



JIBM

Journal of International Business and Management
Journal Homepage: <https://rpajournals.com/jibm>

Environmental Dynamism, Capital Structure and Performance of Listed Consumer Goods Companies in Nigeria

Danladi Sagir

Modibbo Adama University of Technology Yola, Nigeria

Abstract

The objective of this study is to examine the moderating effect of environmental dynamism on the relationship between capital structure and performance of listed consumer goods companies in Nigeria. A sample of six (6) consumer goods companies was drawn for a period of seven years. Descriptive statistics, correlation matrix, as well as OLS regressions, were all conducted using STATA V10.0 software. The findings revealed that LTDR has a significant influence on R.O.E. The result also shows that, environmental dynamism does not significantly moderate the relationship between LTDR and R.O.E. The Study, therefore, recommends that, a number of measures should be put in place by managers in order to get more long-term debt for better profitability.

Keywords: Capital Structure, Environmental Dynamism, Performance, Nigeria.

*Corresponding author: Danladi Sagir
Email: danladisagir@mautech.edu.ng
Submission Date: 05 December 2018
Acceptance Date: 16 February 2019

Introduction

Every business, whether new or existing, needs funds to carry out certain financial activities, which will eventually help in the attainment of the overall organisational goals. The requirement may be for meeting daily operational needs or for business expansion. Both are important and are therefore considered vital to the growth and long-term survival of the business enterprise.

The required funds can be acquired from many different sources and by different forms. The funds could be generated either from the internal or external sources in short-term or long-term form. Internal sources include; raising of new capital through the fresh issue of either ordinary or preference shares, right issue of shares, retained earnings etc. Ordinary shareholders are considered the ultimate risk takers and are entitled to claim the whole of profit after tax and preference dividend. Preference shareholders have the right to a fixed rate of dividend and in time of liquidation, they have the right to claim back their funds before ordinary shareholders. On the other hand, external sources include funds from debenture holders (long term), creditors (short term) and other forms of debt. Debenture holders and their likes are entitled to the fixed rate of interest and have the right to put the mortgage on an asset where necessary.

Determining the appropriate mix of equity and debt at a point in time has become the fundamental issue bothering financial managers. Brounen and Eichholtz (2001) tagged it as one of the most puzzling topics in corporate finance literature. The specific mix of debt and equity a firm uses in financing its operations is generally termed capital structure (Abor, 2005). The financial manager must at all times strive towards achieving an optimal combination (mix of equity and debt) for his or her firm; that is, the capital structure that will maximize the market value of the firm's shares and at the same time assure adequate liquidity.

However, the following three alternatives (capital structure/Mix options) are open to managers when making capital structure choice (Dare & Sola, 2010); 100% equity: 0% debt, 0% equity: 100% debt or X% equity: Y% debt, option 1, 2 & 3. Option one is for all-equity financed companies, hence, no external funding is required. On the contrary, option two goes to all-debt financed firms while option three gives room for combining the two sources as the manager deems fit. In view of the above, Abor (2005) opined that firms can also issue a number of individual securities in various combinations to maximize overall market value. It is important to note that, despite the efforts made by past authors in proving and suggesting the existence of an optimal capital structure, none was able to provide a specific methodology which may enable firms to achieve an optimal debt level.

The paramount aim of financial decisions is shareholders' wealth maximization and this is also the case with capital structure, as it is commonly accepted that it has a strong connection with financial performance. This is because the utilization of debt influences both the return and risk to shareholders. Okafor and Harmon (2005) put it that, the market value per share (MVP) is considered optimum only when the shareholders' return is maximized and risk is minimized. The optimal mix exists when the mixture between a firm's debt and equity can minimize the costs of capital and enhance its profitability.

In view of the above, Gleason, Mathur and Mathur(2000) posited that financial decisions as regards the appropriate amount of debt and equity to be maintained by a given firm are considered a kind of firm-specific strategy which management employed when trying to improve performance. There is no generally defined mix or combination to be kept, instead, manager's discretion is allowed in determining it (mix), guided by his/her firm's peculiar circumstances.

