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EFFECT OF FINANCING DECISION ON THE PERFORMANCE OF LISTED CEMENT FIRMS IN NIGERIA

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Abstract

This study examines the influence of financing decisions on the performance of listed cement companies in Nigeria. This study adopted a correlational research plan because it establishes the relationship between the variables in the study. A correlational research design was adopted for the study. Data collection templates were used to collect secondary data from published accounts for the firms for both the dependent and independent variables. The multiple regression model was used in establishing whether the dependent

Keywords: *Return on Assets; Dividend Policy; Working Capital; Financial Decision; Financial Performance.*

INTRODUCTION

Financial decisions are imperative in contemporary financial thinking because of their role in achieving the objectives of corporate financial management in terms of maximizing profits and valuing shareholder wealth, while maintaining objective of continuous growth of companies and survive that will affect the performance of the company. The organization must make decisions that will achieve its goals of increasing the wealth of owners, increase performance. The funding decision is the application of funds when necessary in the organization (Atallah, 2017). Financing decisions are the most important decisions made by financial and non-financial institutions, which determine the optimal mix of areas in which firms seek to maximize

variable, performance is affected by the independent variable, financial decision. The study found that WCD has a significant impact on the ROA, DD has a significant impact on the ROA and ID has a strong significant impact on the ROA. Based on the findings the study concludes that financial decision has a positive impact on the ROA of listed cement firms in Nigeria. Based on the findings and conclusion, the research recommends that listed cement firms can consider focusing on working capital decisions that support a balance between current assets and current liabilities or those that support more current asset to liabilities in order to record improved returns on assets and have investment decision that supports investment in fixed assets such as property, plant and machinery in order to enhance their returns on assets.

home owner's wealth (Al-Noaimi and Al-Tamimi, 2019). The 1963 Modigliani & Miller (M & M) study is one of the first studies showing that a financing decision based on debt financing had a positive effect on the market value of firms. Altahtamouni (2015) states that financing decisions must take into account the risks of choosing either debt or equity, or both, because financing is part of financial decisions that affect profits. The financing decision focuses on an optimal mix of business financing operations (Ahmad, 2017).

Following the work of Modigliani and Miller (1958), much research has been conducted in corporate finance to determine its influence on performance. The difficulty companies face when structuring their financing is to determine its impact on performance, which is decisive for the value of the company and, therefore, for its survival. Managers have many opportunities to exercise their discretion regarding funding decisions. The financing used may not be aimed at maximizing the value of the company but at protecting the interests of the manager, especially in organizations where financing decisions are dictated by the management and the shares of the company owned (Dimitris & Psillaki, 2018). Even when shares are not closely held, share owners are generally numerous and an average shareholder controls a very small proportion of the company shares. Financing decisions such as capital structure, capital budgeting techniques and dividend policy are considered important factors in an organization ability to compete. While much of the existing literature focused on the determinants of a particular financial decision, this study pursued a new

direction in this particular area of research by collectively investigating whether financial decisions were consistent with maximizing value on a particular financial basis emerging market, in this case Nigeria Listed Cement Firm. Large firms tend to incur significant expenditures for new facilities and equipment, which may require more capital budgeting techniques (Kim, 2012).

There is little agreement among researchers as to whether the decision of the dividend policy could affect the performance of a company. Profitable companies are more likely to pay dividends on their excess net profits than less profitable ones, as high financial indebtedness indicates higher levels of debt for the firm because they reduce its ability to pay dividends. Profitable companies are more certain of their current and future dividends than the less profitable ones (Jensen, Solberg & Zorn, 2019). The purpose of this study is to examine the effect of financial decisions on the performance of listed companies in Nigeria. Empirical evidence on the effect of financial decisions on the performance of firms in developing countries is lacking. Most financial decision studies focus on the determinants of corporate leverage, capital budgeting techniques and dividend policy. There is a gap in the existing literature regarding the impact of financial decisions on performance. The study aimed to close the gap by exploring the effects of financing decisions on the performance of listed cement companies in Nigeria. Specific objectives are to:

i. To determine the effect of Working Capital Decision on the performance of Listed Cement Firms in Nigeria.
ii. To establish the effect of dividend policy on the performance of Listed Cement Firms in Nigeria.
iii. To establish the effect of Investment decision on the performance of Listed Cement Firms in Nigeria

Based on the specific objectives of the study, the formulated null hypotheses are:

H_{01}: Working Capital has no significant influence on the performance of Listed Cement Firms in Nigeria.
H_{02}: Dividend policy has no significant influence on the performance of Listed Cement Firms in Nigeria.
H_{03}: Investment has no significant influence on the performance of Listed Cement Firms in Nigeria.

