

Value Creation in Nigerian Listed Consumer Goods Firms through Entrepreneurial Cash Management

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Abstract

Firms that fail to embrace entrepreneurial cash management often miss critical growth opportunities, underperform in volatile markets, and struggle to meet investor expectations for long-term value. In Nigeria's challenging financial environment, overreliance on traditional cash management undermines agility, innovation, and financial resilience, leaving listed consumer goods firms vulnerable to stagnation, competitive decline, and underperformance in the capital market unless they adopt entrepreneurial approaches to managing cash as a strategic asset. This study is therefore necessitated by the need to examine how entrepreneurial cash management (proxy by cash level of firm) on corporate value creation (proxy by firm value-added) in Nigerian consumer goods sector. Ex-post facto research design was deployed on a population of 20 listed consumer goods firms. Purposive sampling was used to select a sample size of 15 firms. Secondary data were gleaned from the annual reports of the firms over a ten year period (2015-2024). In addition to descriptive analysis and other model diagnostics, the hypothesis was tested using panel estimated generalised least squares. The finding revealed that entrepreneurial cash management (indexed by cash level of firm) has a significant positive effect on corporate value creation (indexed by firm value-added) in Nigerian consumer goods sector ($\beta = 0.564707$, $p = 0.0000$). In conclusion, in an environment characterized by fluctuating macroeconomic indicators, high financing costs, and market volatility, internally generated liquidity emerges as a vital entrepreneurial asset that enables firms to create sustainable economic value. The study recommends that Chief Financial Officers (CFOs) of need to institutionalize entrepreneurial cash management systems that emphasize strategic liquidity optimization as a deliberate value-creation mechanism by adopting dynamic cash flow forecasting tools, scenario analysis, and contingency planning frameworks that are proactive and data-driven.

Keywords: Entrepreneurial Cash Management, Corporate Value Creation, Firm Value-Added.

Received: 4 May 2025

Revised: 17 June 2025

Accepted: 27 June 2025

1. Introduction

The success and sustainability of business enterprises are increasingly determined by their ability to adopt innovative financial practices that respond to the realities of competitive markets, volatile environments, and technological disruption. The consumer goods sector, in particular, is uniquely exposed to both domestic and international market pressures that demand operational agility and strategic foresight (Olubiyi, 2024). In emerging economies like Nigeria, the stakes are even higher due to macroeconomic uncertainties, inflationary pressures, foreign exchange volatility, and infrastructural gaps. Within this context, the management of financial resources—especially cash—becomes not only a routine administrative function but a strategic lever for survival and growth (Akpan et al., 2025). Traditional cash management practices, while still relevant, are often inadequate to support firms navigating the complexities of contemporary business ecosystems (Jung & Graf-Vlachy, 2025). This has given rise to a shift towards more entrepreneurial approaches to financial decision-making. Entrepreneurial cash management refers to the dynamic, proactive, and innovation-driven management of cash resources with the aim of driving long-term value, enabling responsiveness to market opportunities, and fostering financial resilience. As firms strive to create sustainable value for shareholders, stakeholders, and society, the intersection of entrepreneurial finance and corporate value creation becomes

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a critical area of academic and practical interest.

Effective cash management plays a pivotal role in ensuring a firm's operational and strategic success in today's business environment (Idehen et al., 2025; Korolo & Korolo, 2025; Hameed & Leah, 2024; Oroniran et al., 2023). In an era where agility, innovation, and strategic resource allocation define competitive advantage, firms are required to manage their liquidity not only efficiently but also creatively. Entrepreneurial cash management encompasses the ability of business leaders to make bold, future-oriented decisions around the use of cash, such as seizing investment opportunities quickly, funding innovation pipelines, or cushioning against market shocks without impairing the firm's solvency. On the other hand, corporate value creation—typically measured through metrics such as return on equity, shareholder wealth, and enterprise value—relies on sound financial underpinnings, including optimal liquidity (Lawal et al., 2024). There is an increasing recognition that value creation is not merely a byproduct of revenue growth or market expansion, but also of financial strategies that prioritize resilience, adaptability, and long-term returns. Especially in listed firms, where financial transparency and investor confidence are paramount, cash management decisions are scrutinized for their impact on both current performance and future prospects (Dunakhir, 2023; Theissen et al., 2023). In this regard, entrepreneurial cash management emerges as a strategic necessity, aligning financial stewardship with corporate goals in a way that fosters trust, scalability, and sustained value.

