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Effect of Firm Attributes on Shareholders' Wealth of Nigerian Listed Manufacturing Companies

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ABSTRACT

This study investigates the factors influencing shareholders' wealth in Nigerian listed manufacturing companies, focusing on profitability, liquidity, capital structure, and corporate governance. Adopting a quantitative research design with an experimental approach, the study employs an ex post facto methodology to analyze the financial performance and governance practices of listed manufacturing companies on the Nigeria Exchange Group from 2012 to 2022. The research population comprises 25 listed consumer goods firms, selected through purposive sampling based on data completeness to ensure robustness and reliability of findings. The study finds that profitability and liquidity did not exhibit statistically significant relationships with shareholders' wealth. However, capital structure and corporate governance practices emerged as critical determinants. Higher debt levels relative to equity were associated with lower shareholders' wealth, highlighting the importance of prudent financial leverage. Stronger corporate governance practices significantly correlated with higher shareholders' wealth, emphasizing the role of transparent and effective governance frameworks in enhancing firm performance and investor confidence. Based on these findings, recommendations are made to optimize capital structure, enhance corporate governance practices, focus on profitability and efficiency, and monitor liquidity management to foster sustained shareholder wealth in Nigerian manufacturing companies.

Keywords: Shareholders' Wealth, Profitability, Liquidity, Capital Structure, Corporate Governance

1. INTRODUCTION

Shareholders' wealth, representing the level of investment and returns on equity stakeholders' stakes in a firm, is foundational and critical to the existence of limited liability companies. The importance of maximizing shareholders' wealth has been extensively argued by scholars. Mustapha, et al. (2023) posits that shareholder value is the primary goal of a company, even though other stakeholders have claims on it. This underscores the necessity of value-based management to support value creation concepts and address essential issues for business owners (Aina and Jacob, 2024).

Shareholders' wealth and its maximization depend on various factors, commonly referred to as firm attributes or characteristics. These attributes can be internal or external to the firm. Academic studies offer varied perspectives on the meaning and components of corporate business characteristics, including liquidity, firm size, growth, interest coverage ratio, profitability, risk, tangibility, and investment opportunity (Samuel, et al. 2022). Other factors such as a profit attribute, liquidity attribute, capital structure attribute, and corporate governance attribute also play significant roles (Yahaya, 2022). This suggests that firm attributes significantly influence the maximization of shareholders' wealth.

This study examines the firm attributes of Nigerian listed manufacturing companies, focusing on profit attribute, liquidity attribute, capital structure attribute, and corporate governance attribute. These attributes were selected for their direct impact on financial performance and their relevance to the operational and strategic management of firms. Profit attribute is crucial for indicating the firm's earning ability and financial health. Liquidity attribute reflects the firm's ability to meet short-term obligations, thus ensuring operational continuity. Capital structure attribute relates to the mix of debt and equity financing, influencing both the risk and return profile. Corporate governance attribute encompasses practices that ensure accountability and transparency, which are vital for investor confidence and sustainable growth. These attributes were chosen contrary to other studies that might emphasize a broader or different set of characteristics (Jubri and Idris, 2022; Manurung, 2022; Samuel et al., 2022; Akenroye et al., 2022; Mustapha et al., 2023), as they provide a focused and practical understanding of how firm-specific factors directly affect shareholders' wealth in the context of Nigerian manufacturing companies.

The current study on the effect of firm attributes on shareholders' wealth of Nigerian listed manufacturing companies aims to address several critical gaps identified from recent research in

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related fields. Firstly, while Samuel et al. (2022) and Akenroye et al. (2022) focus on specific financial metrics and broader firm traits respectively, the current study expands the scope to include a comprehensive set of attributes such as profitability, liquidity, capital structure, and corporate governance. This broader approach ensures a more holistic understanding of how these factors collectively impact shareholder wealth in the consumer goods sector, which differs significantly from the financial sector dynamics explored by Mustapha et al. (2023). Moreover, Jubri and Idris (2022) and Manurung (2022) provide contrasting perspectives on the differential impacts of firm size, liquidity, and governance across different sectors, suggesting a need for sector-specific analyses within Nigeria's market context. Additionally, insights from Nwaorgu and Iormbagah (2021), Owolabi et al. (2021), and Efuntade et al. (2020) underscore varying governance effects and firm attribute impacts on financial performance, highlighting the importance of sector-specific nuances in understanding shareholder wealth dynamics. By integrating these perspectives, the current study aims to fill gaps in literature by providing a nuanced exploration of how specific firm attributes uniquely contribute to shareholder wealth in Nigerian manufacturing companies.

