results revealed that asset turnover has positive and significant effect on return on assets of the selected manufacturing firms. Current assets ratio also revealed to have positive and significant effect on return on assets, while debt ratio has negative but insignificant effect on return on assets.

Conversely, studies such as Enekwe et al. (2013) which examined the relationship between assets management and profitability of the Nigerian Pharmaceutical industry over the past eleven (11) years period from 2001- 2011. The result of the analysis showed a negative relationship between assets management variables with the profitability in the Nigerian pharmaceutical industry. In the same vein, Vintila and Nenu (2015) in their study of an analysis of determinants of corporate financial performance of 46 sampled companies listed on the Bucharest Stock Exchange in Romania from 2009-2013 periods. The results of the study showed that corporate performance was adversely affected by current assets management, but based on market approach, performance was negatively correlated with total assets.

Given these empirical evidence, Seng (2011) and Purba and Bimantara (2019) suggested that there is a need to find an empirical evidence of the possibility of a moderating factor on the relationship between assets management and firm performance. Thus, the motivation of this study to adopt intellectual capital and examined its interactive effect on the relationship between assets management and financial performance of the listed consumer goods company in Nigerian.

According to Nassar (2018), intellectual capability of the personnel in the organization plays a significant role in value creation in today's economies and organizations. Organizations in developed countries such as United States of America, United Kingdom, China and Germany, which are knowledge-based

economies, have moved to the maximization of knowledge assets rather than tangible and financial assets to enhance its competitive advantages (Hamdan, 2017). Companies in these countries, in order to enhance employee's performance and skills, they embark on training, research, and development. They also invest in customer and supplier relations, technology, and information systems. Such actions, which are often referred to as intellectual capital investments, are increasing day by day compared to physical and financial investments. Such shift in investment behavior is attributable to the increasing attention to knowledge-based economies (Stewart, 2002; Zeghal & Maaloul, 2010).

However, less attention has being given to the role of intellectual capital in enhancing corporate performance in emerging and developing countries, given the rate of corporate failures in these countries (Braendle et al., 2017). Furthermore, the few studies conducted such as Hamdan (2017) provided an evidences that supported the relationship between intellectual capital and firm's performance, but negates any of its interactive effect with assets management on financial performance. Therefore, this study examined the moderating effect of intellectual capital on the relationship between assets management and financial performance of listed consumer goods companies in Nigeria.

To achieve this objective, the study formulated the following null hypotheses and were tested at 5% significant level.

- H01:** Fixed assets management has no significant effect on financial performance of listed consumer goods companies in Nigeria.
- H02:** Inventory turnover management has no significant effect on financial performance of listed consumer goods companies in Nigeria.
- H03:** Account receivables management has no significant effect on financial performance of listed consumer goods companies in Nigeria.
- H04:** Intellectual capital has no significant moderating effect on the relationship between assets management and financial performance of listed consumer goods companies in Nigeria.

This study adds to the literature by observing the effect of assets management and financial performance with intellectuals' capital as moderator. The assets management considered were physical assets and financial assets, while using returns on assets as a measure of financial performance. It empirically provided the evidence on the view that corporate performance is define by the level of corporate investment in assets and the efficient and effective utilization of those assets.

2. Literature Review

According to Fatihudin et al. (2018), financial performance is the financial achievement of the company over a certain period covering the collection and allocation of finance measured by capital adequacy, liquidity, solvency, efficiency, leverage and profitability. Performance is the bottom-line for every organization, business and non-business alike. It is essential because non-performance can spell failure. This study, however, focuses on financial performance of firms. The question this study attempts to answer is whether the management of assets could affect financial performance of a firm at a given intellectual capital of a firm. Financial performance is a subjective measure of how well a firm can use assets from its primary and non-primary modes of business and generate revenues (Investopedia, 2015). The term, financial performance, is also used as a general measure of a firm's overall financial health over a given period of time, and can be used for cross sectional analysis. Financial performance refers to the act of performing financial activity. Hence, this study viewed financial performance as the degree to which financial objectives of an organization is being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms.

