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Financial Strategy and Corporate Performance Growth of Selected Food and Beverages Manufacturing Companies in Nigeria

Anisulowo, Temitope A. [a*], Sofayo, Abiola A. [b], Adeleke, Adebisi M. [a] and Sanni, Christian O. [a]

[a] Department of Accounting, Adeleke University, Ede, Osun State, Nigeria.
[b] Department of Business Administration, Olabisi Onabanjo University, Ogun State, Nigeria.

Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

Aim/Objective: In the course of the study, the main objectives of the study was to determine the effect of financial strategy (strategy of investing in company assets, strategy of acquisition of capitals, strategy of redistribution of profit) on corporate performance growth (profitability, innovation, corporate culture attitude) of selected food and beverages manufacturing companies in Nigeria.
Methodology: The four selected food and beverages manufacturing companies in Nigeria made up the study's population. With a total number of 168 staffs, the study population involved both the middle and top management. The study adopted purposive sampling technique which is the

**Corresponding author: E-mail: anisulowo.temitope@adelekeuniversity.edu.ng;*

deliberate choice of a researcher due to the qualities of information it possesses. Primary data was used for the purpose of this study. Regression analysis was also used for data analysis.
Findings: The result of the analysis reveal that: (i) with the result of hypothesis one; the regression estimates results revealed that strategy of investing in company assets has significant effect on profitability (T-test = 1.922, p = 0.043). (ii) for hypotheses two, regression estimates results revealed that strategy of acquisition of capitals has significant effect on innovation (T-test = 2.973, p = 0.004). (iii) for hypotheses three, regression estimates results revealed that strategy of redistribution of profit has significant effect on corporate culture attitude (T-test = 1.447, p = 0.025).
Research Limitations/Implications: Restrictions point to the limitations that analysts experience when conducting research. When analyzing the effect of financial strategy on corporate performance growth, the analyst experiences some limitations in this consideration, such as limited test measurement, etc.
Originality/Value: No research was found regarding the financial strategy and corporate performance growth during the time period of 2023.
Conclusion: The study concluded that there is a positive significant effect between financial strategy and corporate performance growth of selected food and beverages manufacturing companies in Nigeria.

Keywords: Strategy of investing in company assets; strategy of acquisition of capitals; strategy of redistribution of profit.

1. INTRODUCTION

In the past few years, there are increasing researches related to the determinants of firm's financial strategies and corporate performance towards the firms' growth. The performance of an organisation is directly related to its capability to acquire and effectively manage resources through diverse strategies to achieve a competitive advantage. Companies enhance their financial capabilities and operational performance by engaging in activities such as investing in company assets, acquisition of capitals, and redistribution of profits. These actions are undertaken to uphold competitive advantages and ensure long-term sustainability [1].

Every company, no matter how big or small, should have a financial strategy. Contreras [2] points out that having a financial strategy is crucial for any company, since many of the factors that contribute to failure can be managed properly with strategies that drive growth and the company's objectives. This roadmap for the company is a vital strategic plan that structures how the company should be run. A financial strategy takes into account the current company and financial climate and devises a plan for the future. A finance strategy is essential not only for providing companies with a comprehensive understanding of their current financial position but also because it integrates financial planning with strategic planning. It acts as a functional roadmap that assesses current resources and weighs them up against expenditure and budget. This can then be used to align it to the company's mission and goals [3].

Financial strategy is the core for the implementation of firms' overall strategy. Firms should consistently create financial strategies that promote their growth by aligning with their development needs, and considering both external environment as well as internal factors [4]. Considering characteristics of most firms on the growth stage in our country, research on the financial strategy for firms on growth stage has become a realistic option needed by theory and practice. According to Štimac *et al.* (2020), financial strategy is a comprehensive, long-term plan that guides an organization in achieving its financial objectives by effectively managing the formation, allocation, and utilization of financial resources. It is aimed at maximizing the company value through effective management and comprehensive proactive management of its financial resources. According to Mallette [5], a company's financial strategy holds such vital importance that it necessitates being evaluated and adjusted as often as the operational strategy. He also emphasizes that the evaluation of financial strategies should align with the company's operations, needs, and specific characteristics. In this context, financial strategy involves managing funds' availability, usage, and administration, with a focus on aligning financial management with an organization's corporate and business objectives to achieve strategic advantages [6]. The financial strategy is measured with the following proxies; the strategy of investing in company assets, strategy of acquisition of capitals, and strategy of redistribution of profit.

Researchers in diverse industry regions have critically examined the topic of corporate performance growth [7]. It was observed that corporate performance is a comprehensive evaluation of a company's effectiveness in executing its key elements, primarily focusing on financial market and shareholder performance [8]. The main goal of any organization, as stated by Mutalib *et al.* [9], is to achieve sustained growth and long-term survival. Food and beverages manufacturing company has generally been described and accepted as an engine of growth of any country. Gupha and Krishnaswami [10] define growth as the generation of revenue, value addition, and business expansion in terms of volume. Arthur [11] states that a company is often considered to be growing when it records an increase in product sales, leading to higher income generation. Growth has become the quest of all business owners due to reasons like meeting market demand, increasing profits, and achieving business stability. This is driven by the benefits that come with larger businesses, such as maximizing economies of scale, accessing bulk discounts, and improving supplier credit terms, leading to reduced costs and increased profits Ben- Caleb *et al.,* [12]. In this context, corporate performance growth is evident as companies experience an increase in their scale, typically measured by factors such as sales, employment, profits, or value added. Therefore, in the investigation, the study assumes that indicators like profitability, innovation, and corporate culture attitude can be used to gauge the financial strategy and corporate performance growth of selected food and beverages manufacturing companies in Nigeria.

