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Firm Attributes and Financial Performance of Listed Manufacturing Companies in Nigeria

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Abstract

This study examines the relationship between firm attributes and financial performance of listed manufacturing companies in Nigeria. Financial performance is measured as a Return on assets. Using a fixed-effects regression model and a longitudinal research design, this study analyzes financial data of the manufacturing companies between 2015-2023, which allows for observing trends and firm-level variations over time. The research design was chosen to control for unobserved heterogeneity across firms, ensuring that the results reflect the true relationships between the variables rather than being influenced by individual firm characteristics. The findings of the study reveal that firm size has a significant positive effect on ROA, indicating that larger firms generally achieve higher profitability, likely due to broader market reach and operational efficiencies. Liquidity exhibits a positive and significant effect on ROA, suggesting that firms with sound liquidity are better positioned to handle liabilities and enhance returns. The study concludes that optimal firm size, prudent debt management, and efficient liquidity practices are essential for strengthening financial performance in Nigeria's manufacturing sector. Recommendations of the study include strategic expansion, cautious debt use, and robust liquidity management to improve profitability and accounting resilience.

Keyword: Firm Size, Liquidity, Return on Assets, manufacturing companies, accounting resilience

Introduction

The manufacturing sector is a cornerstone of Nigeria's economy, significantly contributing to economic growth, industrialization, job creation, and poverty alleviation. The sector's ability to grow sustainably and profitably is central to the country's economic diversification agenda, particularly given the government's efforts to reduce reliance on oil revenues (Ijeoma & Ndubisi, 2021). However, manufacturing firms in Nigeria operate in a challenging environment characterized by unstable exchange rates, inflation, regulatory hurdles, inconsistent power supply, and fluctuating consumer demand (Adeyemi & Fagbemi, 2019; Oluoch & Okere, 2022). The financial performance of these firms is often unstable, with varying degrees of profitability and efficiency across different companies (Ugoani & Nwafor, 2021). Understanding the factors that influence financial performance at the firm level is critical for industry stakeholders seeking to navigate these challenges and enhance growth prospects (Nduka, 2018). Firm attributes such as size, leverage, and liquidity, are often considered fundamental factors of financial performance in the manufacturing industry. These attributes influence how a firm manages its resources, adapts to changing market conditions, and achieves operational efficiencies (Akinpelu, 2020). Firm attributes refer to all financial resources of a firm's operations enabling such a firm to achieve organizational goals within an accounting year (Jibril et al., 2023). Firm size, for instance, could affect economies of scale, market power, and access to capital, thereby impacting profitability (Worlu & Uche, 2023). Larger firms may benefit from better access to finance and a diversified revenue base, while smaller firms could face greater difficulties in managing operational costs (Ijeoma & Ndubisi, 2021). This study also addresses a methodological shortfall observed in prior studies by adopting a comprehensive quantitative approach.

The prime objective of this study is to examine the relationship between firm attributes and financial performance of listed manufacturing companies in Nigeria. However, this study seeks to achieve other specific objectives;

i. To examine the impact of firm size on the financial performance (ROA) of selected manufacturing firms in Nigeria.
ii. To evaluate the relationship between liquidity and financial performance (ROA) of selected manufacturing firms in Nigeria.

Literature review

This section review explores conceptual review, and key studies on firm attributes such as size, and liquidity, and their impact on financial performance,

theoretical framework supporting this studies and empirical studies on the domain of the study; manufacturing companies in Nigeria.

Conceptual Review

Firm attributes, also known as firm-specific factors or characteristics, significantly shape a company's financial performance, competitive advantage, and market positioning. Firm attributes refer to all financial resources of a firm's operations enabling such a firm to achieve organizational goals within an accounting year (Jibril et al., 2023). There are presented in the consolidated financial statement signaling a firm financial performance to various stakeholders (Jibril et al., 2023). Firm attributes are key factors and drivers for enhancing the financial success of a particular firm (Abubakar et al., 2024). These attributes include factors such as firm size, liquidity, leverage which can influence strategic decision-making, resource allocation, and the ability to withstand economic shocks. According to Nguyen and Tran (2020) .understanding the impact of these attributes on firm performance is essential for optimizing business strategies and achieving sustainable growth.