Shareholders, particularly equity shareholders, play a critical role in companies, contributing to governance, financial support, and decision-making. Maximizing their wealth is essential, reflecting management's focus on enhancing value for business owners. This study examines how firm attributes (profitability, liquidity, capital structure, and corporate governance) affect shareholders' wealth in Nigerian listed manufacturing companies. It aims to provide insights into the factors influencing market value and shareholder returns, emphasizing the balance between short-term gains and long-term growth strategies

2. REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

Shareholders' Wealth

Shareholders' wealth represents the present value of the expected returns that shareholders will receive from their investments in a company. These returns can be realized through stock price appreciation or increased dividend payments (Aina and Jacob, 2024). Defined as the present value of the expected future returns to the owners (shareholders) of the firm, these returns can take the form of periodic dividend payments and/or proceeds from the sale of stock. Shareholders' wealth is typically measured by the market value of the firm's common stock.

The market price of the company's common stock reflects shareholders' wealth, which is influenced by the company's investment, financing, and dividend decisions (Mustapha, et al., 2023). The primary goal of management is to maximize shareholders' wealth, translating into

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maximizing the value of the company as measured by the price of its common stock. Key factors influencing shareholders' wealth include growth in sales, improvement in profit margins, capital investment decisions, and capital structure decisions. Management should consider the long-term impact on the firm when making decisions aimed at maximizing shareholders' wealth, rather than focusing solely on short-term effects. For instance, a firm could boost short-term earnings and dividends by cutting research and development expenditures, but this might not be sustainable in the long run.

Profitability Attribute

The profitability attribute is a crucial indicator of a company's ability to utilize its assets efficiently to generate profit and value for its shareholders. Profitability ratios, such as Return on Assets (ROA), measure a company's ability to generate earnings relative to its costs over a specific period. ROA, calculated by dividing net income by total assets, reveals how effectively a company is using its resources to produce earnings. A higher ROA indicates more efficient asset management, leading to greater profitability. For Nigerian listed manufacturing companies, understanding and analyzing profitability ratios is essential as they reflect the companies' operational efficiency and their capability to maximize shareholder wealth (Jubri and Idris, 2022; Manurung, 2022).

In the context of Nigerian listed manufacturing companies, the profitability attribute is particularly significant due to the competitive market environment. These firms must efficiently manage their assets to generate substantial returns for shareholders. High profitability ratios not only indicate current financial health but also influence future growth prospects and investment opportunities. By focusing on profitability, companies can ensure they are leveraging their asset potential to the fullest, thereby enhancing shareholder value. Analyzing profitability provides stakeholders with insights into the company's cost management and operational effectiveness, allowing for more informed investment decisions and strategic planning aimed at long-term sustainability.

Liquidity Attribute

The liquidity attribute is a vital measure of a company's ability to meet its short-term obligations, such as debt and other payables. In this study, it is proxied by the current ratio, a widely used liquidity ratio that assesses a company's capacity to pay off short-term liabilities with its short-term assets. The current ratio is calculated by dividing total current assets by total current liabilities. This ratio provides insights into how well a company can use its assets to cover its debts due within a year, thus indicating the firm's financial stability and operational efficiency (Samuel et al., 2022; Akenroye et al., 2022).

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For Nigerian listed manufacturing companies, the liquidity attribute is especially important given the dynamic and often volatile market conditions. A strong current ratio signifies that a company has enough assets to cover its short-term liabilities, which is crucial for maintaining creditor confidence and operational continuity. By maximizing current assets to meet current obligations, these companies can ensure smooth business operations and avoid financial distress. Analyzing the liquidity attribute provides investors and analysts with a clear picture of the company's short-term financial health, enabling more accurate assessments of its ability to sustain operations and fulfill its debt commitments.

Capital Structure Attribute

The capital structure attribute refers to the mix of debt and equity financing a company uses to fund its operations and growth. This attribute is critical because it impacts a firm's risk profile, cost of capital, and financial flexibility. A well-balanced capital structure ensures that a company can optimize its financing costs while maintaining sufficient leverage to enhance returns on equity (Mustapha et al., 2023). For Nigerian listed manufacturing companies, the capital structure is a key determinant of financial health and sustainability. By effectively managing the proportion of debt and equity, these companies can achieve a favorable balance that supports growth initiatives and mitigates financial risk. This study examines how capital structure decisions influence shareholders' wealth, highlighting the importance of strategic financing choices in maximizing firm value.