Literature Review

Concept of Financial Decisions

Financial decisions, even if it is a determining factor of the competitiveness of companies. Financial analysis and planning, which are the basic features of an

organizational strategy, are nonetheless non-existent in micro and small enterprises, which limit the type of financial decisions that businessmen can make. A financial decision is a means to achieve and maintain the competitiveness of the company and to position a company as a world-class organization. Financial decisions are goals, schemes or alternatives designed to improve and optimize financial management in order to achieve the expected results (Lopez, 2016). The financial strategy consists of three types of interdependent decisions: investment, financing and working capital decisions (Ross, Westerfield & Jordan, 2010). Investment decisions relate to the allocation of capital to realize investment opportunities that add value to the company, taking into account the size, opportunities and risk of the future cash flows of the Company. Financing decisions concern the specific composition of the long-term debt and the capital that the company uses to finance its operations. Financial decisions include the management of short-term assets and liabilities to ensure the adequacy of resources for the operations of the company. Assuming that the company goal is to maximize profits, it is important that companies look for the best combination of the three types of financial decisions. Mallette (2016) argues that the financial decision of an organization is so important for the company that it must be evaluated and adjusted as often as the operational strategy. He added that the evaluation of financial strategies must be compatible with the operations, needs and specificities of the company. The description of corporate financial practices is a problem that has received more attention. Valencia (2006) published a study on the financial practices of Mexican firms taking into account their characteristics. They found that most companies had an optimal leverage ratio, used investment appraisal techniques, had traditional management based on budgets and return on investment (ROI), did not use techniques such as EVA and used financial ratios to analyze profitability.

Concept of Capital structure

Abor (2015) described the capital structure as a precise mix of debt and equity, normally used to finance business operations. Abor (2015) also added that a company can choose from several alternative sources of capital with different combinations of securities. This definition is subject to business scrutiny because it emphasizes a specific proportion of debt and equity used to fund organizations. Naveed (2010) defined the concept of capital structure as the relationship between different forms of financing. This term therefore means the ratio of equity to borrowed capital that some companies want to achieve in terms of their goals. However, they did not clearly propose the proportion of the concept of capital structure. Ross, Westerfield, Jaffe, and Kakani (2019) presented the pie

model that gives the relationship between the value of a business and various fund providers. They also pointed out that the amount of debt a company chooses in relation to its capital defines its capital structure. Ross (2009) emphasized that such a choice is strategic and has many implications for the business. It must therefore be well managed to ensure that the ultimate interest of the shareholder and other stakeholders of the company is served. Capital structure decisions are crucial for management as they impact shareholder returns and risks, which also affects the market share of the company. This is due to the fact that the combination can have financial consequences in terms of providing business funding and therefore value. Therefore, the leaders of the company must plan its capital structure and carry out a critical analysis**.**

Concept of Dividend policy

The dividend policy is a long-term financial choice on how to use the net income generated by the companies of the company, namely how much to invest in the company and how much to pay the shareholders in the form of dividends. Determining the amount of dividends paid is a vital decision that companies must make because maximizing shareholder wealth is the primary goal of companies (Waithaka, 2012). The dividend policy of the company defines the dividend payment scheme over time. A corporation may pay a large portion of its income in the form of a dividend or decide to pay a smaller proportion of its net income and reinvest the rest. There are two forms of dividends; cash dividends and stock dividends. When stock dividends are issued, the shareholders receive new shares of the company in the form of a dividend, so their number of shares increases, and the shareholders do not receive cash. There are four types of dividend policy. Regular dividend policy, shareholders receive a dividend at regular intervals and investors are mainly retirees, widows and other financially weaker people in the community who need a constant income. The regular dividend can only be paid by the company with a regular and stable income; therefore, companies should set the dividend paid at a lower rate than the average profit of the organization (Terry, 2016). The second dividend policy is a stable dividend policy; stability means consistency in the payment of the dividend to the shareholders. The three forms of stable dividend policy are: a constant dividend per share; It is a policy to pay shareholders a static dividend per share, regardless of the company's level of income. In this type of company, a dividend equalization reserve is created to allow the company to pay the dividend even in the year when the profits are insufficient or even if the company records losses. It is suitable for companies with a stable income. The second form is the constant distribution ratio; the corporation pays a fixed portion of its net income in the form of dividends to its

investors, so that the amount of the dividend fluctuates in a linear proportion to the net income of the corporation. It is preferred by companies because it is based on their ability to pay dividends.