1.1 Statement of Problem

The food and beverage industry is critical to every economy in the world, and Nigeria is no exception. According to the Central Bank of Nigeria's report in 2018, a large portion of Nigerian consumers tend to choose food and beverage products that are imported, emphasizing the significance of this industry. The companies are requiring extensive effort to attain profitability targets, ensure operational efficiency, and maintain high service quality standards. This poor performance exposes quoted food and beverages manufacturing companies to high level of credit risk due to reduction in the capital base of the manufacturing companies.

Numerous empirical studies, led by proponents like Gikunju *et al.* [13] and Amburuka *et al.* (2019) have investigated areas of strategies and corporate performance aspects. These studies, though, have produced varying outcomes due to differences in measurements, industries, and countries. It is in this context and contextual gap that this study sought to measure corporate performance growth differently using profitability, innovation and corporate culture attitude using strategy of investing in company assets, strategy of acquisition of capitals and strategy of redistribution of profit.

1.2 Research Objectives

The main objective of this study is to determine the effect of financial strategy on corporate performance growth of selected food and beverages manufacturing companies in Nigeria.

The specific objectives are:

1. To investigate whether the strategy of investing in company assets affect the profitability of selected food and beverages manufacturing companies in Nigeria.
2. To identify whether the strategy of acquisition of capitals affect the innovation of selected food and beverages manufacturing companies in Nigeria.
3. To determine whether the strategy of redistribution of profit affect the corporate culture attitude of selected food and beverages manufacturing companies in Nigeria.

1.3 Significance of the Study

The outcomes of the study would benefit the management of the selected food and beverages manufacturing companies by knowing the various financial strategies required for better performance.

The findings generated in this study are useful in testing the existing theories and empirical findings under extreme conditions not present in developed economies where most of the prior studies were carried out. Current and potential investors are supplied with information to help them make good financial planning and strategy.

The study aims at contributing to the existing body of knowledge on the topic of financial strategy. It provides basic information for further study in the sector by developing new hypotheses and design for new variables by using other financial strategy measurements that are not included in this research. This research would also serve as a reference point for other researchers who intend to carry out studies on this topic.

2. LITERATURE REVIEW

2.1 Financial Strategy

Financial strategy as an idea that has been conceptualized by various scholars. Financial strategy is defined in different ways. In the view of Urmila [14], the financial strategy of an organization is fundamentally focused on the acquisition and effective utilization of funds. The main goal is to secure a consistent and sufficient fund supply to meet the present and future needs of the business. Financial strategy pertains to the accessibility of funding sources, the utilization of funds, and the effective management of these resources. It focusses on the alignment of financial management with the corporate and business objective of an organization to gain strategic advantage [15]. The financial strategy can be defined as a complex long-term plan that organizes activities within an organization to achieve financial objectives by creating, allocating, and using financial resources. Its primary aim is to maximize company value by efficiently and proactively managing financial resources [16]. The success of any organization relies on its capacity to execute financial strategy, which reinforces the business plan by confirming that the set goals are feasible from a financial perspective. The financial strategy is measured in this study using the strategy of investing in company assets, strategy of acquisition of capitals, and strategy of redistributionof profit.

2.1 Corporate Performance Growth

Various scholars have defined corporate in different ways but common among these definitions is the fact that it means relating to large companies, or to a particular large company. A corporation is a legal entity established by individuals, stockholders, or shareholders, designed to operate with the aim of generating profits [17]. A corporation can be established as either a for-profit or a non-profit entity [18]. Performance signifies the fulfillment of a corporation, organization, or business's objectives. This encompasses outcomes achieved through the efforts of individuals or teams in support of the organization's strategic goals. Corporate performance involves assessing how effectively an organization achieve its objectives. These objectives vary based on the organization, they typically align with categories such as financial, market, and shareholder performance [19]. Corporate owners are motivated to pursue growth to meet market demand, enhance profitability, and achieve organizational stability. As corporations grow in size, they can take advantage of economies of scale, bulk discounts, and improved supplier credit terms, resulting in reduced costs and increased profits [12]. In other words, corporate performance growth occurs when firms increase their size, usually measured in terms of sales, employment, profits or value added. In this study, corporate performance growth is measured with indicators such as profitability, innovation, and corporate culture attitudes.

3. THEORETICAL REVIEW

In this section, we focused on two relevant theories that relate to the variables of this research will be reviewed, namely; Contingency Theory, and Theory of Planned Behavior.