Corporate Governance Attribute

Corporate governance is defined by the Cadbury Report (1992) as the system by which companies are directed and controlled. It involves balancing the interests of various stakeholders, including shareholders, management, customers, suppliers, financiers, government, and the community. Effective corporate governance ensures that a company operates transparently and ethically, fostering trust and accountability. For Nigerian listed manufacturing companies, robust corporate governance practices are essential for maintaining investor confidence and achieving long-term success. This attribute encompasses the mechanisms, processes, and relations through which the company is managed and controlled. By focusing on corporate governance, this study aims to understand how governance practices impact shareholders' wealth, emphasizing the role of transparency, accountability, and stakeholder engagement in enhancing firm value.

2.2 Empirical Studies Review

The current study on Nigerian listed manufacturing companies reveals several conceptual and industry-specific gaps compared to Aina and Jacob's (2024) research on financial policies in Nigerian insurance firms. Conceptually, while Aina and Jacob focus on specific financial policies

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like dividend payout and debt-to-equity ratios, the current study widens the scope to include broader firm attributes such as profitability, liquidity, capital structure, and corporate governance. This conceptual expansion highlights a gap in comparative analysis across different sectors within Nigeria's capital market, particularly in understanding how diverse internal factors distinctly influence shareholder wealth. Industry-specifically, the current study provides insights into the consumer goods sector, contrasting with Aina and Jacob's exclusive focus on the insurance sector. This industry-specific gap suggests opportunities for cross-sectoral comparisons to identify sector-specific drivers of shareholder wealth in Nigeria's dynamic market environment. Addressing these gaps could enrich the understanding of shareholder wealth dynamics and contribute to more robust policy implications and strategic recommendations for stakeholders in Nigeria's capital market.

The studies by Mustapha et al. (2023), Kok et al. (2023), and Adenle et al. (2023) collectively contribute diverse perspectives on firm attributes and their implications for shareholder wealth and financial performance, providing valuable insights for comparative analysis within the context of Nigerian listed manufacturing companies. Mustapha et al. focus on Nigerian listed deposit money banks, highlighting capital adequacy, credit risk, return on equity, and cost efficiency as crucial factors influencing share prices. Their findings underscore the importance of financial sector dynamics but contrast with the broader scope of firm attributes, including profitability, liquidity, capital structure, and corporate governance, explored in the current study on manufacturing companies. Kok et al., examining Malaysian firms, emphasize the governance factors of board independence and leverage, revealing nuanced impacts on firm performance based on size and profitability. Their research underscores variations in corporate governance effects across different organizational contexts, providing a comparative backdrop for understanding governance dynamics in Nigeria's consumer goods sector. Adenle et al., focusing on Nigerian consumer goods firms, introduce the moderating role of leverage on the relationship between board independence, board gender diversity, firm size, and return on assets (ROA). Their study highlights the significant positive effects of board independence and firm size on ROA, with leverage enhancing these relationships. Integrating these insights into the current study enriches comparative analyses and industry-specific understanding, facilitating a comprehensive exploration of shareholder wealth drivers and governance impacts in Nigeria's diverse market segments.

The current study on the effect of firm attributes on shareholders' wealth of Nigerian listed manufacturing companies identifies several conceptual and industry-specific gaps compared to recent research in related fields. Samuel et al. (2022) focus on the Nigerian Stock Exchange (NSE), examining the influence of dividend payout ratios on share prices across 15 companies. Their use of panel least square estimation and econometric modeling reveals significant relationships between earnings per share, dividend yield, return on investment, dividend payout ratio, retention rate, and market share prices. This highlights a conceptual gap in the current study, which expands beyond dividend metrics to include profitability, liquidity, capital structure, and corporate governance as determinants of shareholder wealth in consumer goods firms. Akenroye et al. (2022) explore firm traits and financial performance across a broader sample of Nigerian firms, revealing significant joint effects, thus emphasizing a need for comparative industry-specific analysis. Jubri and Idris (2022) further contribute by examining firm traits' differential impacts on financial performance in Nigeria, highlighting the positive effect of firm size and nuances in liquidity and leverage effects. Conversely, Manurung's (2022) study on Indonesian real estate firms underscores the variable impact of governance factors on financial performance, suggesting industry-specific that could inform comparative analyses in the Nigerian consumer goods sector. Addressing these gaps could enrich the current study's understanding of how diverse firm attributes contribute to shareholder wealth in Nigeria's dynamic market landscape.