Entrepreneurial cash management goes beyond conservative liquidity preservation; it involves visionary decision-making, risk-sensitive investments, and adaptive financial planning. These characteristics directly influence how a firm positions itself for future profitability and long-term competitiveness. By adopting entrepreneurial principles—such as opportunity recognition, innovation, and calculated risk-taking (Ataei et al., 2024)—finance managers are able to transform static cash holdings into active enablers of value generation. This transformation is particularly significant in the context of listed consumer goods firms, where capital market expectations, regulatory obligations, and competitive pressures require firms to be both agile and disciplined. Entrepreneurial cash management can facilitate timely investments in product innovation, market expansion, and technological upgrades—all of which contribute to a firm's intrinsic value. Moreover, strategic liquidity can act as a buffer against macroeconomic volatility, enabling firms to remain stable when peers falter (Ofulue et al., 2025; Nworie & Agwaramgbo, 2023; Nworie & Ofoje, 2022). In the Nigerian business environment, where access to capital is often constrained and the cost of external financing is high, internally generated cash becomes a vital resource. Thus, firms that manage cash entrepreneurially are better equipped to respond to external shocks, seize emerging opportunities, and ultimately deliver superior value to stakeholders. It is within this nexus—between strategic financial management and enterprise value—that the present study is situated.

However, despite operating in a highly dynamic and resource-constrained environment, many firms continue to rely on conventional, risk-averse cash management techniques that prioritize liquidity preservation over strategic cash deployment (Dolan, 2024). Entrepreneurial thinking is frequently lacking in financial management decisions, and cash is often treated as a passive asset rather than a lever for growth and competitive advantage. Financial departments tend to operate within rigid frameworks that limit innovation in liquidity planning, with limited emphasis on aligning cash flow decisions with entrepreneurial initiatives such as product development, market expansion, or technology investment. In addition, structural challenges—such as inflation, fluctuating exchange rates, and poor access to credit—further constrain the adoption of innovative cash strategies, reinforcing short-termism and conservative liquidity behavior among firms.

Firms that fail to embrace entrepreneurial cash management often miss critical growth opportunities, underperform in volatile markets, and struggle to meet investor expectations for long-term value. In an environment like Nigeria's, where access to external financing is costly and often unreliable, overdependence on traditional cash management practices can hinder agility, suppress innovation, and reduce a firm's ability to build financial resilience. This ultimately results in stagnation, loss of competitive advantage, and weak capital market performance. Without a shift toward entrepreneurial financial stewardship, listed consumer goods firms risk remaining reactive rather than proactive, failing to unlock the full value-generating potential of their cash resources. This study is therefore necessitated by the need to examine how entrepreneurial cash management (proxy by cash level of firm) on corporate value creation (proxy by firm value-added) in Nigerian consumer goods sector.

2. Literature Review

2.1. Conceptual Issues

2.1.1. Entrepreneurial Cash Management

Cash management is the strategic planning, controlling, and optimizing of a company's cash flow to make sure money is used judiciously, invested properly, and available when needed (Idehen et al., 2025). Cash management means watching over the money coming in and going out of your business so you always have enough to pay bills, grow, and avoid financial trouble. To an entrepreneur, cash management is the art of using money as a tool to stay agile, fund innovation, and survive tough times, while seizing growth opportunities as they come (Bittel, 2023). It was from this last perspective that we coined the term entrepreneurial cash management.

Entrepreneurial cash management refers to the proactive, strategic, and innovative approach to managing a firm's cash resources, guided by entrepreneurial thinking such as risk-taking, opportunity recognition, agility, and innovation in financial decision-making. Entrepreneurial cash management is a financial philosophy that transcends traditional liquidity management practices. It is rooted in the entrepreneurial mindset, which emphasizes innovation, strategic foresight, and opportunity-driven behavior (Anaike et al., 2025; Nworie et al., 2025). Unlike conventional approaches that focus primarily on safeguarding liquidity and minimizing risk (Okeke & Nworie, 2025), entrepreneurial cash management encourages firms to view cash not merely as a resource to be preserved, but as a tool to be mobilized actively and creatively to achieve competitive advantage and growth. This approach aligns with the dynamic nature of modern business environments where speed, adaptability, and innovation often determine success.

Entrepreneurial cash management embodies a forward-thinking attitude toward the deployment of cash. It involves making strategic decisions that anticipate changes in the market, customer preferences, technological advancements, and regulatory conditions. This approach enables firms to invest decisively in areas such as innovation, marketing, digital infrastructure, product development, and talent acquisition—areas that may not yield immediate returns but are crucial for long-term competitiveness and value creation. Entrepreneurial cash managers, therefore, must be skilled not only in financial control but also in opportunity assessment and strategic judgment. Another important dimension of entrepreneurial cash management is its emphasis on agility and responsiveness. In volatile or emerging markets such as Nigeria's, where firms face uncertainties such as currency fluctuations, inflation, and credit constraints, the ability to manage cash flexibly becomes vital (Obukowho et al., 2024). Entrepreneurial firms are more likely to adapt their cash positions swiftly, reallocating resources to high-return opportunities or cushioning operations during downturns. This contrasts with rigid, traditional methods that may delay responses or overemphasize caution at the expense of strategic action.