3.1 The Contingency Theory

The Contingency Theory was first proposed by Donaldson [20] and later developed by Lawrence and Lorsch [21]. The theory posits that the effectiveness of any financial strategy depends on various internal and external factors such as the size of the organization, the structure of the industry, and the leadership style of the organization.

According to Lawrence and Lorsch [21] the contingency theory emphasizes the importance of a fit between the financial strategy and the unique characteristics of the organization. Proponents of the theory argue that it provides a framework for organizations to develop financial strategies that are tailored to their unique needs and circumstances, leading to improved performance.

The contingency theory assumes that there is no universal financial strategy that is effective for all organizations. Instead, the effectiveness of a financial strategy is dependent on the unique characteristics of each organization. The theory also assumes that there are various factors, both internal and external, that influence the effectiveness of a financial strategy.

Despite its popularity, the contingency theory has received criticism from some scholars. One of the criticisms is that the theory lacks clear guidelines on how to identify the unique characteristics of an organization that will affect the effectiveness of a financial strategy [22]. Another criticism is that the theory assumes that organizations have a fixed set of unique characteristics, which may not be accurate [23].

Furthermore, Donaldson (2001) argue that the contingency theory overemphasizes the importance of fitting the financial strategy to the unique characteristics of an organization, at the expense of broader factors such as the external environment and industry structure.

3.2 Theory of Planned Behavior

Theory of planned behavior was propounded by Ajzen in [24]. The Theory of Planned Behavior (TPB) is a social psychology theory that has been applied to the field of finance to understand the relationship between financial strategy and corporate performance growth. TPB posits that human behavior is determined by three factors: attitude towards the behavior, subjective norms, and perceived behavioral control [24]. In the context of financial strategy, attitude towards the behavior refers to the positive or negative evaluation of the financial strategy, subjective norms refer to the perceived social pressure to adopt the financial strategy, and perceived behavioral control refers to the perceived ease or difficulty of adopting the financial strategy.

Several researchers have used TPB to investigate the relationship between financial strategy and corporate performance growth. One of the key assumptions of TPB is that behavior is primarily determined by attitudes, subjective norms, and perceived behavioral control. However, some critics have argued that TPB does not account for other factors that may influence behavior, such as personality traits, emotions, and situational factors [25].

One of the main criticisms of the TPB is that it does not account for the influence of emotions and effect on behavior (Sniehotta *et al.,* 2014). The theory also assumes that behavior is solely driven by individual attitudes, subjective norms, and perceived behavioral control, without considering other factors that may impact behavior, such as habit and environmental factors.

3.3 Theoretical Framework

The main theory this research work revolved around is ‘Contingency Theory’. This is because of its relevance to the study. The theory says that by balancing financial needs using proper financial strategy allows the business or corporation to be efficient in its operations.

3.4 Empirical Review

It is also important to consider the previous studies of the related literature, some of these are:

3.5 International Evidence

Alejandra et al. [26] explored the impact of financial decisions and strategy on small business competitiveness in Mexico. Two hundred two businesses’ testimonies in the region of Celaya was used as sample size. The data techniques used was Information analysis. The results show that most micro and small enterprises make funding decisions in a certain way, apply an intensive strategy, also that their market longevity is low and their level of sales is regular, implying that Mexican companies lack competitiveness, which hampers their development and expansion.

Cross (2020) examined the effect of corporate strategy to company performance. A sample of

30 business units of Telkom that spread across Indonesia. Partial Least Square (PLS) was used in testing the hypothesis. The results revealed that corporate strategy has a significant effect to improve company performance.

Cummings [27] investigated the financial strategies for sustaining small businesses in Minneapolis, Minnesota. A sample size of 5years was adopted and qualitative method was also used in the study. The findings of this study identify financial strategies (investing in company asset) that small business leaders can use to increase productivity and profitability in their businesses.

Deidra [28] conducted a study on the impact of financial strategy on SMEs growth in Zambia. A sample of 93 SMEs was used. Descriptive, correlation, and regression analysis were used. The results found out that financial strategy exerts a significant influence on the growth of small manufacturing firms in Kenya.

Huei *et al.* [29] conducted a study on profit redistribution in family-controlled, group-affiliated publicly-listed corporations in Malaysia. Descriptive Statistics and Tobin's Q were used. The study found that inefficient profit redistribution occurs where profits/resources are redistributed or transferred from good-performing corporations.

Khasan [30] examined the relationship between financial strategy and business performance in Tashkent, Uzbekistan. The study found out that prudential financial strategy is one of widespread terms which found an update in Uzbek private sector.

Pasunuri & Mulukalapally [31] explored the impact of financial strategy on financial performance: A study of select undertakings in Telangana, India. The sample used was 5 companies of pharmaceutical industry which listed in National stock exchange. The method of data analysis employed was regression analysis. The study findings indicated that financial strategy had positive impact on the financial performance.

Peter & Ibrahim [32] conducted a study on the effect of financial planning practices on the financial performance of non-profit making health organizations. A sample of 216 respondents in all the non-profit Making health organizations in Kiambu County, Kenya. Descriptive and inferential statistics were used. The study found that financial planning practice have a positive and significant effect on performance.