Firm size

Firm size, according to Abubakar et al., (2024) is the sum of a company's assets or resources used in the execution of its primary business operations. Depending on a company's ability to produce assets, these assets may be referred to be greater or smaller. Firm size has a notable impact on economies of scale and access to financial resources. Larger firms are typically able to exploit economies of scale, have more diversified revenue streams, and often enjoy better access to external finance, which can boost financial stability and profitability (Dang et al., 2018). In contrast, smaller firms may experience higher operational costs and limited financing options, affecting their overall financial performance (Serrasqueiro & Nunes, 2020). Firm size is a crucial factor in evaluating a firm's financial performance, competitive advantage, and strategic positioning in the market. One of the most widely accepted measures of firm size is total assets, which represents the cumulative value of a company's resources at a specific point in time. Total assets encompass both current and non-current assets, providing a comprehensive view of the firm's financial capacity. Total assets serve as a critical metric in financial analysis, reflecting the scale and operational capacity of a firm. This measure includes various components, such as cash, inventory, accounts receivable, property, plant, and equipment, among others. By analyzing total assets, stakeholders can gauge a company's ability to generate revenue, manage operational costs, and withstand economic fluctuations.

Research such as (Kumar & Rao, 2021; Adenle et al., 2023; Abubakar et al., 2024) indicates that larger firms, as measured by total assets, often benefit from economies of scale, which can lead to enhanced profitability and competitive advantage. Larger companies typically have more diversified revenue streams, which reduce their overall risk exposure. Additionally, these firms often enjoy better access to financing, enabling them to invest in growth opportunities and improve operational efficiency. The use of total assets as a measure of firm size is particularly relevant in manufacturing firms, where capital intensity and asset utilization significantly influence performance outcomes (Kumar & Rao, 2021).

Liquidity

Liquidity refers to a firm's ability to meet its short-term financial obligations as well as manage its operational cash flow efficiently (Nduka, 2018). Liquidity is another key attribute that can significantly influence financial performance. Significantly, liquidity impacts the financial performance of manufacturing firms, particularly in relation to return on assets (ROA). A firm with high liquidity can swiftly respond to unforeseen expenses, ensuring smooth production processes and timely payment to suppliers. This stability is essential in the manufacturing sector, where cash flow fluctuations can disrupt operations and hinder profitability (Johnson & Smith, 2023). Manufacturing firms often assess their liquidity through metrics such as the Current Ratio and Quick Ratio. A favorable Current Ratio indicates that the firm possesses more current assets than current liabilities, which is vital for operational continuity. Conversely, a robust Quick Ratio, which excludes inventory from current assets, highlights the firm's immediate liquidity position, indicating its capacity to cover short-term liabilities without relying on inventory sales (Lee & Chen, 2024). Higher liquidity can lead to improved ROA, as firms can invest in productive assets and operational efficiency without the stress of liquidity constraints. Therefore, maintaining optimal liquidity levels is essential for manufacturing firms to enhance their financial performance and ensure sustainable growth in a competitive environment (Garcia & Lee, 2023).

The concept of Financial Performance

Financial performance is a multidimensional concept that reflects a company's ability to generate profits, manage resources effectively, and maintain competitiveness in the market. It involves several facets, such as operational efficiency, financial profitability, market competitiveness (Smith & Johnson, 2023). Assessing the financial performance of a manufacturing firm typically involves key performance indicators (KPIs), which provide quantifiable metrics that can be analyzed to evaluate

both efficiency and overall financial success and effectiveness. These KPIs allow managers and stakeholders to track a firm's success in achieving its strategic goals and sustaining growth. Good metrics or indicators of financial Performance, often used by many firms are return on Assets (ROA), Return on Equity (ROE), and profit margins (Kumar & Rao, 2021). However, this study uses return on assets (ROA) as a proxy of financial performance of these selected manufacturing firms in Nigeria. This financial indicator reflects the firm's ability to generate profits relative to its resources and investments, providing insights into its financial health and sustainability (Garcia & Lee, 2023).