Magara et al. (2015) state that financial performance is measured to give the account of stewardship by the management to shareholders. The key aspect of this involves measuring the profitability, market value and growth prospect of a company. The accounting measures examines the nature of the relationship between some indicators of the corporate performance with the company's profitability obtained from the accounting information such as the historical audited financial statements of the respective companies.

It is commonly used as an indicator of a firm's financial health over a given period of time. The financial performance of a firm can be measured in various ways including profitability, market share growth, return on investment, return on equity and liquidity (Mochklas & Teguh, 2018). Hence, based on the study of Purba and Bimantara (2019) that return on assets (ROA) is the most acceptable measure of financial performance when compared with assets management. Furthermore, ROA measure the ability of the management to effectively and efficiently utilized firms' assets to generate revenue. Therefore, this study, measured financial performance using return on assets (ROA). This ratio identifies the level of profitability and it measures the return on total assets after interest and taxes which shows the performance of management in using company assets to generate profits.

According to Oluwaremi and Memba (2016), asset refers to organizations' resources such as financial investments and physical investment. Hence, Pandey (2010) define asset management as the efficient utilization of the organization's investment in both physical, financial and human asset to guarantee profit maximization objective of the firm. The main objective of assets management is to enhance corporate performance. Assets management involves fixed asset management, financial investments management, and accounts receivables management as well cash and cash equivalents management. This focus on streamlining the asset planning process, improving the quality of asset management reports, budgeting optimally between capital works, maintenance, and renewals so as to meet the greatest need, aligning the organization for tighter operational execution in relation to strategic goals, keeping stakeholders, analysts, and executives better informed of the organization's operational status, and ensuring the organization's infrastructure investments are being used to their maximum efficiency and effectiveness (ICMA, 2017). It determine how effective and efficient assets are used by management (Purba & Bimantara, 2019), thus, deals with the financial health of a company and it also plays important role in maximizing the shareholders wealth. 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 (Oluwaremi & Member, 2016).

Therefore, Nassar (2018) insists that, the success of operations of a firm is determined to a large extent by the method of administration of its numerous assets such as physical, financial and human assets. It requires continuous management to maintain proper level in various components of the assets, and efficient utilization of those assets. Hence, the role of intellectual capital in moderating the relationship between physical assets, financial assets and return on assets is paramount.

To measure assets management, Purba and Bimantara (2019) were of the view that, the efficiency of the utilization of the entity's assets can be appropriately measured using capital employed efficiency, which consist of fixed assets turnover ratio, inventory turnover ratio, and receivables turnover ratio. These ratios measure the efficiency with which the entity has manage its fixed assets, inventory, and account receivables. Hence, the adoption of these ratios as the proxy of assets management for this study.

According to Nassar (2018), concepts like intellectual capital, intellectual assets, knowledge assets, and intangible assets can be used interchangeably. Hence, Mavridis defined intellectual capital as an intangible asset with the potential to create value for the enterprise and the society itself (Mavridis, 2005). Martinez and

Meca (2005) stated that knowledge, information, intellectual property and experience that can be used to create wealth can be regarded as intellectual capital. Hence, Kamath (2006) argued that the intellectual capital of a firm is perceived as a potential strategic asset to measure both tangible and intangible assets. Itami (1991) indicated that intangible assets are invisible assets that include a wide range of activities such as technology, consumer trust, brand image, corporate culture and management skills. Wang (2011) defined intellectual capital as all the elements of a business enterprise that exist in addition to working capital and tangible assets. They are the elements that make business work and are often the primary contributors to the earning power of an enterprise. Hence, knowledge, information, and experience are the most important factors in value creation. Therefore, this study believes that intellectual capital would have a significant moderating effect on the relationship between assets management and financial performance of the companies.

2.1 Empirical Review

Corporate entities have come to know the potential financial benefits of improved assets management. Several studies in the developed and developing nations have discovered that enhancing efficiency in the use of corporate resources brings not only cost effectiveness but also significant financial benefits. Hence, some of the empirical studies conducted are reviewed as follows.