Since profitability is crucial for the going concern of every firm, study of the relationship between capital structure and profitability is of paramount importance. Moreover, despite the plethora of studies in this area, results are still conflicting and inconclusive, hence, necessitating the need to carry out further study. In addition, in spite of the stream of studies conducted locally (in Nigeria) on the effect of capital structure on firm performance (e.g. Lawal, Edwin, Monica, & Adisa, 2014), less attention was paid to the consumer goods companies. As such, the conduct of this study will contribute to both theory and practice as it covers areas left by previous researchers.

Moreover, capital structure decisions are said to be trickier in periods of economic hardship, or when there exists a high degree of uncertainty. This is often found in developing countries (like Nigeria) which according to Tushman (1979), is due to the greater burden of information processing placed upon those responsible (for such decisions), hence, affecting the nature or type of decisions to take.

Salawu (2007) claimed that "the Nigerian corporate sector is characterized by a large number of firms operating in a largely deregulated and increasingly competitive environment. That, since 1987, financial liberalization has changed the operating environment of firms, by giving more flexibility to the Nigerian financial managers in choosing their firms' capital structure". This, therefore, makes capital structure decisions to also focus on strengthening the firm's ability to thrive well in its competitive environment, in addition to the need to achieve various stakeholders' goals.

Considering the nature of the Nigerian economic environment, this study examines the moderating effect of environmental dynamism on the relationship between capital structure and performance of firms in Nigeria. The study covers consumer goods companies listed on the Nigerian Stock Exchange (NSE) for a period of six (6) years (2012 – 2017).

Literature Review and Hypotheses Development

The problem of how financial managers take a stance on the strategic mix of debt and equity has led to great debate in the corporate financial literature. This section reviews previous studies conducted on environmental dynamism, capital structure and performance, with the aim of developing hypotheses to guide the study.

Capital Structure and Firm Performance

Among the pioneer studies that gain much recognition was that conducted by Hadlock and James (2002) which assesses the likelihood of the banking sector to offer assured financial peace to the sampled companies. They opined that, market evaluation of shares is fundamental in making a choice among equity and debt. The study analyzed the financing decisions of non-financial companies, hence, concluding that companies that were sub-evaluated selects bank financings. Thus positing that, that type of choice arises due to the fact that the market interprets loan as a positive step.

Later in 2011, Nahum and Neil (2011) tried to extend Abor's (2005) findings as regards the impact of capital structure on profitability by using the American service and manufacturing firms with a sample of 272 American firms for a period of 3 years (2005 – 2007). The results revealed a positive relationship for short-term debt to total assets and profitability on one hand and on the other hand, total debt to total assets and profitability in the service industry. Similarly, Mahfuzah and Raj (2012) while examining the relationship between capital structure and firm performance on a sample of 237 Malaysian companies quoted on the Bursa Malaysia Stock exchange for the period 1995-2011, also concluded that, firm performance measured by return on asset, return on equity and earnings per share have negative relationship with short-term debt, long-term debt, and total debt.

Recent studies tend to examine the relationship between capital structure and firm performance under special circumstances. For instance, Ngoc, Trang and Payel (2017) investigated the impact of capital structure on financial performance of United Kingdom (UK) firms over a period of ten years (2006 - 2015) during financial crises, taking a sample of 739 UK's (very large and large) listed companies on London Stock Exchange. The findings revealed that, firm's financial performance, negatively relates with long-term debt in most of the sectors under study, whereas, short-term debts have no significant effect on the said ratios. The performance measured by Earnings per Share also has no relationship with firm's leverage. These findings are consistent for Return on Asset, Return on Equity and Earnings per Share when all firms are considered. Finally, the global financial crisis seems not to have much effect on the relationship between leverage and profitability indicators.

In Africa, a pioneer study conducted by Abor (2005) on the influence of capital structure on profitability of listed companies on the Ghana Stock Exchange during a five-year period found out that, there is significant positive relationship between short-term debt and ROE and this shows that, firms that earn a lot use more short-term debt to finance their business. In other words, short-term debt is an essential source of financing in favour of Ghanaian companies, by representing 85 percent of total debt financing. The author opens up the door to the stream of studies carried out in this region.