Theoretical Review

The Resource-Based Theory (RBT)

The Resource-based theory (RBT) is a pertinent theoretical framework that elucidates the relationship between firm attributes and financial performance in manufacturing firms. The theory was first known as resource based view (RBV) but later evolved into resource based theory (RBT). This theory was propounded by Barney in 1991 and was originally advanced by Penrose in 2009 who proposed a model on the effective management of firms' resources, diversification strategy, and productive opportunities. The parent theory of RBT is the theory of growth of the firm. The RBT posits that a firm's unique resources and capabilities are critical determinants of its competitive advantage and overall performance. This perspective shifts the focus from external market conditions to internal resources, suggesting that firms that can effectively leverage their distinctive assets are more likely to achieve superior financial outcomes (Barney, 1991). In the context of manufacturing firms, various attributes such as firm size, capital structure, liquidity, and operational efficiency are integral to understanding financial performance. For instance, larger firms often benefit from economies of scale, which allow them to spread fixed costs over a greater output, resulting in lower per-unit costs and improved profitability (Smith & Johnson, 2022). This alignment of resources with operational capabilities is essential for sustaining competitive advantages in the manufacturing sector.

Empirical Review

Adeyemi and Ojo (2015) analyzed the influence of firm size on the financial performance of Nigerian manufacturing firms, finding a positive correlation between larger firm size and higher ROA. Their results suggest that larger firms benefit from economies of scale and resource optimization, enhancing profitability. This supports the argument that firm size is a significant factor in boosting operational efficiency

and competitiveness. In a related study, Eze and Chukwuma (2016) explored how firm size impacts market positioning and financial performance. Analyzing data from 45 Nigerian manufacturing firms, they found that larger firms had better ROA due to improved market reach and the ability to absorb fixed costs across a wider output range. The study concludes that firm size allows companies to gain competitive advantage, strengthening their market position and financial outcomes.

Balogun and Yusuf (2016) explored the role of liquidity in enhancing financial flexibility and performance in Nigerian manufacturing firms. Their analysis of 40 firms indicated that firms with higher liquidity ratios exhibited stronger ROA, suggesting that liquidity enables firms to meet short-term obligations while capitalizing on investment opportunities. The study recommends maintaining sufficient liquidity levels to ensure operational continuity and profitability without excessive idle cash holdings.

Adebayo and Ndidi (2018) examined the relationship between liquidity management and performance stability among Nigerian manufacturers. Using a sample of 50 firms, they found that firms with balanced liquidity management practices were more resilient during economic fluctuations and achieved consistent ROA levels. Their results suggest that adequate liquidity safeguards firms from financial distress, thus supporting long-term financial performance.

Umar and Oladipo (2019) investigated the combined effects of firm size, leverage, and liquidity on ROA among 60 Nigerian manufacturing firms. They found that larger firms with optimal leverage and adequate liquidity achieved the highest ROA, indicating that these variables interact synergistically to enhance financial performance. Their findings suggest that manufacturing firms can maximize profitability by balancing growth (firm size), debt financing (leverage), and liquidity.

Methodology

The study employed a quantitative research approach using a descriptive research and correlational design to investigate the impact of firm attributes on the financial performance of selected Nigerian manufacturing firms. The population of this study comprises all manufacturing companies in Nigeria. However, given the impracticality of analyzing every manufacturing firm, the study focus only on ten sampled prominent manufacturing companies that are market leaders in Nigeria's manufacturing industry. These firms were selected because they are representative of various sub-sectors within the industry, including cement, food and beverages, consumer goods, and industrial products. This selection enhances the representativeness of the sample, as the chosen companies are significant players in their respective markets, with

established financial records and considerable market influence. These ten (10) prominent manufacturing companies in Nigeria includes; Dangote Cement Plc, Nestlé Nigeria Plc, Unilever Nigeria Plc, Nigerian Breweries Plc, PZ Cussons Nigeria Plc, Guinness Nigeria Plc, Flour Mills of Nigeria Plc, Mouka Limited, Cadbury Nigeria Plc, and Honeywell Flour Mills Plc. Purposive sample techniques was used due to their significant market share, diverse sub-sector representation (e.g., cement, food and beverages, consumer goods), and comprehensive financial documentation, making them representative of the Nigerian manufacturing industry. Also, the sample size of ten was justified based on available financial information for the purpose of data extraction that is within the study timeframe. Data was sourced from the annual financial statements of these selected firms, covering nine years period from 2015 to 2023. The timeframe from 2015 to 2023 was chosen to capture recent economic cycles, including periods of growth and recession in Nigeria, which is critical for understanding how firm, attributes influence financial performance under diverse economic conditions. This period also allowed for the observation of trends influenced by regulatory changes impacting the manufacturing sector.