2.1.2. Firm Value Creation

Firm value creation refers to the process by which a company increases its worth by generating returns that exceed the cost of capital, thereby enhancing shareholder wealth, competitive positioning, and long-term sustainability (Ogunkoya, 2019). Firm value creation is a central concept in modern strategic and financial management, representing the fundamental objective of most business enterprises. It involves the ability of a company to generate economic value by utilizing its assets, capabilities, and strategies in ways that lead to returns above the firm's cost of capital (Lawal et al., 2024). In essence, value creation occurs when a firm's operations, innovations, and strategic decisions result in enhanced profitability, increased shareholder equity, and greater market valuation. It is not confined to financial gains alone but includes brand equity, customer loyalty, social responsibility, and innovation—all of which contribute to a firm's overall worth. The process of value creation begins with effective resource allocation. This means channeling capital, talent, and operational capabilities toward activities that drive growth and sustainable returns (Saidia et al., 2021). Firms that create value typically possess a clear understanding of their competitive advantage and align their strategic objectives to exploit that advantage.

2.1.3. Ways by Which Small-Scale Entrepreneurs Can Manage Their Cash More effectively

- a. Always Know Where Your Money is Going: Do not just spend because there's money in your account. Track every naira. Use a notebook, spreadsheet, or a mobile app to record what comes in (sales, loans, etc.) and what goes out (rent, salaries, raw materials, etc.)
- b. Do not Tie Down Your Money in One Place: Do not let all your money sit in one bank account doing nothing. Put

some into safe savings options that earn small interest — like cooperative savings, digital savings apps, or treasury bills. Your money should be working for you, not sleeping.

- c. Plan for Bad Days: Keep a small portion of your income aside monthly as emergency savings — even if it is just ₦50,000. When business is slow or unexpected expenses come, you won't have to borrow in a rush or shut down.
- d. Collect Your Money Fast: Do not wait too long for people to pay you after selling to them. Give them short payment deadlines or offer small discounts for paying early. You need steady cash to keep the business running — not promises.
- e. Do not Buy in Bulk Without Thinking: Buying too much stock or goods at once can tie down your money. Buy based on how fast you can sell. Money tied in unsold goods is not helping your business grow.
- f. Talk to Your Suppliers: Instead of paying everything upfront, ask your suppliers to allow you pay in part or after selling. This helps you use your limited cash for other things like transport, marketing, or electricity.
- g. Use Simple Technology: Use mobile money apps or business tools to track sales, remind customers to pay, and keep small records. It helps reduce mistakes and gives you a clearer picture of how your business is doing.
- h. Avoid Unnecessary Spending: Not every profit should be used for enjoyment or big spending. Separate business money from personal money. Spending business money carelessly is a fast road to business failure.
- i. Think Ahead Before Borrowing: Do not take loans just to “feel big” or impress others. Only borrow when you have a clear plan to use the money wisely and repay it on time. Bad debt can bury a growing business.

2.2. Theoretical Framework and Development of Research Hypothesis

The study was anchored on Dynamic Capabilities Theory was originally introduced by David J. Teece, along with Gary Pisano and Amy Shuen, in their seminal 1997 paper titled “Dynamic Capabilities and Strategic Management” (Rebelo, 2018). The theory emerged as an extension of the Resource-Based View (RBV) of the firm, aiming to address its limitations in explaining how firms adapt, survive, and thrive in rapidly changing environments. Unlike RBV, which emphasizes static resources (Nworie & Okafor, 2023; Frances & Nworie, 2025), the dynamic capabilities framework highlights the importance of a firm's ability to renew, integrate, and reconfigure internal and external competencies in response to evolving market conditions (Bleady et al., 2018). The theory has since become a foundational concept in strategic management literature, especially in contexts involving technological change, competitive turbulence, and innovation-driven industries.

The central postulation of Dynamic Capabilities Theory is that firms achieve sustainable competitive advantage not merely through resource possession but through their capacity to purposefully adapt, create, and transform those resources to respond to environmental shifts (Rebelo, 2018). The theory identifies three core capabilities: (1) sensing opportunities and threats in the environment; (2) seizing those opportunities through strategic resource allocation; and (3) reconfiguring assets and organizational structures to maintain alignment with external changes (Zahra et al., 2022). These capabilities are not static; rather, they evolve with the firm's learning, processes, and leadership. Firms that cultivate these capabilities can innovate continuously, remain agile in the face of disruption, and maintain long-term value creation. Importantly, dynamic capabilities are embedded in organizational routines, culture, and decision-making systems, making them difficult for competitors to replicate.