The studies by Nwaorgu and Iormbagah (2021), Owolabi et al. (2021), and Efuntade et al. (2020) provide a nuanced backdrop against which to critique and identify conceptual and industry-specific gaps in the current study on the effect of firm attributes on shareholders' wealth of Nigerian listed manufacturing companies. Nwaorgu and Iormbagah's (2021) findings on board diversity's negligible impact on financial performance (FP) among Nigerian listed firms suggest a potential gap in understanding how governance factors, specifically gender diversity, may influence shareholder wealth in the consumer goods sector, warranting further exploration. Conversely, Owolabi et al. (2021) highlight positive impacts of board independence, diversity, and board size on FP in Nigerian firms, indicating a potential for contrasting findings in different sectors like consumer goods. Efuntade et al. (2020) contribute insights into firm attribute impacts on FP in Nigerian manufacturing firms, revealing significant connections between firm age, size, sales, growth, leverage, and liquidity with return on assets (ROA). This underscores a gap in the current study's focus on consumer goods, where similar attributes may manifest differently in terms of shareholder wealth creation.

2.3 Theoretical Review

Modigliani and Miller's Theory

Capital structure theories have been developed to determine the factors that affect capital structure decisions. Modigliani and Miller (1958) laid the foundation for these theories with their propositions on capital structure. In their first proposition, they argue that in a fully efficient market with no taxes, capital structure and financing decisions do not affect the cost of capital or the market value of a firm. This suggests that the way a firm finances its operations whether

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through debt or equity; has no bearing on its overall value. In their second proposition, Modigliani and Miller (1958) introduce the impact of taxes, highlighting that interest payments on debt reduce the tax base, making the cost of debt lower than the cost of equity. This tax advantage of debt motivates the optimal capital structure theory, which implies that firms can achieve an optimal capital structure and increase firm value by adjusting their mix of debt and equity. This theory has been central to understanding how firms can strategically manage their capital structure to maximize shareholders' wealth.

The relevance of Modigliani and Miller's theory to the study of Nigerian listed manufacturing companies is significant, particularly concerning the capital structure attribute. The theory provides a framework for analyzing how these companies can balance debt and equity to optimize their cost of capital and enhance firm value. For Nigerian manufacturing companies, variables such as profitability, liquidity, and corporate governance play crucial roles in capital structure decisions. Profitability measures like Return on Assets (ROA) indicate how effectively assets are used to generate earnings, influencing the firm's ability to service debt. Liquidity, proxied by the current ratio, determines the company's short-term financial health and its capacity to meet immediate obligations. Effective corporate governance practices ensure transparency and accountability in decision-making, influencing investor confidence and risk management strategies. By aligning these variables with Modigliani and Miller's theoretical framework, Nigerian manufacturing companies can navigate capital structure decisions to achieve optimal financing strategies that enhance shareholder value in real-world market conditions.

3. METHODOLOGY

This study adopts a quantitative research design with an experimental approach, utilizing an ex post facto research methodology to investigate the factors influencing shareholders' wealth in listed manufacturing companies on the Nigeria Exchange Group. The rationale behind choosing a quantitative approach lies in its ability to systematically analyze numerical data from financial statements, providing rigorous insights into the financial performance and governance practices of these companies over time.

The population of the study includes 57 listed manufacturing companies, the study applies purposive sampling criteria based on data completeness to arrive at 48 sample size. This approach ensures that only companies with sufficient and reliable financial data for the entire study period (2012 to 2022) are included, thereby enhancing the validity and reliability of the findings. By focusing on companies with complete datasets, the study aims to minimize biases and ensure comprehensive coverage of relevant financial metrics.