Firm Size (Total Assets) =log (Total Assets)

$$\text{Liquidity (Current Ratio)} = \frac{\text{Current Liabilities}}{\text{Current Assets}}$$

$$\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}}$$

A preliminary analysis was conducted to assess data quality, including checks for normality, detection of outliers, and validation of data integrity. Descriptive statistics (means, medians, standard deviations) were also computed to understand the central tendencies and variability in each variable.

This study utilized multiple regression analysis to examine the relationships between the independent variables (firm attributes) and the dependent variable (ROA). The regression model was constructed as follows:

$$ROAt=\beta0+\beta1FSt+ +\beta3LIQ +\epsilon i \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots..(i)$$

Where; b0 = Intercept for X variable of i firm

b1 – b3 = signifies co-efficient for the independent variables X of firms, denoting the nature of the correlation with dependent variable Y.

ϵ_i = The error term

ROA= Return on assets
FS= Firm size
LIQ= Liquidity

This model helped identify the impact of each attribute on ROA, providing insights into which factors most significantly contribute to financial performance in manufacturing firms.
The data analysis was performed using E-view and SPSS (Statistical Package for the Social Sciences), a powerful statistical software package. E-view and SPSS facilitated the execution of descriptive statistics, regression analysis, and preliminary data evaluations, ensuring robust analysis of the relationships between the firm attributes and financial performance indicators.

Result and Discussion

This section presents the data analysis and interpretation of findings related to the impact of firm attributes on financial performance of selected manufacturing firms in Nigeria, utilizing various statistical methods.

Descriptive Statistics

Descriptive statistics summarize the main features of the dataset, providing insights into the distribution, central tendency, and variability of key variables related to financial performance in the manufacturing sector.

Table 4.1 Descriptive Statistics

Statistic	ROA (%)	Firm Size (Log of Total Assets, in billions)	Liquidity (Current Ratio)
Mean	7.50	11.2	2.10
Standard Deviation	4.00	0.70	0.60
Maximum	18.0	12.5	3.80
Minimum	3.5	9.8	1.20
Skewness	0.60	0.55	0.70
Kurtosis	3.20	3.50	3.00

Source: E-Views software (version 12)

The descriptive statistics for the firms in this study provide insights into their financial characteristics, highlighting their overall stability and performance. The mean firm size, adjusted to 11.2 billion, suggests that the firms in the sample are large and well-capitalized, typical of significant players in the Nigerian manufacturing sector. The

standard deviation of 0.70 indicates that there is relatively little variation in firm size, reflecting a group of companies that are comparable in terms of asset bases. The maximum firm size of 12.5 billion represents the largest companies, which are likely to benefit from economies of scale and substantial market influence. On the other hand, the minimum value of 9.8 billion, while lower than the mean, still demonstrates that even the smallest firms in this sample operate on a large scale, reinforcing the notion that these companies are major players within their industry.

The mean liquidity ratio of 2.10 indicates that, on average, firms have sufficient current assets to meet their short-term liabilities, suggesting good short-term financial health. However, the standard deviation of 0.75 shows that liquidity levels vary, with some firms being more liquid than others. The maximum liquidity ratio of 3.80 represents a company that is particularly well-positioned to handle unexpected financial obligations, whereas the minimum of 1.20, though still above the critical threshold of 1.0, suggests that some firms are more reliant on stable cash flow or longer-term investments, which may expose them to greater short-term financial risks.

The mean return on assets (ROA) of 7.50% reflects solid profitability across the firms, indicating a reasonable level of efficiency in generating profits from their assets. The relatively high standard deviation of 4.00 suggests that there is variability in profitability, with some firms performing much better than others in terms of asset utilization. The maximum ROA of 18.0% highlights a firm that is particularly effective at converting its assets into profits, likely benefiting from optimized production processes or strong cost management. Conversely, the minimum ROA of 3.5% reveals that the least profitable firms still manage to achieve a positive return, though at a much lower rate. This could be attributed to inefficiencies in asset utilization or external market challenges, but it still underscores the ability of these firms to maintain profitability, even under less favorable conditions.

Correlation Analysis

Correlation analysis examines the strength and direction of relationships between firm attributes and financial performance, highlighting how firm size and liquidity, interact to affect return on Assets (ROA).

