



Working Capital Management and Financial Performance of Listed Conglomerate Companies in Nigeria

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Abstract

This study examines the impact of working capital management on the financial performance of listed conglomerate companies in Nigeria for a period of ten (10) years (2005-2014). Data for the study were quantitatively retrieved from the annual reports and accounts of the studied companies. The study employed descriptive statistics to describe the variable while the relationships among the variables were established via correlation. Variable Inflation Factor (VIF) was used to determine the existence or otherwise of multi-collinearity while Ordinary Least Square (OLS) Regression was used to analyze the data. It was found that debtors collection period, creditors payment period and firm size were negatively related to return on investment while cash conversion cycle has positive but insignificant relationship with the financial performance of the studied companies. The study however, recommends among others that listed conglomerate companies should maintain the current debtors' collection period or further reduce it in order to continue to enhance financial performance.