Thesame [33] examined the effect of financial strategy on financial performance of small and medium enterprises in adjumani district, Kampala. A sample of 44 respondents in Pakele Sub County. Content and regression analysis were used. The study found that some of the SMEs do not practice financial strategy, which renders their business prone to anticipated business risks and some inefficiency.

Rejie & Rezaul (2018) conducted a study on business groups and profit redistribution. The finding shows a significant profit redistribution effect within a business group.

Renato *et al.* (2015) conducted a study on strategy of company acquisition for technological innovation-management practices and critical success factors. The results reveals that acquisition of companies with strong R&D structures can be a powerful tool for increasing the technological capacity.

Rupa [34] explored the impact and the effects of financial strategy on enterprise organisations in Mangalore, India. The results suggest that financial strategy is the foundation of financial management.

3.6 Local Studies

Ahmed [35] conducted a study on the impact of financial strategy on financial performance in Mogadishu Somalia. A sample of one-hundred forty three (143) finance managers drawn from commercial banks. The method of data analysis used was Pearson Moment Correlation Coefficient. The finding of the study shows that financial strategy ensures commitment of management and staff towards financial performance.

Ariyo *et al.* [36] investigated the impact of financial strategy on the financial performance of small scale business firms in Ekiti State, Nigeria. A sample of 150 respondents was used. The method data analysis used was

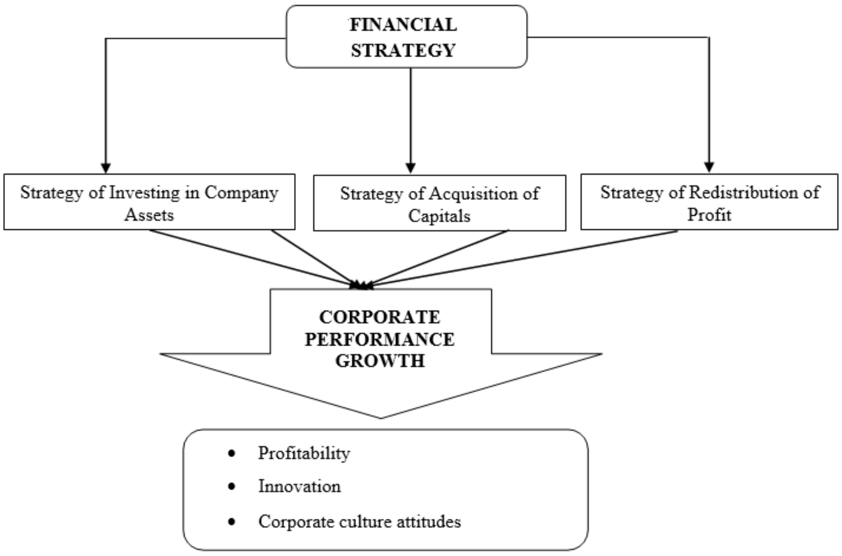

Fig. 1. Conceptual models

Source: Researcher conceptualisation

descriptive, correlation, and regression analysis. The finding shows that a positive relationship exists between financial strategy and financial performance of small scale business firms in Ado-Ekiti.

3.7 Research Gap

Several empirical studies exist in the literature on financial planning and financial performance which cuts across different countries within and outside Nigeria. The researcher came across limited studies on financial strategy and corporate performance growth. However, the majority of these studies focused on commercial banks, small scale business. But this present study chose to look into selected food and beverages manufacturing companies in Nigeria. Additionally, to the best of researchers' knowledge, little attention tends to have been paid by local authors on financial strategy and corporate performance growth in Nigeria. Hence, this study stands to fill the gap.

3.8 Conceptual Models of the Study

A conceptual models is a tool for research that is aimed at helping the researcher develop knowledge and adequate understanding of the condition under study and to correspond it. The conceptual models for this study is made up of financial strategy as the independent variable while corporate performance growth as the dependent variable. Fig.1 shows the conceptual model:

4. METHODOLOGY

4.1 Research Design

In this study, the research was carried out using the descriptive survey method which determine the effect of financial strategy on corporate performance growth of selected food and beverages manufacturing companies in Nigeria. The descriptive survey method provides an extensive way of obtaining information from a population irrespective of the size of the population. These sources of data consist of the responses from the sample population of both the middle and top management of the selected food and beverages manufacturing companies in Nigeria. These sources of data formed the basis of the analysis and findings in this study.

4.2 Population of the Study

The four selected food and beverages manufacturing companies in Nigeria in the above-mentioned area of study made up the study's population. With a total number of 168 staffs, the study population shall involve both the middle and top management. The population distribution is as summarized in the Table 1.