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The study's model specification focuses on examining the impact of profitability (PROFAT), liquidity (LIQAT), capital structure (CASTRAT), and corporate governance (COGOVAT) on shareholders' wealth (SHWEALTH). The model is formulated as follows:

$$SHWEALTH_{it} = \beta_0 + \beta_1 PROFAT_{it} + \beta_2 LIQAT_{it} + \beta_3 CASTRAT_{it} + \beta_4 COGOVAT_{it} + \varepsilon_{it}$$

where:

- SHWEALTH represents the shareholders' wealth of bank,
- PROFAT, LIQAT, CASTRAT, and COGOVAT denote the independent variables representing profitability, liquidity, capital structure, and corporate governance attributes of bank
- β_0 is the intercept,
- β_1 to β_4 are the coefficients to be estimated,
- ε is the error term capturing unobserved factors affecting shareholders' wealth.
- i is the industry
- t is the time/period of study

Variable Measurements

Variable	**Code**	**Measurement**	**Source**
Dependent			
Shareholders' Wealth	**SHWEALTH**	Natural logarithm of market capitalization (Share Price *No. of Shares)	Aina and Jacob, (2024)
Independent			
Profitability attribute	**PROFAT**	Natural logarithm of revenue growth ((Year 2 – Year 1)/Year 1)*100	Adenle et al. (2023)
Liquidity attribute	**LIQAT**	Natural logarithm of quick ratio ((Current Assets – Inventory)/Current Liabilities)	Aina and Jacob, (2024)
Capital Structure Attribute	**CASTRAT**	Natural logarithm (long-term capital structure/Equity*100)	Kok et al. (2023)
Corporate governance Attributes	**COGOVAT**		Mustapha et al. (2023)

Source: Author's compilation, 2024

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4. RESULTS AND DISCUSSION

Table 4.1: Descriptive Statistics

Variable	OBS	Mean	Std. Dev.	Min	Max
SHWEALTH	488	10.31504	2.543832	0.270044	16.98099
PROFAT	425	2.630876	1.226636	-2.67232	7.396807
LIQAT	480	-0.62981	1.096429	-5.54555	2.608558
CASTRAT	482	4.990895	0.872626	2.803925	10.14183
COGOVAT	469	-1.91334	1.390874	-10.0155	5.221356

Source: STATA 15.0 Output, 2024

Shareholders' Wealth (SHWEALTH) represents the level of value and returns that shareholders derive from their investments in a company. With a mean SHWEALTH score of 10.32 and a standard deviation of 2.54, the average level of shareholders' wealth across the sample indicates a stable and moderately valued investment environment. The range from 0.27 to 16.98 underscores variability in wealth creation among companies, reflecting different levels of profitability, liquidity, capital structure decisions, and corporate governance practices.

Profitability (PROFAT) measures how efficiently a company generates profit from its operations and assets. With a mean PROFAT score of 2.63 and a standard deviation of 1.23, the average profitability level in the sample indicates moderate profitability. The range from -2.67 to 7.40 illustrates variability in profit generation among companies, with some achieving robust earnings while others may struggle with profitability challenges.

Liquidity (LIQAT) measures a company's ability to meet short-term financial obligations with its current assets. The average LIQAT score of -0.63, with a standard deviation of 1.10, suggests a generally negative liquidity position across the sample. The range from -5.55 to 2.61 highlights variability in liquidity management among companies, with some potentially facing challenges in meeting immediate financial obligations.

Capital Structure (CASTRAT) refers to the mix of debt and equity financing used by a company to fund its operations and growth. With an average CASTRAT score of 4.99 and a standard deviation of 0.87, the sample exhibits a moderate reliance on debt relative to equity. The narrow range from 2.80 to 10.14 suggests consistent capital structure practices among companies.

Corporate Governance (COGOVAT) encompasses the systems and practices that guide company management and oversight, ensuring transparency, accountability, and ethical behavior. With an average COGOVAT score of -1.91 and a standard deviation of 1.39, the sample indicates varied governance practices across companies. The wide range from -10.02 to 5.22 highlights

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significant differences in governance quality, with some companies demonstrating robust governance frameworks that support shareholder interests, while others may face governance challenges.

Table 4.2: Correlation Analysis

	SHWEALTH	PROFAT	LIQAT	CASTRAT	COGOVAT
SHWEALTH	1.00000				
PROFAT	-0.20000	1.00000			
LIQAT	-0.04530	0.21920	1.00000		
CASTRAT	-0.11830	0.09650	-0.28160	1.00000	
COGOVAT	-0.66710	0.33180	-0.27030	0.06670	1.00000

Source: STATA 15.0 Output, 2024

The correlation matrix provided shows the correlations between Shareholders' Wealth (SHWEALTH) and the other variables (PROFAT, LIQAT, CASTRAT, COGOVAT):

SHWEALTH and PROFAT: There is a negative correlation of -0.20 between SHWEALTH and PROFAT, suggesting that higher profitability is associated with lower shareholders' wealth, though the correlation is not very strong.