The third form is low regular and additional dividend; companies with incoherent incomes prefer this policy, so that they pay a low dividend per constant share during these years, but pay an additional dividend in years of high earnings (Shisia, 2014). The third type of dividend policy is the irregular dividend policy; shareholders do not receive regular dividends from companies and the policy is applied when income is uncertain, non-performing commercial investments, insufficient liquid resources and the hostile effects of a constant dividend on the organization\u0027s financial performance. The fourth dividend policy is not a dividend policy; some companies have a policy of not paying dividends because of their unfavorable financial position or when capital is needed for investment purposes such as expansion and growth. Financial managers must take into account the fact that maximizing shareholder value is the primary goal of the company. (Khorsandi, 2013).

Investment Decision Techniques

The most commonly used capital budgeting techniques are the net present value, the internal rate of return, the return on investment period, the rate of return on accrual accounting, and the profitability index. The first four techniques are the most popular. Net Present Value (NPV) is a technique that determines the current value of inputs and outputs and then simply takes a difference between the two. If this difference is positive, the required rate of return is considered acceptable and the project is acceptable. If the amount is negative, it does not provide sufficient return and would be rejected. If two or more mutually exclusive projects all have a positive net present value, the project with the highest NPV is selected. The generally accepted benefits of NPV are that it takes into account the time value of money and is relatively easy to calculate. On the other hand, it is often difficult for the uninitiated to understand the results obtained and, above all, to assume that the interim payments received during the life of the project can be invested at the rate of discount used in the calculation. This is often not a true statement and can be used to manipulate the results of the analysis. The internal rate of return (IRR) is simply a change in net present value, in that it attempts to find the discount rate with a net present value of zero. As indicated above, the net present value is calculated using a predetermined discount rate. If the NPV is positive, it is assumed that the actual return is higher. If the NPV is negative, it is assumed that the actual return is lower. By constantly manipulating

the discount rate, it is possible to refine the rate where the NPV is equal to zero. This rate is considered the internal rate of return. It is clear that one of the disadvantages of TRI is that it is more difficult to calculate because it is an iterative process. In addition, because of the often misunderstood assumption of reinvestment of intermediate payments at the TRI rate, it is possible to have more than one IRR for a project. It is currently divided into three sectors: the largest investment sector, the alternative investment sector and the fixed income sector.

Concept of Performance

Performance is to a large extent expressed in terms of profit and loss, which is observed by the performance of a firm over a given period (Stanwick, 2002). According to Erasmus (2008), financial performance is considered the best way to determine how a company generates its income through the use of its assets. Metcalf and Titard (1976) indicated that performance in the financial perspective involves the pursuit of a financial activity in order to achieve the financial objectives in a given period. It is not only used to determine the financial status of a given period, but also the results of its operations and policies in monetary terms. These measures are important because they can be used to compare companies in the same sector or in a different sector. Performance is the ability of the company to generate new resources from its daily procedures for a period of time. Financial performance can also refer to the ability of the company to use its resources effectively and efficiently to achieve its goals and objectives (Warsame, 2016). According to Kagoyire and Shukla (2016), financial performance is the ability of the business to operate efficiently, to be more profitable, to grow and to survive for a long time. All organizations strive to use their resources effectively to achieve a high level of performance, especially in financial terms. Thus, financial performance is the result of many activities undertaken by an organization (Fujo & Ali, 2016).

Measuring is seen as a simple task, despite its specific complications, with many researchers preferring to use market measures and others opting for accounting measures (Waddock, 1997). Accounting as a measure typically uses historical information on company performance that may be subject to manipulation by management. It is therefore difficult to compare the performance of companies with accounting information, especially if different companies use different accounting procedures. When using accounting measures, different sectors or characteristics of the economy and the risks associated with these sectors should be taken into account (McGuire, 1988). Ratio is used to summarize large amounts of financial data that can be used as a benchmark to make a qualitative and

quantitative judgment about the performance of the company. The measures of financial performance are ROE and ROA (Tharmila & Arulvel, 2013). Rose (2009) suggested two general measures of financial performance, namely an absolute measure and a relative measure. The absolute measure evaluates the performance according to the absolute quantum of profit. The term equivalent result refers to different forms of profit (pre-tax profit, after-tax profit, residual income and economic value added). One of the weaknesses of the absolute measure is its inability to link profit to the resources used to generate a profit. An absolute measure may not provide quality information for performance comparison decisions.