El-Sayed (2009) followed suit by empirically investigating the effect of capital structure choice on firm performance using a sample of firms in Egypt for 1997 to 2005. Multiple regression analysis was used to estimate the relationship between the leverage level and firm's performance. The findings showed that capital structure choice decision, in general terms, has a weak-to-no impact on firm's performance. Moreover, Albert, Michael and Daniel (2013) in Ghana examined the relationship between capital structure and performance of listed firms for five-year period (2005 to 2009) with the use of regression analysis. The result showed the existence of a strong positive relationship between profitability and short-term debt on one hand and a strong negative relationship between profitability and long-term debt on the other hand. However, the results revealed a statistically negative relationship between profitability and total debt, which is contrary to Arbor's (2005) study. The only set back with the study is that, it labeled Ghanaian listed firms as to be relying more on short-term debt than long-term debt, which is hard to validate in practice.

Moreover, a study by Amraoui, Jianmu, Shinta and Hapzi (2017) employed Panel regression approach to examine the impact of capital structure on performance of firms in Morocco, covering a period of three years (2014 to 2016) with a sample of fifty-three (53) Moroccan companies. The study conclude that Debt ratio (DR) has significant negative effect on

return on asset (ROA), debt to equity ratio (DER) also has significant negative impact on return on equity (ROE) and size has positive significant impact on firm's performance using return on equity (ROE) as proxy. As such, the profitability of Moroccan firms decrease as much as level of leverage increase, Trade-off theory which assume a positive relationship between capital structure and firm's performance is rejected, financial risk of Moroccan companies is very high, as a consequence, external financing should be reduced to improve the financial performance.

Locally (in Nigeria), one of the early studies in this area was that of Rafiu (2007) which evaluated the impact of capital structure on profitability of quoted companies in Nigeria using a sample of 50 non-financial listed companies for a period of fourteen years (1990-2004). In order to analyze the data, Pooled Ordinary Least Squares (OLS) model, Fixed Effect Model (FEM) and Random Effect Model (REM) were used. The findings showed that, profitability positively correlates with short-term debt and equity while it inversely correlates with long-term debt. In addition, the findings revealed a negative relationship between the ratio of total debt to total assets and profitability. The authors concluded that, companies in Nigeria depend on external financing, and in particular, 60% of the proportion of the debt is represented in short-term form. The study is vital because, it implored managers to strive toward implementing an effective and efficient credit policy, thereby improving overall profitability level.

On the contrary, Uwalomwa and Uadiale (2012) basically examined the relationship between capital structure and the financial performance of listed companies in Nigeria considering a sample of 31 listed companies on the floor of the Nigerian stock exchange over a period of five years (2005 – 2009). The Ordinary Least Squares (OLS) technique of model estimation was used to test the hypothesis made. It was revealed that two of the independent variables of the study (i.e. short-term debt and shareholders' funds) have a significant positive impact on the financial performance of the said companies. Moreover, the study revealed that, long-term debt has a significant negative effect on the financial performance of the said firms. On a final note, the study concluded that, using high proportion of long-term debt in firms' capital mix will invariably result in low profitability. The relationship revealed contradicts those of prior studies and this opens the room to other researchers.

Afterward, Lawal, Edwin, Monica and Adisa (2014) investigated the effect of capital structure on firm's performance with a sample of manufacturing companies in Nigeria from 2003 to 2012. Descriptive and regression research techniques were employed in analyzing the data. The findings revealed that, capital mix measures negatively relate to firm performance. The study recommended that, firms should use more of equity than debt when taking financing decisions, in as much as the value of a business can be enhanced using debt capital. In addition, companies should ascertain the point at which the weighted average cost of capital is minimal and maintain that gearing ratio so that the company's value will not be eroded, as the firm's capital structure is optimal at this point *ceteris paribus*. The findings of study are in line with those of Rafiu (2007).

Just recently, Bassey, Ukpeand Solomom (2017) analyzed the impact of capital structure choice on the performance of agro-based firms in Nigeria. Data used were collected from a sample of 20 listed firms for a period of eight years (2007-2013). The data collected were analyzed using the Ordinary Least Square (OLS) regression technique. The result revealed that, the main positive determinants of performance were long-term debt, equity and retained earnings. Whereas, on the other hand, variables that impacted negatively on agro-based performance were total debts and short-term debts finances. The study therefore, called on managers of the sampled agro-based firms to avoid excessive debt. They should as well, strive to retain part of their profit while ensuring high use of equity capital as part of their long-term financing decision.