Table 1. Population distribution

Name of Firms	Category of Respondents		Total Population (Frequency)	Percentage(%)
	(Middle Management)	(Top Management)		
Nestle Foods Nigeria Plc.	22	14	36	21.4%
Dangote Sugar Refinery Plc.	35	20	55	32.7%
Honeywell Flour Mills Nig. Plc.	31	07	38	22.6%
Flour Mills of Nigeria Plc.	27	12	39	23.3%
	Overall Population Size		**168**	**100.0%**

Source: Field survey, 2023

The overall population is 168

4.3 Sample Size and Sampling Technique

As a result of the inability of the researcher to effectively study the whole staff strength (population) of the selected food and beverages manufacturing companies, a representative number was chosen as the sample size of the population. One hundred and eighteen (118) was used as the sample size. The sample size was calculated using the Taro Yamane scientific formula which is given as:

$$n= N / 1 + N(e)^2$$

Where; N is the population (168); 1 is the constant; e is the degree of responsiveness (0.05); n is the sample size

With the formula stated above;

N= 168, e = 5%,

$n = 168 /1 + 168 (0.05)^2$

$n = 168 / 1 + 168 (0.0025)$

$n = 168 / 1+ 0.42$

$n = 168 / 1.42$

$n = 118$

The solution derived from the calculation above shows the number of questionnaires that was distributed. Therefore, our sample size is 118.

In order for that sample to adequately represent the population and to enable the researcher to draw a valid conclusion based on the sample studied, the purposive sampling method was used by the researcher because it involves the middle and top management of the organization who have the relevant knowledge about the subject matter.

4.4 Measurement of Variables

The independent and dependent variable of this study was measured using three (3) proxies each, as indicated in table 2.

Table 2. Summary of variable measurements

Variables	Measurement	Source
Financial Strategy	• Strategy of Investing in Company Assets. • Strategy of Acquisition of Capitals • Strategy of Redistribution of Profit	Questionnaire
Corporate Performance Growth	• Profitability • Innovation • Corporate Culture Attitude	Questionnaire

Source: Author's computation (2023)

4.5 Methods of data collection

The data for this study was collected through the primary data method. The use of primary data means data collected specially for the research work needed at hand and it involves data which are not available in published form or in company's records. Primary data method involved the administration of copies of questionnaire and it was distributed to the selected sample (118) in order to generate responses from them which were converted to the needed data for this study.

4.6 Methods of Data Analysis

The data collected in the research was edited, coded, classified on the basis of similarity and then tabulated using descriptive statistics such as frequencies and percentages. Also, for hypothesis, inferential statistics was used to determine the relationship between dependent and independent variables with the use of regression analysis. In addition, in the analysis of the data gathered the Statistical Product for Service Solutions (SPSS) version 17.0 was used to provide satisfactory result.

4.7 Model Specification

To determine the effect of financial strategy on corporate performance growth of selected food and beverages manufacturing companies in Nigeria, we employed the following model:

CPG = ƒ(FS) …………………..… (i)
CPGt = β0 + β1 FSt + μt ……….. (ii)

The a priori expectation of the slope coefficient is: FS >1.

Where; CPG = Corporate Performance Growth

FS = Financial Strategy

βo = Intercept which indicates the corporate performance growth in absence of financial strategy.

β1–β3 = Measures of sensitivity of independent variable to dependent variable

e = error term which is normally distributed with a mean of zero and a variance of 1.

t = time series variable form 1

Therefore CPG = ƒ (SICA, SAC, SRP)

PBT = (SICA)   (iii)

INN = (SAC)   (iv)

CCA = (SRP)   (v)

CPG = β0+β1SICA+β2SAC+β3SRP + ... + μt (vi)

A-priori Expectations

β0 > 0; β1 > 0; β2 > 0; β3 > 0   (vii)

Which assumes that the parameter estimates of β0-β3 are theoretically meaningful and that there is a direct relationship between dependent variable and the independent variable.

5. RESULTS AND DISCUSSION OF FINDINGS

5.1 Data Presentation, Analysis and Interpretation

5.1.1 General response rate

The respondent rate where sample size of the study was 118 staff members at the selected food and beverages manufacturing companies in Nigeria. One Hundred and Eighteen (118) questionnaires were distributed to the staffs but only 109 respondents returned given questionnaires. This indicates that 92.4% of the target sample filled and returned questionnaires. According to Mugenda and Mugenda (2003), a response rate of 50% and above is recommended for data analysis. Therefore, the response rate of 92.4% was considered adequate for analyzing the data in this study.

Section A: Strategy of Investing in Company Assets and Profitability

This section is based on analysis of the strategy of investing in company assets and it effect on the profitability of selected food and beverages manufacturing companies in Nigeria; the Table 3. shows respondents' opinion on both independent and dependent variables.

Table 3 question (1) shows the highest respondents strongly agree that 'their company has a clear strategy for investing in company assets' while the lowest respondents chose undecided. The mean value of 1.40 and standard deviation of 0.529 shows that on average, most respondents agree to the above.

Question (2) tells us that the highest respondents strongly agree that 'their company considers the long- term impact of investing in company assets' while the lowest respondents chose disagree. The mean value of 1.56 and standard deviation of 0.615 shows that on average, most respondents agree to the above.

Question (3) reveals that the highest respondents strongly agree that 'investing in company assets such as machinery and equipment leads to an increase in profitability' while the lowest respondents chose disagree and strongly disagree respectively. This is further supported by the mean value of 1.77 and standard deviation of 0.997.