ROA measures not only profitability, but also related assets used or used to generate profits. By breaking down the ROA, we obtain two important measures: the profitability ratio and the asset turnover ratio. The ROA determines the ability of a company to generate sufficient returns on its assets. For return on equity (ROE), it does not show how a company uses its resources, but a company can achieve a very impressive return on investment without necessarily being effective in terms of using assets to grow the business enterprise. The other measure that can be used is the market, which is future-oriented and more market-oriented and less vulnerable to different accounting procedures. It represents the investors' assessment of the company ability to generate more profits. This measure helps to determine the future benefits of the business rather than looking at past performance. The major disadvantage of this measure is that investors perceptions of a firm may not be sufficient to assess its performance in terms of the financial outlook (McGuire, 1988).

Theoretical Literature

This section discusses theories pertaining to the financing decisions of firms under study and their effect on their performance. This study is anchored on the incrementalism and real option theory.

The Incrementalism Theory

The literature on budget decisions has been dominated by the theory of incrementalism and its different meanings (Berry, 1990). This theory suggests that policymakers use 'rules of thumb' to manage the technical complexity of spending decisions. Wildavsky, the founder of this theory, implies that budget designers are interested in relatively small increases in the existing base, designated by their fair share. It follows that budgeting is incremental in that it translates into a marginal and regular change in spending. Regularity embodies

the idea of routine behavior in spending decisions. This view of incrementalism suggests that slight changes in the expenditure base can be considered as preserving stability.

The Real Options Theory'.

The term 'real options' was coined by Myers (1984) in 1977, and the topic generated a lot of interest among finance, academics and practitioners. Real options deal with choices about actual investments such as capital budgeting projects as opposed to financial investments. So, a real option is a right but not an obligation to make a business decision. Some of the most common real-world capital budgeting options include the option of investing or not, the option to abandon or continue a project, and the option of delaying or pursuing an investment (Chance and Peterson, 1998). 2002). Real options potentially provide managers with a more efficient way to allocate capital to their business and maximize shareholder value by exploiting uncertainty and limiting the risk of loss. The theory further asserts that the presence of real options can make an investment more profitable than the value of its conventional discounted cash flows.

Arnold and Shockley (2003) attribute the wave of interest in real options to an increase in both supply and demand. The supply side reflects a growing body of literature on the real options approach. The demand for real options reflects the need for management to position the company to take advantage of uncertainty and communicate its strategic flexibility. Managers in sectors characterized by large capital investments and considerable uncertainty and flexibility, such as the extractive industries, oil and gas industries, pharmaceuticals and biotechnology, are considering using real options. The real options are very promising because they recognize that managers can get valuable information after project acceptance. Yet, real options are by no means a panacea or a silver bullet for all capital projects.

Empirical Review

Obi (2014) investigated the impact of external financing on earnings per share; The distribution ratio; Divide by sharing; return on assets and return on equity of Nigerian manufacturing firms. The study adopted the ex-post facto research scheme. The panel data was compiled from the annual financial statements of the listed manufacturing companies and the Factbook of the Nigerian Stock Exchange for the period 1999-2012. Five assumptions that external financing has no positive or significant impact on earnings per share. The distribution ratio; Divide

by sharing; the return on assets and the return on equity of Nigerian manufacturing firms were tested using the ordinary least squares regression technique. The independent variable was external finance, while the dependent variables were earnings per share (EPS), payout ratio (PR), dividend per share (DPS), asset return (ROA), and dividend yield. own funds (ROE). The result of this study revealed that external financing had a negative and insignificant impact on earnings per share, payout ratio, dividend per share and return on equity, while its impact on the return on assets was positive and significant. The consequences of the conclusion reveal that in Nigeria, external financing does not amplify earnings attributable to shareholders in terms of book value measures. However, this increases the asset structure of these companies.