So far, the review show mixed findings and therefore, further analysis is required to form an indigenously objective view on the subject matter. Hence, the following hypothesis is developed:

H₁ *There is a significant relationship between Capital Structure and Firm performance*

Environmental Dynamism, Capital Structure and Firm Performance

Previous literature indicates that, firm performance declines when its environment further becomes more dynamic (Wang & Ang, 2004). This is more especially when the capabilities are not flexible or aligned with the changing environment (Eisenhardt, 1989). This necessitates a number of studies to use environmental dynamism in moderating the relationship between different explanatory variables with performance. For instance, Hambrick and Mason (1984) and Priem (1990) assessed the moderating effect of the environment on the relationship between top management team composition and firm's performance, while Rasheed and Precott (1991), investigated its moderating effect on the relation between outsourcing and organizational performance.

In the same vein, Eisenhardt (1989) looked into its (environmental dynamism) effect on the relationship between decision behavior and firm performance, while Hsiang-Feng, Hsien-Bin and Dja-Shin (2012), carried out a similar study to understand how environmental dynamism moderates the association between innovation strategy and firm performance. In 2006 as well, Michael, Craig, and Keith (2006), using a sample of 66 new ventures also outlined model of when, why, and how the effect of entrepreneur leadership behavior on new venture performance is likely to be moderated by the level of environmental dynamism. The findings revealed that, environmental dynamism has a significant positive moderating effect on the relationship between the two variables.

Only a few studies consider checking the moderating effect of environmental dynamism on the relationship between capital structure and firm performance. Simerly and Li(2000),by integrating models from organizational economics with the strategic management literature were able to theorize that, a firm's capital structure is affected by environmental dynamism, and that the match between environmental dynamism and capital structure is associated with superior economic performance. Their findings support the proposition that competitive environments have a significant moderating effect on the relationship between capital structure and performance. The study considered U.S firms and as such, this study will examine the effect of environmental dynamism on the relationship between the two variables in Nigeria. Thus, the following hypothesis is developed:

H₂ Environmental dynamism does moderate the relationship between capital structure and firm performance.

Research Methodology

Research Design & Data

Ex-post facto research design was employed where quantitative data retrieved from the annual reports and accounts of the sampled companies were used in testing the hypotheses developed.

Population and Sample

The study identifies all the Consumer Goods companies listed on the Nigerian Stock Exchange (NSE) as at 31st December 2017 as the population from which a sample of six (6) was drawn.

Table 1: Sample of the Study

| S/No | Company |
|------|-----------------------------|
| 1 | Cadbury Nigeria Plc. |
| 2 | Champion Breweries Plc. |
| 3 | Dangote Sugar Refinery Plc. |
| 4 | Nestle Nigeria Plc. |
| 5 | Nigerian Breweries Plc. |
| 6 | Unilever Nigeria Plc. |

Variables Measurement

However, to proxy performance (dependent variable), the study employs Return on Equity (ROE) which is in line with Zeitun and Tian (2007), Onaolapo and Kajola (2010), Khan (2012), Toraman, Kılıç and Reis (2013), Maina and Ishmail (2014) and Sunday (2015).

On the other hand, the proxy for capital structure (independent variable) is the Debt/Equity ratio which is Long-term debt/equity ratio (LTDR). Moreover, a control variable – Firm Size was also used. It is measured by taking the natural Log of total sales.

Finally, Environmental dynamism was computed as standard deviation of country-wide total sales divided by the mean of the value of country-wide total sales.