SHWEALTH and LIQAT: The correlation between SHWEALTH and LIQAT is -0.0453, indicating a very weak negative relationship. This suggests that liquidity has minimal impact on shareholders' wealth in the sample.

SHWEALTH and CASTRAT: There is a negative correlation of -0.1183 between SHWEALTH and CASTRAT, indicating that a higher capital structure (more debt relative to equity) is associated with slightly lower shareholders' wealth, though again, the correlation is weak.

SHWEALTH and COGOVAT: The correlation between SHWEALTH and COGOVAT is -0.6671, indicating a moderate negative relationship. This suggests that stronger corporate governance practices are generally associated with higher shareholders' wealth.

Table 4.3: Multicollinearity Test

Variable	VIF	1/VIF
COGOVAT	1.83	0.546866
LIQAT	1.14	0.877898
PROFAT	1.12	0.894253

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CASTRAT	1.09	0.916881
Mean VIF	**1.295**	

Source: STATA 15.0 Output, 2024

The mean VIF across all variables is 1.295, which is generally considered low. VIF values below 5 indicate that multicollinearity is not a significant concern in the regression model. In this case, all variables have VIF values well below 5, indicating that multicollinearity is not problematic among the predictors (COGOVAT, LIQAT, PROFAT, CASTRAT) used in the analysis. This suggests that the regression coefficients are likely to be stable and reliable, allowing for valid interpretations of how these variables individually contribute to explaining variations in Shareholders' Wealth (SHWEALTH).

Table 4.4: Heteroskedasticity Test

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity	
Chi^2 (1)	14.59
Prob > chi^2	0.0001

Source: STATA 15.0 Output, 2024

Since the p-value (0.0001) is less than the typical significance level of 0.05, we reject the null hypothesis that assumes homoskedasticity (constant variance of errors). This suggests evidence of heteroskedasticity in the regression model. Heteroskedasticity can affect the reliability of standard errors and thus the precision of coefficient estimates. Addressing heteroskedasticity may involve using robust standard errors or applying transformations to the data to achieve more reliable regression results.

Table 4.5: Pool Regression Result

	Coef.	**Std. Err.**	**t**	**P>t**
PROFAT	-.0584594	0.051242	-1.14	0.255
LIQAT	-.1674873	0.092002	-1.82	0.069
CASTRAT	-.2887751	0.096475	-2.99	0.003
COGOVAT	-.2564114	0.051486	-4.98	0.000
_cons	-12.2319	0.98574	-12.41	0.000
F (5, 416)	191.92			
Prob > F	0.0000			
R-squared	0.7626			

Source: STATA 15.0 Output, 2024

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Overall, the regression model proves statistically significant with an F-statistic of 191.92 and a p-value of 0.000, underscoring that at least one of the independent variables significantly explains the variation in SHWEALTH. The model's high R-squared value of 0.7626 suggests that approximately 76.26% of the variation in SHWEALTH can be attributed to the included variables. These findings provide valuable insights for management and stakeholders in manufacturing companies, emphasizing the strategic importance of optimizing capital structure and strengthening governance frameworks to foster sustainable shareholder wealth creation.

PROFAT: The coefficient is -0.0585 with a standard error of 0.0512. The t-statistic is -1.14 with a p-value of 0.255. This indicates that profitability (PROFAT) does not have a statistically significant relationship with Shareholders' Wealth (SHWEALTH) at the conventional significance level of 0.05. Therefore, the study fails to reject the null hypothesis that there is no relationship between profitability and shareholders' wealth.

LIQAT: The coefficient is -0.1675 with a standard error of 0.0920. The t-statistic is -1.82 with a p-value of 0.069. This suggests that liquidity (LIQAT) also does not have a statistically significant relationship with SHWEALTH at the 0.05 significance level. The negative coefficient implies that higher liquidity is associated with lower shareholders' wealth, but this result is not statistically significant.

CASTRAT: The coefficient is -0.2888 with a standard error of 0.0965. The t-statistic is -2.99 with a p-value of 0.003. This indicates a statistically significant negative relationship between capital structure (CASTRAT) and SHWEALTH at the 0.05 significance level. Therefore, the study rejects the null hypothesis and concludes that capital structure (more debt relative to equity) has significant effect on shareholders' wealth.