Anton et al. (2021) investigated the relationship between working capital management and firm profitability of 719 Polish listed firms over the period of ten (10) years (2007-2016). Adopting quantitative approach and using ordinary least squares, fixed effects, and panel-corrected standard errors models, the study reported an inverse relationship between working capital management and firm profitability. However, the study conducted by Hakim (2020) on how working capital management packages (WCMPs) lead to higher financial performance. The data set consisted of 589 U.S. listed manufacturing firms during the fiscal period 2012-2019. The study was done by combining fuzzy set qualitative comparative analysis and panel data regression. In all, 11 effective WCMPs were found to be positively associated with high financial performance.

Hussain et al. (2020) examined the interaction effect of macroeconomics indicators, and working capital flows on financial performance in a developing economy. Using the static and dynamic approach of panel analysis, the study revealed that, interest rate and average payable days had adverse effects on firm performance, while conversion cycle of cash had negative relationship, but it reverses its actions

after using interest rate interaction. Furthermore, the study reported negative relationship with gross profit in the simple regression exchange rate and cash conversion cycle while using the second interaction variable with the cash conversion cycle, has positive effects. Thus, the study concluded that the higher the exchange rate the higher the cash conversion length, and increase in financial performance. Thus, companies that can pay early to payable will get higher firm performance while exchange rate and the interest rate have a significant role in changing the firm performance.

Purba and Bimantara (2019) assessed the influence of assets management on financial performance of 6 listed companies in Indonesia over a period of five (5) years from 2013-2017. Using panel data regression analysis to analyze the panel data, the result of the study revealed a positive and significant influence of fixed assets turnover on return on assets of the companies over the period of the study. Furthermore, the result of this study was corroborated by the study of Akinleye and Dadebo (2019) which examined the effect of assets utilization on performance of selected manufacturing firms in Nigeria. Secondary data were collected from the annual report and accounts of ten selected quoted firms for a period of five years spanning from 2012 to 2016. Data collected were analyzed using descriptive statistics, correlation and regression analyses. The results of the analyses revealed that fixed asset turnover and current assets ratio have positive and significant effect on return on assets of the selected manufacturing firms, while debt ratio has negative but insignificant effect on return on assets. The overall coefficient of determination showed that about 85% of the total variation in the ROA was explained by fixed asset turnover, current ratio and debt-assets ratio.

In their study, Cheptoo and Kibati (2018) examined the effect of assets performance management on the profitability of Deposit Taking SACCOs in Nakuru, County, Kenya. Using explanatory research design, the required data was collected from 112 branch and operation managers of Deposit Taking SACCOs through structured questionnaire, and was analyzed using regression analysis. The research findings indicated a significant and positive relationship between loan performance, fixed assets management, financial investments management, and accounts receivables management and profitability of Deposits Taking SACCOs in Nakuru Town. In another study, Oluwaremi and Memba (2016) assessed the relationship between asset management and the financial performance of 74 listed manufacturing firms in Nigeria over a period of ten (10) years (2005-2014). Using regression analysis to analyze the data collected, the findings of the study shows a significant and positive relationship between asset management and the financial performance.

Various finance theories were applied in the previous studies to examine the relationship between assets management and financial performance of an entity. Few of the theories mentioned by Zephaniah and Dabari (2020) includes the Pecking order theory, Trade-off theory, Agency theory, and the Market-timing theory. Therefore, this study adopted agency theory to explain the relationship between intellectuals' capital, assets management, and financial performance of listed consumer goods companies in Nigeria.