Study Models

$$ROE_{it} = \beta_0 + \beta_1 LTD_{it} + \beta_2 FSIZE_{it} + \varepsilon_{it} \dots (I)$$

$$ROE^*Dyn_{it} = \beta_0 + \beta_1 LTD_{it} + \beta_2 FSIZE_{it} + \varepsilon_{it} \dots (II)$$

Where;

$ROE_{i,t}$ = Return on shareholders' equity of firm i in year t

$ROE^*Dyn_{i,t}$ = Return on shareholders' equity in a dynamic environment of firm i in year t

$LTD_{i,t}$ = Long-term debt ratio of firm i in year t

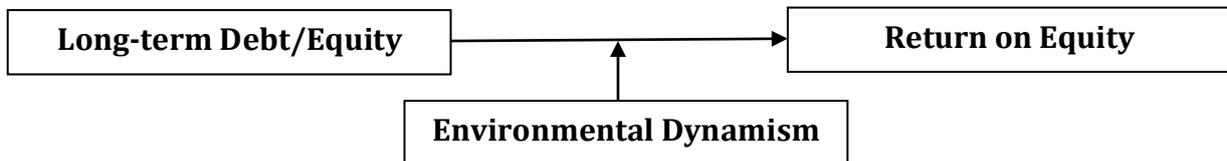
$FSIZE_{i,t}$ = Size of firm i in year t

$\varepsilon_{i,t}$ = The error terms.

Research Framework

The figure below presents a schematic conceptual framework of the relationship between Capital Structure measures and performance of firms.

Figure 1: Research Framework



The figure indicates the long-term debt/equity ratio as independent variable, while performance being considered as the dependent variable being proxied with Return on Equity. The framework further identifies a moderating variable, environmental dynamism.

Descriptive statistics, correlation matrix as well as OLS regression were used in analyzing and interpreting the result obtained. These were carried out using the STATA version 10.0 software.

Results and Analysis

The analysis and interpretation of results from the data generated from the annual reports and accounts of the sampled consumer goods companies are presented in this section. The OLS regression result is also explained.

Descriptive Statistics

Table 2: Summary of Descriptive Statistics

| Variables | Mean | Maximum | Minimum | Std. Dev. |
|-----------|----------|----------|-----------|-----------|
| ROE | .2549232 | .7514505 | -.1352448 | .21627 |
| ROE/Dyn | .2270745 | .6693594 | -.1204701 | .1926439 |
| LTDR | .3179704 | .8658044 | -.0183659 | .2784953 |
| FSize | 7.681328 | 8.537268 | 6.251722 | .6134864 |

To begin with, the return on equity (ROE) of the sampled firms has a mean value of 0.2549232, suggesting a moderate return over the sector, although, the standard deviation of 0.21627 indicates that the return highly varies within the companies. The variable has minimum and maximum values of -0.1352448 and 0.7514505 respectively.

In contrast, when dynamism is applied to ROE, the mean value changes, showing a reduced value of 0.2270745, with a minimum and maximum value of -0.1204701 and 0.6693594 respectively. In the same vein, the standard deviation of the variable (0.1926439) shows that there is a considerable level of dispersion of data.

On the other hand, the independent variable Long Term Debt Ratio (LTDR) has a mean value of 0.3179704 with a minimum and maximum value of -.0183659 and 0.8658044 respectively. The variable has a standard deviation (0.2784953) higher than ROE, indicating same level of dispersion as the ones above.

Finally, the control variable of the study firm size (FSize) has a mean value of 7.681328 with the highest standard deviation value of 0.6134864 also suggesting a considerable level of dispersion in the size of the sampled firms during the study period. Champion company plc. is the lowest in size as indicated by the least value of 6.251722 while Nigeria breweries has the largest size with the highest value of 8.537268.

Correlation Matrix

Table 3: Summary of Pearson Correlation Matrix of the variables (N = 36)

| | ROE | ROEDYN | LTDR | FS |
|--------|---------|---------|---------|--------|
| ROE | 1.0000 | | | |
| ROEDYN | 1.0000* | 1.0000 | | |
| LTDR | 0.4512* | 0.4512* | 1.0000 | |
| FS | 0.4203* | 0.4203* | 0.4495* | 1.0000 |

LTDR had a positive and significant relationship to performance (ROE and ROE*Dyn) both in a dynamic and a non-dynamic environment as indicated by same values of 0.4512 and 0.0057. This provides support for hypothesis I which suggest the existence of a significant relationship between Capital Structure and Firm Performance. On the contrary, the correlation result provides an evidence of rejecting hypothesis II which posits that, environmental dynamism does moderate the relationship between capital structure and firm performance.