Question (4) shows the highest respondents strongly agree that 'proper maintenance of company assets is important to ensure the longevity and profitability of food and beverage manufacturing companies in Nigeria' while the lowest respondents chose disagree. The mean value of 1.60 and standard deviation of 0.668 shows that on average, most respondents agree to the above.

Question (5) indicates the highest respondents strongly agree that 'our company regularly evaluates the performance of its assets' while the lowest respondents chose strongly disagree. This is further supported by the mean value of 1.70 and standard deviation of 0.811.

Question (6) shows the highest respondents strongly agree that 'our company invests in assets that have the potential to increase profitability' while the lowest respondents chose strongly disagree. The mean value of 1.77 and standard deviation of 0.878 shows that on average, most respondents agree to the above.

Section B: Strategy of Acquisition of Capitals and Innovation

This section is based on analysis of the strategy of acquisition of capitals and it effect on the innovation of selected food and beverages manufacturing companies in Nigeria; the Table 4. shows respondents' opinion on both independent and dependent variables.

Table 4 question (1) indicates that the highest respondents strongly agree that 'their company has successfully acquired other companies in the past to gain access to new markets or technologies' while the lowest respondents chose strongly disagree. This is further supported by the mean value of 1.63 and standard deviation of 0.729.

Question (2) reveals that the highest respondents agree that 'their company has a clear strategy for acquiring capital for innovation' while the lowest respondents chose undecided. The mean value of 1.61 and standard deviation of 0.592 shows that on average, most respondents agree to the above.

Question (3) shows that the highest respondents agree that 'their company regularly seeks feedback from customers and stakeholders to improve our innovation and acquisition strategies' while the lowest respondents chose disagree. This is further supported by the mean value of 1.70 and standard deviation of 0.616.

Question (4) tells us that the highest respondents agree that 'their company has a well-defined process for identifying and assessing potential acquisition targets' while the lowest respondents chose disagree. This is further supported by the mean value of 1.75 and standard deviation of 0.626.

Question (5) shows that the highest respondents agree that 'their company is willing to invest significant resources to acquire companies with promising technologies or products' while the lowest respondents chose strongly disagree. The mean value of 1.96 and standard deviation of 0.942 shows that on average, most respondents agree to the above.

Question (6) reveals that the highest respondents agree that 'their company has a dedicated innovation team to develop new products and processes' while the lowest respondents were disagree and strongly disagree respectively. This is further supported by the mean value of 1.84 and standard deviation of 0.772.

Section C: Strategy of Redistribution of Profit and Corporate Culture Attitude

This section is based on analysis of the strategy of redistribution of profit and it effect on the corporate culture attitude of selected food and beverages manufacturing companies in Nigeria; the Table 5 shows respondents' opinion on both independent and dependent variables.

Table 3. Descriptive statistics of the opinions of respondents on strategy of investing in companyassets and profitability

S/N	Variable	Attribute [Percentage (%) / Frequency]					Mean	StandardDeviation
		SA	A	UN	D	SD		
1.	Our company has a clear strategy for investing in company assets.	61.5% (67)	36.7% (40)	1.8% (2)	0.0% (0)	0.0% (0)	1.40	0.529
2.	Our company considers the long-term impact of investing in company assets.	49.5% (54)	45.9% (50)	3.7% (4)	0.9% (1)	0.0% (0)	1.56	0.615
3.	Investing in company assets such as machinery and equipment leads to an increase in profitability.	48.6% (53)	36.7% (40)	7.3% (8)	3.7% (4)	3.7% (4)	1.77	0.997
4.	Proper maintenance of company assets is important to ensure the longevity and profitability of food and beverage manufacturing companies in Nigeria.	48.6% (53)	45.0% (49)	4.6% (5)	1.8% (2)	0.0% (0)	1.60	0.668
5.	Our company regularly evaluates the performance of its assets.	46.8% (51)	41.3% (45)	8.3% (9)	2.8% (3)	0.9% (1)	1.70	0.811
6.	Our company invests in assets that have the potential to increase profitability.	44.0% (48)	42.2% (46)	7.3% (8)	5.5% (6)	0.9% (1)	1.77	0.878

Note: SA = Strongly Agree, A = Agree, UD = Undecided, D = Disagree, SD = Strongly Disagree
Source: Field Survey, 2023

Table 4. Descriptive Statistics of the Opinions of Respondents on Strategy of Acquisition of Capitals and Innovation

S/N	Variable	Attribute [Percentage (%) / Frequency]					Mean	StandardDeviation
		SA	A	UN	D	SD		
1.	Our company has successfully acquired other companies in the past to gain access to new markets or technologies	45.9% (50)	48.6% (53)	3.7% (4)	0.0% (0)	1.8% (2)	1.63	0.729
2.	Our company has a clear strategy for acquiring capital for innovation.	44.0% (48)	50.5% (55)	5.5% (6)	0.0% (0)	0.0% (0)	1.61	0.592
3.	Our company regularly seeks feedback from customers and stakeholders to improve our innovation and acquisition strategies.	36.7% (40)	58.7% (64)	2.8% (3)	1.8% (2)	0.0% (0)	1.70	0.616
4.	Our company has a well-defined process for identifying and assessing potential acquisition targets.	33.9% (37)	57.8% (63)	7.3% (8)	0.9% (1)	0.0% (0)	1.75	0.626
5.	Our company is willing to invest significant resources to acquire companies with promising technologies or products.	33.9% (37)	45.9% (50)	11.9% (13)	6.4% (7)	1.8% (2)	1.96	0.942
6.	Our company has a dedicated innovation team to develop new products and processes.	31.2% (34)	58.7% (64)	6.4% (7)	1.8% (2)	1.8% (2)	1.84	0.772