Agency theory was introduced during the 1970s by Jensen and Meckling (1976) as a new economic theory of the firm, which sought to determine the form of contracts that would maximize shareholder utility. The theorist view the principal-agent contract between shareholders and managers as primary. However, the key assumption of the theory is that the interests of principal and agent diverge, hence, two problems exist in the relationship, such as conflicting goals, and different propensities to accept risk (Jones, 1995). This might results to moral hazard and adverse selection. Moral hazard exists due to lack of effort on the part of the agent. Adverse selection exists when the agent does not behave in the manner preferred by the principal (Heath & Norman, 2004). This implies that diverse of interest in company could result to dissimilar influence on the profitability, since the modern firms undergo separation of possession and control. According to Nassar (2018), for the firm to effectively minimize agency problem, and efficiently utilize the organizational assets that would maximize corporate performance, intellectual capital plays a vital role in moderating management behavior. This was based on the premise laid by Iazzolino and Laise (2013) that, the differences in the rate of intellectual capital of firms determine the differences in firms' performance as the result of efficient assets management. Thus, the proposition that, intellectual capital has a significant and positive moderating effect on the relationship between corporate assets management and financial performance. Therefore, this study believed that, agency theory is an appropriate finance theory that explained the concept of assets management, intellectual capital, and firms' performance.

3. Methods and Models

The study adopted correlation research design to define the structure and strategy of the study. The target population was nineteen (19) listed Nigerian consumer goods companies as at 31st December, 2020. All the nineteen (19) listed companies were used as the sample using census sampling techniques. This was considered appropriate since the population is equal to the sample. The study covered the period of five (5) years from 2016 to 2020. This period was considered appropriate as was the preceding years that the federal government of Nigeria emphasized on

economic diversification, hence the consumer goods companies’ needs to improve their financial performance to meet up with government policies. The data collected were analyzed using both descriptive and inferential statistics.

Intellectual capital (IC) was measured using value added intellectual coefficient (VAIC) developed by Public (2002). This was based on the view of Nassar (2018), that VAIC is the most appropriate measure of IC as the index is form from appropriate component of IC such as human capital efficiency (HCE), structural capital efficiency (SCE), and capital employed efficiency (CEE). This view was confirmed by the studies such as Zeghal and Maaloul (2010), that VAIC is the most effective measure of IC, hence the adoption in this study.

The models developed to evaluate the moderating effect of intellectuals (VAIC) capital on the relationship between fixed assets turnover (FAT), inventory turnover (IVT), and account receivables turnover (ACT) on return on assets (ROA) of the listed consumer goods companies in Nigeria are presented as follows:

$$ROA_{it} = \beta_0 + \beta_1FAT_{it} + \beta_2IVT_{it} + \beta_3ACT_{it} + \beta_4VAIC_{it} + \mu_{it} \dots \dots \dots i$$

$$ROA_{it} = \beta_0 + \beta_1FAT_{it} + \beta_2IVT_{it} + \beta_3ACT_{it} + \beta_4VAIC_{it} + \beta_5FAT_{it} * VAIC_{it} + \beta_6IVT_{it} * VAIC_{it} + \beta_7ACT_{it} * VAIC_{it} + \mu_{it} \dots \dots \dots ii$$

Table 1: Variable identification and measurement

Label	Variables	Descriptions	Sources
ROA	Return on assets	Profit before tax (PBT) divided by the total assets of the company	Zephaniah & Joel (2020)
FAT	Fixed assets turnover	Totals sales in a year divided by total fixed assets	Oluwaremi & Memba (2016)
IVT	Inventory turnover	Total sales divided by average inventory	Yahaya et al. (2015)
ACT	Account receivable turnover	Credit sales divided by trade receivables	Purba & Bimantara (2019)
VAIC	Value added intellectual capital	Value added intellectual coefficient	Wang (2011); Nassar (2018)

Value added intellectual capital (VAIC) index

According to Pulic (2000), intellectual capital (IC) is the company's intellectual ability, which presents how efficiently knowledge transformed into value. Thus, he suggested VAIC method as one of the most appropriate measurements of IC performance at all organizations.

This index composed of three aspects of intellectual capital such as Human Capital Efficiency (HCE), Capital Employed Efficiency (CEE), and Structural Capital Efficiency (SCE).

Human Capital (HC) include the cost of investment in employees' knowledge such as training cost, R&D cost, wages and salaries ((Bozbura, 2004). It explain the intellectual abilities, experiences, and competence of workers, which are not reflected in the financial statements.