However, the relationship between LTDR and the control variable (FS) is said to be positive and significant as well, as indicated by the coefficient of 0.4495 and a p-value of 0.0059. This suggests that, larger companies within the sample tend to acquire more long-term loans.

OLS Regression Result

Table 4: Result for Robustness Test

| Multicollinearity Test | | | Heteroskedasticity Test | |
|------------------------|------|----------|---|--------|
| Variables | VIF | TV | | |
| FSize | 1.25 | 0.797912 | | |
| LTDR | 1.25 | 0.797912 | | |
| | | | Breusch& Pagan/Cook-Weisberg Test for Heteroscedasticity: | |
| | | | Chi2 | 1.65 |
| | | | Prob> chi2 | 0.1989 |

Robustness test is conducted in order to check for perfect multicollinearity in the estimates. A Tolerance value of 0.1 and below indicates the presence of perfect multicollinearity, while a value of 10 and above for Variance inflation factor implies perfect multicollinearity. However, as shown on table above, there exists no perfect multicollinearity.

A test for heteroskedasticity was also conducted and the result for Breusch & Pagan/Cook-Weisberg Test shows a value of 1.65 with a significant P-value of 0.1989 which makes or confirms the reliability of the OLS regression Model result. As such, no fixed random effect regression analysis will be required.

Table 4: Summary of Regression Model
(With Both ROE and ROE*Dyn as dependent Variable)

| OLS model | |
|-----------|------------|
| Variables | Statistics |
| R2 | 0.2628 |
| Adj. R2 | 0.2181 |
| F-STAT | 5.88 |
| Prob>F | 0.0065 |

The R² adjusted of 0.2628 means that the model is moderately fit, showing that 26.28% of the total variation in Return on Equity (ROE&ROE*Dyn) is caused by the independent variable LTDR, while the remaining 73.72% is attributed to other factors not captured in the model. F-Statistic which shows the overall significance of the variables has a value of 5.88 with a probability (F) of 0.0065, confirming the joint significance of the variables.

Table 4: Regression Coefficients

| Variables | Non-Dynamic | | Dynamic | |
|-----------|-------------|---------|----------|---------|
| | Coef. | P-value | Coef. | P-value |
| LTDR | .2552498 | 0.058 | .2273654 | 0.058 |
| FSize | .0960641 | 0.113 | .0855698 | 0.113 |
| Constant | -.564139 | 0.206 | -.502510 | 0.206 |

The independent variable Long Term Debt Ratio (LTDR) having a regression coefficient of 0.2552498 implies that, for every one naira (₦1), increase in LTDR, profitability as measured by Return on Equity (R.O.E) is said to increase by 0.26. The impact is also said to be significant with a P-value of 0.05 and this confirms the acceptance of hypothesis I of the study which suggests that LTDR has significant impact on R.O.E.

Except for the coefficients, the P-values of both the independent and control variables are said to be the same as that under the first regression model. Meaning, with the addition or moderating effect of environmental dynamism, the significance level does not change, thus, providing the basis for the rejection of hypothesis II of the study which suggests that environmental dynamism does moderate the relationship between LTDR and R.O.E.

Discussion

The study was conducted to explore the moderating effect of environmental dynamism on the relationship between capital structure and firm performance. The determinants of capital structure and performance used in the study were Long Term Debt Ratio (LTDR) and Return on Equity (ROE) respectively. The findings revealed that capital structure influences the performance of the sampled firms in a positive and significant manner. In other words, the higher the LTDR of a company, the higher will be its R.O.E. The finding is in line with Nahum and Neil (2011), Abor (2005), Albert, Michael and Daniel (2013), Bassey, Ukpeand Solomom (2017), while contradicting Mahfuzah and Raj (2012), Ngoc, Trang and Payel (2017), Amraoui, Jianmu, Shinta and Hapzi (2017); Uwalomwa and Uadiale (2012). Moreover, the study reveals that, environmental dynamism does not play any significant role in moderating the relationship between the two variables, as the P-values remain unchanged. This is in conflict with Wang & Ang (2004); Eisenhardt (1989); Simerly & Li, (2000) as they found either in positive or negative manner the existence of a significant relationship.