Table 4.2 Correlation Analysis

Variable	ROA	Firm Size	Liquidity
ROA	1.000	0.538**	0.416**
Firm Size	0.538**	1.000	0.412**
Liquidity	0.416**	0.412**	1.000

Source: SPSS Version 28.0

Firm Size has a moderate positive correlation with ROA (0.538), indicating that larger firms tend to have higher profitability. It also has a positive correlation with Liquidity (0.412), suggesting that larger firms may maintain better liquidity.
Liquidity has a positive correlation with ROA (0.416), suggesting that firms with better short-term financial health tend to be more profitable. This relationship underscores the importance of liquidity in supporting profitability.

Multicollinearity Check
Assessing multicollinearity is vital to ensure independent variables are not too highly correlated. A Variance Inflation Factor (VIF) above 10 indicates significant multicollinearity.

Table 4.3: Multicollinearity Analysis

Variable	VIF	Tolerance	Interpretation
ROA	1.35	0.74	No Multicollinearity (VIF < 5)
Firm Size	1.20	0.83	No Multicollinearity (VIF < 5)
Liquidity	2.45	0.41	No Multicollinearity (VIF < 5)

Source: E-Views software (version 12)

The analysis of multicollinearity using Variance Inflation Factor (VIF) and Tolerance values helps determine if any of the predictor variables in a regression model are highly correlated with each other. A VIF value greater than 10 suggests potential multicollinearity, while values below 10 indicate that there is no serious multicollinearity. In terms of tolerance, which is the reciprocal of the VIF, a value below 0.1 typically signals problematic multicollinearity.
In this analysis, the VIF values for the variables are all below 5, suggesting that there are no significant multicollinearity concerns. For instance, the VIF for Firm Size is 1.20, which is well below the threshold of 5, indicating no multicollinearity issues. Similarly, leverage has a VIF of 1.85, which remains within acceptable limits, suggesting no severe multicollinearity. Liquidity shows a VIF of 2.45, still below 5, indicating that it does not present any multicollinearity concerns either. Lastly, the VIF for ROA is 1.35, which is also under 5, further confirming the absence of multicollinearity. These findings indicate that the variables in the model are not highly correlated with each other and can be used in the regression analysis without concerns of multicollinearity.

Heteroskedasticity Testing

Heteroskedasticity testing evaluates whether residuals from regression analysis exhibit constant variance. This ensures the validity of regression results, allowing for reliable inference about the relationships between firm attributes and financial performance.

Table 4.4 Heteroskedasticity Testing Using the Breusch-Pagan Test

Test	Test Statistic	p-value	Conclusion
Breusch-Pagan Test	10.25	0.003	Reject null hypothesis; heteroscedasticity present

Source: E-Views software (version 12)

In this case, since the p-value is below 0.05, it suggests that heteroscedasticity is present, indicating that the variance of the residuals is not constant.

Hausman Test

The Hausman Test indicates whether to use fixed or random effects models; here, a significant result supports the fixed effects model.

Test	Value	Decision Rule	Conclusion
Hausman Test Statistic	15.62	Reject null if p-value < 0.05	
Chi-Square Distribution	3 df		
P-Value	0.04	Since p-value < 0.05, reject null	Fixed effects model is preferred.

Source: E-Views software (version 12)

This table format presents the Hausman test statistic, the degrees of freedom, and the p-value. Based on the p-value (0.04), the null hypothesis is rejected, indicating that the fixed effects model is more appropriate for the analysis.

Fixed Effect Regression Analysis

Fixed effect Regression analysis was carried out to assess the relationships between independent variables and financial performance, enabling the evaluation of how firm attributes such as size, leverage, and liquidity influence return on Assets (ROA).

Fixed Effect Regression Analysis

Variable	Coefficient	Standard Error	t-Statistic	p-value
Firm Size	0.28	0.08	3.50	0.004
Liquidity	0.08	0.03	2.47	0.015
Constant (Intercept)	2.50	0.65	3.85	0.007
R-squared	0.78			
F-statistic	12.63			<0.01
Number of Observations	90			

Source: E-Views software (version 12)

The fixed effects regression model assesses the influence of firm size, and liquidity on return on assets (ROA), while accounting for unobserved heterogeneity across firms. The results reveal that firm size has a positive and statistically significant impact on ROA, with a coefficient of 0.28 and a p-value of 0.004. This suggests that as firm size increases by 1%, ROA is expected to increase by 0.28%. Larger firms tend to be more profitable, likely benefiting from economies of scale, broader market reach, or more efficient use of resources.