Structural capital (SC) is considered as a non-human stock of knowledge, that includes information technology, trademarks, patents, and plans, which can be represented by databases, software, hardware, and organizational structures (Al-Zoubi, 2013). Hence, VAIC is mathematically presented as:

$$VAIC_{ij} = \frac{VA_{ij}}{HC} + \frac{SC_{ij}}{VA} + \frac{CEE_{ij}}{VA}$$

Where: VAIC = Value added intellectual capital index of company j

VA = Value added of a company j in a year i

HC = Human capital cost of company j in a year i

SC = Structural capital cost of company j in a year i

CEE = Book value of a firms' j net assets in a year i

Furthermore, in order to ensure that, the data collected was normally distributed, and there was no problems of multicollinearity and autocorrelation, the diagnostic test was carried. This was conducted using Durbin-Watson test statistics, Pearson moment correlation, and variance inflation factor (VIF), and tolerance coefficient.

4. Results and Discussion

The results of the analyses of the data are presented in tables. It consists of the result of diagnostic test, descriptive statistics and regression analyses. Multicollinearity cases can be discovered and handled by eliminating the affected variables. To detect the existence of multicollinearity among the independent variables, correlation and Durbin-Watson test statistics were adopted and applied and the results are presented in Table 2.

Table 2: Correlation matrix

Variables	FAT	IVT	ACT
FAT	1		
IVT	0.312	1	
ACT	0.023	0.121	1

Durbin-Watson Test = 1.263

Source: STATA Output, 2021

The result of correlation analysis in Table 2 shows that the data collected does not present any multicollinearity problems, since the highest absolute value of 31.2 percent is the relationship between inventory turnover (IVT) and fixed assets turnover (FAT) which is below the threshold of 80 percent (Gujarati, 2008). The absence of autocorrelation is confirmed by Durbin Watson test result of 1.263 which is less than 2 (Adefila, 2014).

Moreover, variance inflation factor (VIF) was also employed to test the possible existence of multicollinearity. According to Hair et al. (1995) there is no problem of multicollinearity if the VIF of explanatory variables is less than 5 and the tolerance coefficient is greater than 0.10. The result of the VIF is presented in Table 3.

Table 3: Result of variance inflation factor (VIF)

Variables	Variance inflation factor (VIF)	Tolerance (1/VIF)
FAT	2.093	0.4778
IVT	3.609	0.2771
ACT	1.582	0.6321

Source: STATA Output, 2021

The result of the VIF in Table 3 indicates that the highest VIF is 3.609 and the highest tolerance coefficient is 0.6321. Moreover, the lowest VIF is 1.582 and the lowest tolerance coefficient is 0.2771. Therefore, the result of VIF and tolerance coefficient indicate that there is no unacceptable level of multicollinearity among the study variables, confirming that there is no need for concerned about multicollinearity issue.

Table 4: Descriptive statistics

Variables	Mean	Standard Deviation	Minimum values	Maximum values
ROA	0.073	0.210	0.228	0.359
FAT	0.250	0.431	0.020	0.611
IVT	0.140	0.105	0.00	0.491
ACT	0.050	0.192	0.011	0.397

Source: STATA Output, 2021

The result in Table 4 revealed that the maximum percentage of ROA of the companies during the study is 35.9 percent, the minimum of 22.8 percent, and an average of 7.3 percent which revealed a moderate range of the companies' financial performance. The result further indicates that, the average value of fixed assets turnover (FAT) is 25.0 percent with the minimum of 2.0 percent and maximum of 61.10 percent. However, inventory turnover (IVT) of the companies stood at an average of 14.0 percent, with a maximum of 49.1 percent and the minimum of 0.00 percent. The average account receivable turnover (ACT) is 5.0 percent, maximum of 39.7 percent and minimum of 1.1 percent.

Multi-regression analysis was employed to analyze the data collected. It was undertaken to examine the effect of assets management on financial performance; and also to analyze the moderating effect of intellectual capital on the relationship between assets management and financial performance of the listed consumer goods companies in Nigeria. The results of the analyses is in Table 5.