Conclusions

The study concludes that, capital structure has significant effect on performance of firms, this is especially for LTDR. The study also concludes that, the relationship between capital structure and performance is the same irrespective of the nature of the environment, i.e. whether dynamic or non-dynamic. The study, therefore, recommends that, companies should devise appropriate ways of getting more long-term debts in order to improve their profitability. The companies should also consider finding ways of getting a better mixture of debt and equity which will ensure maximum profitability.

Limitations and Direction for Future Research

One of the limitations is the utilization of secondary data (mainly annual reports and accounts) only in the conduct of the study. The use of primary data (to be sourced through questionnaire, interview etc.) may give more robust result. Another limitation is the fact that, the study uses only LTDR in determining firms' capital structure. Future authors can use both LTDR and STDR for better result. In the same vein, the study concentrates only on consumer goods companies of the Nigeria Stock Exchange, limiting the possibility of generalizing the current findings. Future researchers can consider utilizing companies from different sectors in order to get more accurate and reliable result.

References

- Abor, J. (2005). The effect of capital structure on profitability: an empirical analysis of listed firms in Ghana. *Journal of Risk Finance*. Vol. 6 No.5, pp.438 - 445.
- Albert, A. A., Michael, N., & Daniel, H. (2013). The Effects of Capital Structure on Profitability of Listed Firms in Ghana. *European Journal of Business and Management* ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.5, No.31
- Amarjit, G., Nahum, B., & Neil, M. (2011). The Effect of Capital Structure on Profitability: Evidence from the United States. *International Journal of Management* Vol. 28 No. 4 Part 1.
- Amraoui, M., Jianmu, Y., Shinta, A. H. H., & Hapzi, A. (2017) The impact of capital structure on Firms performance in Morocco. *International Journal of Application or Innovation in*

- Bassey, N. E., Ukpe, O. U. & Solomom, U. U. (2017). The Effect of Capital Structure Choice on the Performance of Corporate Organizations: A Case of Quoted Agro-Based Firms in Nigeria. *Bulletin of Business and Economics*, 6(2), 58-67.
- Brounen, D., & Eichholtz, P. M. A. (2001): Capital Structure Theory: Evidence from European Property Companies' Capital Offerings, *Real Estate Economics*, winter, Volume 29, Issue 4, pages 615–632.
- Dare, F.D., & Sola, O. (2010). Capital Structure and Corporate Performance in Nigeria Petroleum Industry: Panel Data Analysis. *Journal of Mathematics and Statistics* 6 (2): 168-173.
- Eisenhardt, M, K. (1989), “Agency theory: An assessment and review”, *Academy of Management Review*, Vol. 14, No. 1, pp. 57-74
- El-Sayed, I. E. (2009). The impact of capital-structure choice on firm performance: empirical evidence from Egypt. *The Journal of Risk Finance*, Vol. 10 Issue: 5, pp.477-487, <https://doi.org/10.1108/152659409110013859>, 2017 DOI: 10.20547/jfer1702102
- Gleason, K. C., Mathur, L. K., & Mathur, I. (2000). ‘The interrelationship between cultures, capital structure, and performance: Evidence from European retailers’, *Journals of Business Research*, 50, 185-191.
- Hadlock, C. J., & James, C. M (2002). Do Banks Provide Financial Slack? *The Journal of Finance*. v. LVII, n 3, JUN 2002.
- Hambrick, D.C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review* 9, 193– 206.
- Hsiang-Feng, T., Hsien-Bin W., & Dja-Shin, W. (2012). The moderating role of environmental dynamism on the influence of innovation strategy and firm performance. *International Journal of Innovation, Management and Technology*, Vol. 3, No. 5, October 2012
- Khan, A. G. (2012). The relationship of capital structure decisions with firm performance: A study of the engineering sector of Pakistan. *International Journal of Accounting Financial Report* 2(1).
- Lawal, B. A., Edwin, T. K., Monica, W. K., & Adisa, M. K. (2014). Effects of Capital Structure on Firm’s Performance: Empirical Study of Manufacturing Companies in Nigeria. *Journal of Finance and Investment Analysis*, vol. 3, no.4, 2014, 39-57 ISSN: 2241-0998 (print version), 2241-0996(online) Scienpress Ltd, 2014
- Mahfuzah, S., & Raj, Y. (2012). Capital Structure and Firm Performance: Evidence from Malaysian Listed Companies. *International Congress on Interdisciplinary Business and Social Science Procedia - Social and Behavioral Sciences* 65. Pp156 – 166 doi: 10.1016/j.sbspro.2012.11.105
- Maina, L., & Ishmail, M. (2014). Capital Structure and Firms Performance in Kenya: Evidence from firms listed at the Nairobi Securities Exchange. *International Journal of Social Sciences and Entrepreneurship*, 1(11), 1-14.
- Michael, D. E., Craig, L. P., & Keith, M. H. (2006). The moderating effect of environmental dynamism on the relationship between entrepreneur leadership behavior and new venture performance. *Journal of Business Venturing* 21. Pp 243–263.
- Ngoc, B. V., Trang, T. Q. V., & Payel, M. (2017). Impact of Capital Structure on Firm's Financial Performance: Evidence from United Kingdom. *Journal of Finance & Economics Research* Vol. 2(1): 16-2
- Okafor, F. O., & Harmon, C. E. (2005). The Impact of Capital Structure on the Financial Performance of Nigerian Firms. An M.Sc Dissertation Proposal Submitted to the Department of Banking and Finance, FBA, UNEC, Enugu State.
- Onaolapo, A. A., & Kajola, S. O. (2010). Capital structure and firm performance: Evidence from Nigeria. *European Journal of Economics and Financial Administration Science*, 25, 70-82.
- Priem, R. L. (1990). Top management group factors, consensus, and firm performance. *Strategic Management Journal* 11, 469– 478.