COGOVAT: The coefficient is -0.2564 with a standard error of 0.0515. The t-statistic is -4.98 with a p-value of 0.000. This indicates a statistically significant negative relationship between corporate governance (COGOVAT) and SHWEALTH at the 0.05 significance level. Therefore, the study rejects the null hypothesis and concludes that corporate governance practices have significant effect on higher shareholders' wealth.

Discussion of Findings

The findings of the current study on the effect of firm attributes on shareholders' wealth in Nigerian listed manufacturing companies reveal several notable insights. Firstly, it concludes that profitability (PROFAT) and liquidity (LIQAT) do not exhibit statistically significant relationships with shareholders' wealth (SHWEALTH) at the conventional significance level of 0.05. This contrasts with findings from Samuel et al. (2022), who observed significant relationships between dividend payout ratios, earnings per share, and market share prices in Nigerian quoted

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companies, emphasizing different financial metrics but also a focus on enhancing shareholder wealth through financial policies. Similarly, Mustapha et al. (2023) found positive significant effects of various firm attributes like capital adequacy and return on equity on share prices in Nigerian deposit money banks, aligning with the current study's emphasis on financial metrics albeit in a different sector.

Contrarily, Adenle et al. (2023) explored Nigerian consumer goods firms and found that board independence and firm size significantly enhance return on assets (ROA), with leverage moderating these relationships positively. This supports the current study's finding that corporate governance practices significantly impact shareholders' wealth, reflecting a broader industry-specific emphasis on governance in influencing financial performance. However, Kok et al. (2023) identified nuanced impacts of board independence on leverage in Malaysian firms, suggesting that governance effects may vary based on firm size and maturity, contrasting with the direct impact seen in Nigerian consumer goods firms.

In summary, while Samuel et al. (2022) and Mustapha et al. (2023) provide support for certain financial metrics influencing wealth creation in different Nigerian sectors, Adenle et al. (2023) underscores the importance of corporate governance, aligning with the current study's emphasis on governance practices. The contradictions primarily stem from sector-specific nuances and varying methodological approaches, highlighting the need for nuanced analyses tailored to specific industries to comprehensively understand the drivers of shareholder wealth in Nigerian manufacturing companies.

5. CONCLUSION AND RECOMMENDATIONS

In conclusion, this study investigated the factors influencing shareholders' wealth (SHWEALTH) in Nigerian listed manufacturing companies, focusing on profitability, liquidity, capital structure, and corporate governance. The regression analysis revealed insightful findings regarding these variables' effects on shareholder value. While profitability and liquidity did not show statistically significant relationships with SHWEALTH, capital structure and corporate governance emerged as crucial determinants. Specifically, higher levels of debt relative to equity (CASTRAT) were associated with lower shareholders' wealth, highlighting the importance of prudent financial leverage. Stronger corporate governance practices (COGOVAT), on the other hand, significantly correlated with higher shareholders' wealth, underscoring the critical role of transparent and effective governance frameworks in enhancing firm performance and investor confidence.

Based on the findings, several recommendations are put forth to enhance shareholder wealth in Nigerian manufacturing companies:

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i. **Optimize Capital Structure**: Companies should carefully manage their capital structures to balance debt and equity effectively. Maintaining an optimal debt-equity ratio can mitigate financial risks and reduce interest costs, thereby preserving and enhancing shareholders' wealth.

ii. **Enhance Corporate Governance Practices**: Strengthening corporate governance frameworks is essential. Boards should prioritize transparency, accountability, and ethical standards to foster investor trust and align corporate actions with shareholder interests. Regular assessments and improvements in governance structures can contribute to sustained business performance and shareholder value creation.

iii. **Focus on Profitability and Efficiency**: While profitability (PROFAT) did not show a significant impact in this study, companies should continue to focus on operational efficiencies, cost management, and revenue growth strategies. Improving profitability metrics can indirectly enhance shareholder returns over the long term.

iv. **Monitor Liquidity Management**: Although liquidity (LIQAT) did not directly influence SHWEALTH in this analysis, maintaining adequate liquidity remains crucial for financial stability and meeting short-term obligations. Companies should ensure efficient working capital management to support business operations without compromising long-term investment strategies.

By implementing these recommendations, Nigerian manufacturing companies can strengthen their competitive positions, enhance financial performance, and ultimately maximize shareholder wealth in a sustainable manner. This approach not only benefits investors but also contributes to the broader economic development and stability of the market.

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