Table 5: Regression results

Variables	Model 1		Model 2	
	Coefficient	p-value	Coefficient	p-value
Intercept	0.328	0.017	0.234	0.002
FAT	0.282	0.027	0.323	0.045
IVT	0.197	0.022	0.112	0.008
ACT	-0.223	0.023	2.363	0.025
VAIC	0.319	0.010	0.413	0.001
FAT*VAIC			0.318	0.000
IVT*VAIC			0.218	0.003
ACT*VAIC			0.163	0.000
	R ² = 0.721	Adj. R ² = 0.571	R ² = 0.850	Adj. R ² = 0.800

Source: STATA Output, 2021

The result of regression analysis presented in Table 5 shows a co-efficient of determination (R²) of model 1 of 72.1 percent and Adjusted R² of model 1 of 57.1 percent. This implies that the proxies of assets management included in model 1 accounted for 57.1 percent of the variation in return on assets of the companies under the study, while 42.9 percent was to be accounted for by the other factors not included in the model. The p-value of model 1 of 0.017 at 5 percent significant level is significant. Hence, model 1 is significant and therefore, has a good predictive and explanatory power.

In respect to the relationship between assets management proxies and return on assets; the result in Table 5 model 1 shows that fixed assets turnover and inventory

turnover have positive and significant relationships with return on assets of the companies under the study, while account receivables turnover has negative but significant effect on return on assets. These results corroborated the study of Purba and Bimantara (2019), Akinleyes and Dadepo (2019), and Hakim (2020), who in different studies reported a positive and significant relationship between fixed assets turnover and return on assets, and inventory turnover and return on assets. Thus, it implies that, effective and efficient utilization of fixed assets and inventory will positively and significantly improve financial performance of the companies. Furthermore, it confirmed the main argument of this study that, effective and efficient assets management will enhance financial performance of companies. However, it is contrary to the result of the study conducted by Anton et al. (2021) which reported negative relationship between fixed assets management, inventory management, and return on assets.

Likewise, the result shows that increase in account receivables will negatively affects profitability of the companies. This result is contrary to the expectation of this study, however, it confirms the findings of the study of Anton et al. (2021) who also reported a negative relationship between account receivables and financial performance of Polish listed firms.

Furthermore, the moderator, intellectual capital (IC) was introduced in model 2 to examine its interactive effect on the relationship between assets management and financial performance. The result of the analysis revealed that, intellectual capital has positive and significant relationship with financial performance of the companies. It also positively and significantly moderated the relationship between fixed assets turnover, inventory turnover, account receivables turnover and return on assets of the companies. This is confirmed by the regression result presented in Table 5 model 2, where the value of R^2 increased from 72.1 percent to 85 percent and the Adjusted R^2 from 57.1 percent to 80 percent, thus confirmed the conclusion of the studies such as Arslan and Zaman (2015) and Braendle et al. (2017) that, firms which invest high in intellectual assets perform financially better than its counterpart who invested less or not in intellectual capital. Thus, the conclusion that, intellectual capital has a positive and significant moderating effect on the relationship between assets management and financial performance of the listed consumer goods companies in Nigeria.

5. Conclusion and Recommendations

Given the findings of this study, it reveals that, fixed assets turnover and inventory turnover have positive and significant effect on return on assets of the listed consumer goods companies in Nigeria over the period of the study. However, account receivables turnover shows a negative but significant effect on returns on assets. Hence, the conclusion that assets management has a significant effect on financial performance of the companies. In the same vein, intellectual capital has positively and significantly moderated the relationship between assets management and financial performance of the companies. Thus, the conclusion that companies that invest high in structural and human capital perform financially better than others through effective and efficient utilization of companies' assets and minimization of agency cost.

Therefore, this study recommended that, for the listed consumer goods companies in Nigeria to maximize their financial performance through effective and efficient assets management, the companies should invest more in human capital and structural capital. This can be done through improve employees' knowledge, intellectual abilities, experiences and competence through training, research and development, and improve in wages and salaries. Furthermore, the companies should invest more in information technology, trademarks, and patents which can be represented by databases, software, hardware, and organizational structures which remains after employees leave the company.

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