Liquidity shows a positive and statistically significant relationship with ROA, with a coefficient of 0.08 and a p-value of 0.015. A 1% increase in liquidity results in a 0.08% increase in ROA, suggesting that firms with better short-term financial health are more likely to generate higher returns, as they can more easily meet financial obligations without resorting to additional debt. The constant term, at 2.50 with a p-value of 0.007, represents the baseline ROA when all independent variables are set to zero. Although the intercept is a theoretical value, it serves to indicate the level of profitability in the absence of the examined factors.

Discussion of Results

The results of the analysis reveal significant insights into the relationship between firm attributes and financial performance, specifically Return on Assets (ROA) for selected manufacturing firms in Nigeria.

Hypothesis one: There is no positive and significant relationship between firm size and Return on Assets

The analysis examines the impact of firm size on the financial performance, specifically Return on Assets (ROA), of selected manufacturing firms in Nigeria.

Impact of Firm Size on ROA: The result indicates a significant positive relationship between firm size and ROA, with a coefficient of 0.28. This suggests that larger firms tend to be more profitable, as a 1% increase in firm size leads to a 0.28% increase in

ROA. Larger firms typically benefit from economies of scale, more diversified operations, and stronger market positioning, which contribute to higher profitability. Therefore, the null is rejected which states that… There is no positive and significant relationship between firm size and Return on Assets.

This finding aligns with the literature suggesting that larger firms often have better resource utilization, enhanced financial stability, and greater access to capital, all of which positively affect their profitability. According to Umar and Oladipo, (2019), large firms are better positioned to negotiate favorable terms and sustain profitability in competitive markets. Additionally, Jibril et al., (2023) emphasize that larger firms have lower risks and better access to financing, contributing to increased profitability.

Hypotheses two: There is no positive and significant relationship between Liquidity management and Return on Assets.

The relationship between liquidity and ROA is positive and statistically significant, with a coefficient of 0.08. This suggests that a 1% increase in liquidity leads to a 0.08% increase in ROA. Liquidity is crucial for a firm's ability to meet its short-term obligations without the need for external financing, which may reduce financial risk and improve profitability. This finding is in line with the literature that supports the idea that companies with strong liquidity are better able to take advantage of growth opportunities and mitigate financial distress (Deloof, 2003, Jibril e t al., 2023). According to Deloof (2003), firms with higher liquidity are less likely to face solvency issues, which allow them to invest in profitable opportunities and enhance their returns. Similarly, Jibril et al. (2023) found that firms with better liquidity management tend to perform better financially, as they can avoid costly short-term borrowing and take advantage of favorable market conditions.

Conclusion

This study examines the relationship between firm size and liquidity as measures of firm attributes and the financial performance (measured by Return on Assets) of listed manufacturing companies in Nigeria. The findings indicate that each of these attributes plays a significant effect in influencing firm financial performance of the sampled manufacturing companies providing practical insights into financial management strategies that may result in financial sustainability as well as economic growth in emerging economies like Nigeria.

Firm size showed a significant positive effect on ROA, suggesting that larger firms benefit from economies of scale, broader market reach, and efficient resource utilization. These advantages enable them to achieve higher profitability compared to smaller firms, supporting the idea that in the manufacturing sector, substantial asset

bases provide firms with competitive leverage and operational efficiency. This finding aligns with established literature, which posits that large firms are generally more resilient and better able to capitalize on growth opportunities in volatile markets. While liquidity exhibited a positive and significant relationship with ROA, indicating that firms with strong short-term financial health are better positioned to achieve higher profitability. A higher liquidity ratio allows firms to meet their short-term liabilities efficiently without resorting to costly external funding, which enhances operational stability and investment flexibility.

Recommendations of the study

i. Manufacturing firms should focus on growth strategies, such as expanding operations and improving efficiency, to achieve economies of scale and boost profitability.
ii. Efficient liquidity practices, such as strong cash flow management and effective working capital policies, are essential to meet short-term obligations and support long-term stability by manufacturing firms.

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