Velnampy and Kalaiarasi (2014) conducted a study to establish a link between dividend policy and the performance of listed manufacturing companies in Sri Lanka. Secondary data were used for the 2008 to 2012 period. Descriptive statistics, regression analyzes and correlation analyzes were used to analyze the data collected. The study concluded that the determining factor of the dividend policy does not correlate with the performance measures of the organization. The regression model showed that the dividend policy does not influence the return on corporate assets and return on equity. Therefore, this study supports the theory of the irrelevance of dividends.

Ndirangu (2014) undertook a study to establish the effect of the dividend policy on the future financial performance of NSE listed companies. The study used secondary data for a five-year period from 2009 to 2013. The study used a correlational search pattern. The research study found that there is a positive association between the current dividend distribution and future earnings growth. The study applied to all Kenyan listed companies and not to industry. This is why the proposed study should focus on commercial banks listed in Kenya.

Chumari (2015), in a research study to determine the relationship between dividend distribution and four variables of financial performance (profitability, sales growth, cash flow and book value) of companies listed in Kenya, collected data from secondary sources that: are financial statements. The study adopted a descriptive research model and a sample of thirty publicly traded companies and used a regression analysis for data analysis. The study concluded that there is a positive relationship between dividend distribution and profitability and liquidity. This study also supports the relevance dividend theory.

Shisia (2016) undertook a study to establish the impact of the dividend policy on the financial performance of companies listed on the Nairobi Stock Exchange

(NSE). The study used data from secondary sources. The random sampling technique was adopted to select a sample of 30 listed companies. Regression and correlation analysis were used to analyze the collected data. The study concluded that there is a substantial association between the dividend payout ratio and the dividend per share. This study therefore supports the theory of the relevance of dividends.

Wasike and Ambrose (2017) undertook research to determine the determinants of dividend policy in Kenya. The data comes from companies' annual reports. The census study used panel regression techniques to analyze the data of all 60 companies (60) listed in the Nairobi Securities Exchange (NSE) for the period 2004-2017. The research results showed that there were positive associations between dividend policy and profitability, cash flow and tax, and that there were unfavorable associations between dividend policy and risk, institutional ownership, growth and book value. This study supports the signaling theory of dividend policy

Saah (2018) assessed the impact of financial management practices on the profitability of SMEs in the Tamale metropolitan area of Ghana with a view to establishing a consistent model to improve the profitability of SMEs in Ghana. The study used a sample of two hundred and thirty-two (232) SMEs located in Tamale. The study was a cross-sectional survey that used mainly primary data. Multiplicative linear regression and the Pearson correlation coefficient were used to analyze the data. The results indicate that financial management practices such as working capital management, financing, investment, financial reporting and accounting information systems have a positive impact on the profitability of SMEs, accounting for 77.4% differences in the profitability of SMEs. The results also indicate that the use of accounting information systems has the most significant effect on profitability since a 1% (1%) increase in the application of accounting information systems increases profitability. 0.39%.

Adhikari (2019) examined the financial decisions of the women CEOs of the S & P 1500 companies, their operational performance and the market assessment of their presence in these companies. Businesses headed by women CEOs have more liquidity, less leverage, and lower capital expenditures than those with a male CEO. In addition, firms headed by women CEOs have lower operating performance in terms of sector-adjusted ROAs and these companies also have a somewhat lower systematic risk. The market appears to place lower value on firms with female CEOs, as evidenced by industry-adjusted Tobin Q level and a less favorable response to announcements of new women entrepreneurs compared to new listings firms in similar circumstances. These results are

generally robust to the correction of endogeneity due to bias bias and selection bias, and are consistent in both the full sample analysis and the matched sample analysis.

Methodology

This study adopted a correlational research plan because it establishes the relationship between the variables in the study. A correlational research design was undertaken to describe the current situation in companies. The target population and sample consisted of all companies of the cement company listed on the Nigerian Stock Exchange, namely the four companies, namely Dangote Cement, Lafarge Cement, Wapco Nigeria Plc, Ashaka Cement and Sokoto Cement. Data collection templates were used to collect secondary data from published accounts for the firms for both the dependent and independent variables. The study covered the period from 2008 to 2019. The multiple regression model was used in establishing whether the dependent variable, performance is affected by the independent variable, financial decision.