Note: SA = Strongly Agree, A = Agree, UD = Undecided, D = Disagree, SD = Strongly Disagree
Source: Field Survey, 2023

Table 5. Descriptive statistics of the opinions of respondents on strategy of redistribution of profit and corporate culture attitude

S/N	Variable	Attribute [Percentage (%) / Frequency]					Mean	StandardDeviation
		SA	A	UN	D	SD		
1.	Our company has a strong ethical culture.	57.8% (63)	30.3% (33)	8.3% (9)	0.9% (1)	2.8% (3)	1.61	0.893
2.	Our company has a clear policy on profit redistribution.	55.0% (60)	37.6% (41)	3.7% (4)	0.9% (1)	2.8% (3)	1.59	0.841
3.	Our company values diversity and promotes inclusion.	50.5% (55)	38.5% (42)	7.3% (8)	2.8% (3)	0.9% (1)	1.65	0.809
4.	Our company prioritizes reinvestment in the business over profit redistribution.	44.0% (48)	47.7% (52)	3.7% (4)	1.8% (2)	2.8% (3)	1.72	0.851
5.	Our company encourages open communication and feedback.	44.0% (48)	44.0% (48)	7.3% (8)	0.9% (1)	3.7% (4)	1.76	0.912
6.	Our company considers the welfare of its employees when distributing profits.	37.6% (41)	46.8% (51)	8.3% (9)	6.4% (7)	0.9% (1)	1.86	0.887

Note: SA = Strongly Agree, A = Agree, UD = Undecided, D = Disagree, SD = Strongly Disagree.
Source: Field Survey, 2023

Table 5 question (1) indicates the highest respondents strongly agree that 'their company has a strong ethical culture' while the lowest respondents chose disagree. The mean value of 1.61 and standard deviation of 0.893 shows that on average, most respondents agree to the above.

Question (2) tells us that the highest respondents strongly agree that 'their company has a clear policy on profit redistribution' while the lowest respondents chose disagree. The mean value of 1.59 and standard deviation of 0.841 shows that on average, most respondents agree to the above.

Question (3) reveals that the highest respondents strongly agree that 'their company values diversity and promotes inclusion' while the lowest respondents chose strongly disagree. This is further supported by the mean value of 1.65 and standard deviation of 0.809.

Question (4) shows the highest respondents agree that 'their company prioritizes reinvestment in the business over profit redistribution' while the lowest respondents chose disagree. The mean value of 1.72 and standard deviation of 0.851 shows that on average, most respondents agree to the above.

Question (5) indicates the highest respondents agree and strongly agree that 'their company encourages open communication and feedback' while the lowest respondents chose disagree. This is further supported by the mean value of 1.76 and standard deviation of 0.912.

Question (6) shows the highest respondents agree that 'their company considers the welfare of its employees when distributing profits' while the lowest respondents chose strongly disagree. The mean value of 1.86 and standard deviation of 0.887 shows that on average, most respondents agree to the above.

5.2 Test of Hypotheses

5.2.1 Analyses of research hypothesis one

> Hypothesis 1 - Strategy of investing in company assets has no significant effect on profitability of selected food and beverages manufacturing companies in Nigeria.

The regression analysis results presented in Table 6 reveals that the coefficient of determination R squared was 0.028 which implies that the model exhibited a very low explanatory power, and is not of a good fit. The finding was supported by a regression coefficient of 0.184 and a p value of 0.043. Since the p value (0.043) *was* less than α = 0.05, hence, the null hypothesis is of no significant effect and by the above findings is rejected (H01). In effect, and statistically, strategy of investing in company assets has significant effect on profitability of selected food and beverages manufacturing companies in Nigeria.

Analyses of Research Hypothesis Two

> Hypothesis 2 - Strategy of acquisition of capitals has no significant effect on innovation of selected food and beverages manufacturing companies in Nigeria.

Table 6. Linear regression analysis showing the strategy of investing in company assets and profitability of selected food and beverages manufacturing companies in Nigeria

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	1.299	.151		8.612	.000
	Our company has a clear strategy for investing in company assets.	.184	.096	.168	1.922	.043
$R = .168^a$; $R^2 = .028$; Adj $R^2 = .021$; $F = 3.695$; $P < .043$						
a. Dependent Variable: Proper maintenance of company assets is important to ensure the longevity and profitability of food and beverage manufacturing companies in Nigeria						

Source: Field survey, 2023 using SPSS 17.0

The regression analysis results presented in Table 7 reveals that the coefficient of determination R squared was 0.065 which implies that the model exhibited a very low explanatory power, and is not of a good fit. The finding was supported by a regression coefficient of 0.283 and a p value of 0.004. Since the p value (0.004) *was* less than α = 0.05, hence, the null hypothesis is of no significant effect and by the above findings is rejected (H02). In effect, and statistically, strategy of acquisition of capitals has significant effect on innovation of selected food and beverages manufacturing companies in Nigeria.