- Rafiu, O. S. (2007). The Effect of Capital Structure on Profitability: An Empirical Analysis of Listed Firms in Nigeria. The Institute for Business and Finance Research Global Conference on Business and Finance Proceedings Volume 2, Number 2.
- Rasheed, A., & Precott, J. (1992). Towards an objective classification scheme for organizational task environments. *British Journal of Management*, vol. 3, pp. 197-206, 1992
- Salawu, R. O. (2007), "An Empirical Analysis of the Capital Structure of Selected Quoted Companies in Nigeria". An Unpublished M.Phil Thesis submitted to the Department of Management and Accounting, Obafemi Awolowo University, Ile-Ife, Nigeria.
- Sharfman, M., & Dean, J. (1991). Conceptualizing and measuring the organizational environment: a multidimensional approach. *Journal of Management* 17 (4), 681– 700.
- Simerly, R. S., & L. M. (2000). Environmental dynamism, capital structure and performance: A theoretical integration and an empirical test. *Strategic Management Journal*. Vol. 21, No. 1 (Jan., 2000), pp. 31-49
- Sunday, I. (2015). Another look at Capital Structure and Corporate Performance in Emerging Markets: The Case of Nigeria. *Asian Journal of Business Management* 7(1), 1-12.
- Toraman, C., Kılıç, Y. & Reis, S. (2013). The effects of capital structure decisions on firm performance: Evidence from Turkey. Proceeding of the International Conference on Economic and Social Studies (ICESoS'13), 137-145.
- Tushman, M. (1979). Work characteristics and sub-unit communication structure: a contingency analysis. *Administrative Science Quarterly* 24, 82– 97
- Uwalomwa, U., & Uadiale, O. M. (2012). An Empirical Examination of the Relationship between Capital Structure and the Financial Performance of Firms in Nigeria. *Euro Economica: Banking, Finance and Accounting*. Issue 1(31)/2012 ISSN: 1582-8859
- Wang, C. K., & Ang, B. L. (2004). Determinants of Venture Performance in Singapore. *Journal of small business Management*. 42: 347–363. doi:10.1111/j.1540-627X.2004.00116.x
- Zeitun, R., & Tian, G. (2007). Capital structure and corporate performance: Evidence from Jordan. *Australian Accounting Business Finance Journal*, 1(4), 40-61.