Model Specification

OLS models will aid in determining the nature of relationship between the dependent and independent variables. The nature of relationship is defined by the coefficient of correlation and coefficient of determination. The multiple regression model is as follows;

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$

$ROA_{i,t} = \alpha + \beta_1 WCD_{i,t} + \beta_2 DD_{i,t} + \beta_3 ID_{i,t} + \varepsilon_{i,t}$

Where:

Working Capital Decision$_{i,t}$= represent financial performance of cement firm i in duration *t.*

Dividend Decision$_{i,t}$ denotes total debt of cement firm i in duration *t.*

Investment Decision $_{i,t}$ represents total equity of cement firm i in duration *t.*.

$\varepsilon_{i,t}$ denotes the unobserved errors period.

α = symbolises regular term

β_1 β_2 *and* β_3 means are the slopes to be expected.

i = symbolizes cement firm identifier

t = time variable

Measurement of the Variables

Variable	*Type*	*Measurement*
Return on Asset (ROA)	Dependent	Profit After Tax to Total Asset Gabow (2017)

Working Capital Decision	Independent	Current Asset to Current Liabilities Gabow (2017)
Dividend Decision	Independent	Dividend Payout Ratio Gabow (2017)
Investment Decision	Independent	Amount of Property, Plant And Equipments (Natural Log) Gabow (2017)

Data Analysis

Descriptive Statistics

In the study, the financing decision was analyzed on the performance of listed cement companies in Nigeria, Nigeria in the questionnaire. The mean and standard deviation of the variables under study were also analyzed in order to examine the impact of the financing decision on the performance of listed cement companies in Nigeria. The figures are given in Table 1

Table 1 Descriptive Statistics

	Mean	Std. Deviation
ROA	3.0480	.12926
WCD	3.2757	.38268
DD	3.3375	.32987
ID	3.1056	.03073

Source: SPSS Output, (2019)

The table 1 shows the financing decision with the mean score and the standard deviations from the means of each variable in the study. In the table of performance (ROA), WCD, DD and ID are 3.0480, 3.2757, 3.3375 and 3.1056 respectively across the entire firm under the study. The standard deviations recorded by ROA, WCD, DD and ID were minimal showing an indication that there was minimal variation in the variables between the firms under study.

Table 2 Correlations

		ROA	WCD	DD	ID
Pearson Correlation	ROA	1.000	.433	.356	-.277
	WCD	.433	1.000	-.369	.673
	DD	.356	-.369	1.000	-.811
	ID	-.277	.673	-.811	1.000

Source: SPSS Output, (2019)

Correlation coefficient varies from -1 to +1. A +1 coefficient is an indication of a perfect correlation while a –1 shows a perfect negative correlation. In table 2, the correlation coefficient for the variables was positive and significant showing a

clear indication that there is a correlation between financial decision and Performance in cement firms except for ID which had a negative correlation.

Test of Hypotheses and Discussion of Results

Regression analysis are used to measure the effect of the independent variable to the dependent variables.

Table 3 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.891[a]	.794	.790	.05917	2.509

a. Predictors: (Constant), WCD, DD, IV; b. Dependent Variable: ROA

Source: SPSS Output, (2019)

The table above shows, R adjusted is 79.4% indicating how the statistical measures in the above study are closer to the fitted regression line. In this study we relied on adjusted R squared because of the number of study variables in the prediction of the dependent variable. The standard error shown in the study is .05917 which indicates a high accuracy of the prediction made in this study. This is a clear indication that 79% percent of changes in performance of listed cement firms in Nigeria could be attributed to financial decision under study. R in this study is shown by the correlation coefficient which determines the relationship between the study variables. Durbin Watson value of 2.509 shows there is no autocorrelation. From the above findings, we can, therefore, conclude that there is a positive correlation between the study variables.

Table 4 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.124	3	.708	202.219	.000[b]
	Residual	.550	157	.004		
	Total	2.673	160			

a. Dependent Variable: ROA

b. Predictors: (Constant), WCD, DD, ID

Source: SPSS Output, (2019)

Table 4 above shows the ANOVA presentation. The population parameters were found to have a significant p-value of 0% which is lower than the 0.001. This is clear evidence that the data used in the study was adequate and reliable for

concluding the variables under study since the value of significance (p-value) is lower than 5%. The F statistic critical at 5% level of confidence was 202.219, the study concludes that the overall model is significant and that WCD, DD and ID are influencing ROA in listed firms in Nigeria.