Analyses of Research Hypothesis Three

> Hypothesis 3 - Strategy of redistribution of profit has no significant effect on corporate culture attitude of selected food and beverages manufacturing companies in Nigeria.

The regression analysis results presented in Table 8 indicates that the coefficient of determination R squared was 0.016 which implies that the model exhibited a very low explanatory power, and is not of a good fit. The finding was supported by a regression coefficient of 0.101 and a p value of 0.025. Since the p value *was* less than α = 0.05, hence, the null hypothesis is of no significant effect and by the above findings is rejected (H03). In effect, and statistically, strategy of redistribution of profit has significant effect on corporate culture attitude of selected food and beverages manufacturing companies in Nigeria.

5.3 Discussion of Finding

The finding of the first hypothesis has revealed that strategy of investing in company assets has significant effect on profitability of selected food and beverages manufacturing companies in Nigeria. This finding was supported by the study carried out. This was consistent with Cummings (2018) conducted a study on financial strategies for sustaining small businesses. The findings identify financial strategies (investing in company asset) that small business leaders can use to increase productivity and profitability in their businesses.

Table 7. Linear regression analysis showing the strategy of acquisition of capitals and innovationof selected food and beverages manufacturing companies in Nigeria

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	1.283	.171		7.514	.000
	Our company has a clear strategy for acquiring capital for innovation.	.283	.095	.255	2.973	.004
$R= .255^a$; $R^2 = .065$; Adj $R^2 = .058$; $F = 8.840$; $P < .004$						
a. Dependent Variable: Our company has a dedicated innovation team to develop new products and processes.						

Source: Field survey, 2023 using SPSS 17.0

Table 8. Linear regression analysis showing the strategy of redistribution of profit and corporate culture attitude of selected food and beverages manufacturing companies in Nigeria

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	1.591	.131		12.099	.000
	Our company has a clear policy on profit redistribution.	.101	.070	.127	1.447	.025
$R= .127^a$; $R^2 = .016$; Adj $R^2 = .008$; $F = 2.094$; $P < .025$						
a. Dependent Variable: Our company has a strong ethical culture.						

Source: Field survey, 2023 using SPSS 17.0

The finding of the second hypothesis has revealed that strategy of acquisition of capitals has significant effect on innovation of selected food and beverages manufacturing companies in Nigeria. The results from the above hypothesis analysis are in line with the findings from other research works. Renato *et al.* (2015) conducted a study on strategy of company acquisition for technological innovation. The results reveals that acquisition of companies with strong R&D structures can be a powerful tool for increasing the technological capacity. Thus, a critical factor for the success of this strategy is the implementation of appropriate management processes, to ensure the effective coordination of global R&D, and the integration of innovation activities of newly acquired companies, by creating an efficient network to better exploit their core competences.

The finding of the third hypothesis has revealed that strategy of redistribution of profit has significant effect on corporate culture attitude of selected food and beverages manufacturing companies in Nigeria. These findings were in agreement with Rejie and Rezaul (2018) examined the phenomenon of profit redistribution in Indian business groups and relates redistribution with the underperformance of group-affiliated firms relative to unaffiliated firms. The finding shows a significant profit redistribution effect within a business group. In line with Huei *et al.* (2015) conducted a study on the potential occurrence of profit redistribution in family-controlled business groups in Malaysia. The study found that inefficient profit redistribution occurs where profits/resources are redistributed or transferred from good-performing corporations. The study suggested that inefficient profit redistribution is concentrated mainly in large business groups rather than in small and intermediate size business groups [37].

6. CONCLUSION

From the previous chapter, it can be concluded that there is a positive significant effect between financial strategy and corporate performance growth of selected food and beverages manufacturing companies in Nigeria. The following conclusions were made based on the findings.

I. The study reveals that strategy of investing in company assets has significant effect on profitability of selected food and beverages manufacturing companies in Nigeria. Despite this importance, the companies prioritize assets that can directly enhance profitability. Notably, the research suggests that investing in machinery and equipment has the potential to boost profitability. The statement emphasizes that generating profit is essential for a company's long-term survival.
II. The finding of the study highlights that the strategy of acquisition of capitals has significant effect on innovation of selected food and beverages manufacturing companies in Nigeria. These companies have a well-defined approach for obtaining capital to drive innovation. The concept of innovation encompasses not only major technological advancements but also includes smaller improvements in customer service and existing product features. The study underscores that the selected companies demonstrate commitment to innovation through dedicated teams focused on developing new products and processes.
III. Strategy of redistribution of profit has significant effect on corporate culture attitude of selected food and beverages manufacturing companies in Nigeria. The analysis supports this claim by highlighting that the selected companies have established clear profit distribution policies that prioritize the welfare of their employees.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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