Table 5 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.841	1.147		16.430	.000
	WCD	.409	.018	1.211	22.576	.000
	DD	.094	.027	.241	3.556	.000
	ID	.415	.358	1.287	15.118	.000
a. Dependent Variable: ROA						

Source: SPSS Output, (2019)

The established multiple linear regression equation is
Y=18.841+0.409WCD + 0.094DD + .415DI + error.
In the above regression equation, it was established that holding the financial decision in the regression namely: working capital decision (WCD), dividend decision (DD) and investment decision (ID) at a constant zero, performance of listed cement firms in Nigeria will be at 18.841. Further analysis from the study and the regression indicates that, the relationship between WCD and ROA is significant and positive with a coefficient of .409 and a p-value of 0.000, a unit increase in WCD would result to increase to the ROA by a factor of 0. 409, this suggests that the WCD has significantly positive impact on the ROA during the period of the study. Based on this, the study rejects the null hypothesis one (H_{01}) which states that there is no significant relationship between WCD and ROA of listed cement firms in Nigeria. As a result, the study deduces that WCD has a significant impact on the ROA of listed cement firms in Nigeria during the period of the study.
From the coefficient table, the analysis from this study and the regression indicates that, the relationship between DD and ROA is significant and positive with a coefficient of 0.094 and a p-value of 0.000, a unit increase in DD would result to increase to the ROA by a factor of 0.094, this suggests that the DD has significantly positive impact on the ROA during the period of the study. Based on this, the study rejects the null hypothesis two (H_{02}) which states that there is no significant relationship between DD and ROA of listed cement firms in Nigeria. As

a result, the study deduces that DD has a significant impact on the ROA of listed cement firms in Nigeria during the period of the study.

In addition, from table 5, the analysis of study and the regression indicates that, the relationship between ID and ROA is significant and positive with a coefficient of 0.415 and a p-value of 0.000, a unit increase in ROA would result to increase to the ROA by a factor of 0. 415, this suggests that the ID has significantly positive impact on the ROA of listed cement firms in Nigeria during the period of the study. Based on this, the study rejects the null hypothesis three (H_{03}) which states that there is no significant relationship between ID and ROA of listed cement firms in Nigeria. As a result, the study deduces that ID has a significant impact on the ROA of listed cement firms in Nigeria during the period of the study.

Discussion of Findings and Implication

The study found that WCD has a p-value of 0.000 and a beta value of 0.409 which is significant at 5%. This signifies that WCD has a positive impact on the ROA of listed cement firms in Nigeria. It, therefore, implies that for every increase in WCD, ROA increases by 40.9%. This finding is however in conformity with that of Akinruwa (2013) & Aliyu (2017). The study also found that DD has a p-value of 0.000 and a beta value of 0.094 which is significant at 5%. This signifies that DD has a positive and significant impact on ROA of listed cement firms in Nigeria. It, therefore, implies that an increase in DD leads to increase in ROA by 9.4%. This study is however in conformity with Nersia, (2005); Nusrat & Tarun, (2014) & Aliyu, (2017). Finally, the study found that ID shows a p-value of 0.000 and a beta value of 0.415 which is significant at 5%. This signifies that ID has a positive, strong and significant impact on ROA. It, therefore, implies that an increase in ROA leads to increase in ROA by 41.5%. This study is also in conformity with Nersia, (2005); Nusrat, & Tarun, (2014) & Aliyu, (2017).

Conclusion

The research examined the influence of financial decision on the Performance of listed cement firms in Nigeria. This finding has imperative implications for financial managers and the firm as a whole in Nigeria in particular listed cement firms in Nigeria. As these firms have a tendency to have inadequate resources, as such financial managers to centre on activities which generate the highest impact on performance. The study found that WCD has a significant impact on the ROA, DD has a significant impact on the ROA and ID has a strong significant impact on the ROA. Based on the findings the study concludes that financial decision has a positive impact on the roa of listed cement firms in Nigeria.

Recommendations

Based on the foregoing findings and conclusions, the research recommends that;

1. The study further recommend that listed firms can consider focusing on working capital decisions that support a balance between current assets and current liabilities or those that support more current asset to liabilities in order to record improved returns on assets.
2. The study recommends that listed firms should consider having leverage decisions which are mainly centered on balancing between debt and equity balancing or those decisions that support debt financing more than equity financing. Debt financing is especially better when a firm is in a financial crisis due to its ability to have tax shield.
3. The study also recommends listed firms to have investment decision that supports investment in fixed assets such as property, plant and machinery in order to enhance their returns on assets.

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