Dynamic Capabilities Theory is highly relevant to the present study on the effect of entrepreneurial cash management on value creation in Nigerian listed consumer goods firms. In volatile and resource-constrained environments like Nigeria, firms must continuously adapt their financial strategies to remain competitive and sustainable. Entrepreneurial cash management reflects a firm's dynamic capability to sense liquidity risks or market opportunities, seize those opportunities through timely and strategic use of cash, and reconfigure financial plans and allocations to support innovation, expansion, or crisis response. By treating cash management not as a routine administrative task but as a strategic capability, firms can use it as a platform for sustained value creation. Thus, we hypothesise that:

Ha: Entrepreneurial cash management (proxy by cash level of firm) will have a significant positive effect on corporate value creation (proxy by firm value-added) in Nigerian consumer goods sector.

2.3. Empirical Review

The nexus between entrepreneurial cash management and corporate value creation has been the focus of several

empirical studies across various sectors, with mixed findings. Akpan et al. (2025) provided evidence that operating and financing cash flows significantly enhance financial performance, as measured by return on capital employed (ROCE), in Nigerian consumer goods firms. Similarly, Idehen et al. (2025) found that operating, investing, and financing cash flows positively affect asset growth in Nigeria's industrial goods sector, though cash flow per share had no significant impact. These results broadly support the notion that effective management of firm-level cash flows—particularly from core operational and financial activities—can drive growth and performance. However, this relationship is far from uniform across contexts. Korolo and Korolo (2025), for instance, reported that investing cash flows negatively affect financial performance in industrial goods firms, while financing cash flows lacked statistical significance. Likewise, Odo and Udodi (2022) observed a negative influence of overall cash management on both return on assets (ROA) and Tobin's Q, with an insignificant negative effect on return on equity (ROE). These divergent outcomes suggest that sectoral differences, methodological approaches, and performance proxies play a critical role in determining the direction and strength of the relationship between cash management and firm outcomes.

Further complicating the empirical terrain, studies focusing on cash flow types have uncovered nuanced effects on different measures of firm value. Oroniran et al. (2023), investigating listed Nigerian consumer goods firms, found a negative relationship between operating and investing cash flows and profitability, but a significantly positive effect of financing cash flows. These findings partially conflict with Akpan et al. (2025), who reported a positive impact for all cash flow types on ROCE, raising questions about whether firm profitability metrics (ROA, ROE) and capital-based metrics (ROCE) yield consistent hints. Meanwhile, in an international context, Dunakhir (2023) studied manufacturing firms on the Indonesian Stock Exchange and found that operating and investing cash flows significantly improved firm value, as measured by Tobin's Q, while financing flows had no meaningful impact. This contrasts with Nigerian-based findings, such as those of Oroniran et al. (2023), which emphasize the positive contribution of financing cash flows. In a similar vein, Ni et al. (2019) presented evidence from Taiwanese firms indicating that financing inflows and investing outflows boost firm value, while operating inflows had a muted effect due to heightened market competition. These contrasting results suggest that macroeconomic conditions, sectoral competitiveness, and market maturity may condition the value relevance of various cash flow components. Such inconsistencies call for more context-specific analyses, such as the current focus on firm value-added in Nigeria's consumer goods sector, which remains largely unexamined.

When cash levels and holdings—as distinct from flows—are considered, the empirical findings remain equally complex. Hameed and Leah (2024) analyzed Nigerian deposit money banks and demonstrated that cash holdings are positively associated with firm value when profitability and sales growth are strong, but asset growth played no significant role. Theissen et al. (2023) reinforced the value-enhancing potential of cash holdings, arguing that the positive marginal benefit of cash increases with the volume held, especially in firms with investment opportunities. Their findings challenge earlier assumptions of diminishing returns to cash and suggest a nonlinear, opportunity-driven relationship. These hints hold significant implications for entrepreneurial cash management in the Nigerian consumer goods sector, where firms often face capital constraints and may need to maintain liquidity for strategic flexibility.

2.4. Gap in Literature

While numerous studies have explored the relationship between cash flow management and firm performance across various sectors, a significant gap persists in the literature: none of the existing studies has employed firm value-added as a proxy for corporate value creation. For instance, Akpan et al. (2025), Oroniran et al. (2023), and Odo and Udodi (2022) relied on traditional metrics such as ROA, ROE, and Tobin's Q, while Idehen et al. (2025) and Korolo and Korolo (2025) focused on asset growth and equity returns. Even international studies like those by Dunakhir (2023), Ni et al. (2019), and Theissen et al. (2023), although insightful, did not adopt firm value-added as a performance measure. Moreover, this study distinguishes itself methodologically as one of the first to explicitly address the issue of cross-sectional dependence in the analysis—an econometric concern often overlooked in similar research. Existing works, including those by Hameed and Leah (2024), applied various regression techniques without accounting for the potential interdependence among firms, which can bias results. Therefore, this study fills a critical gap by introducing a novel performance metric and strengthening methodological rigor through cross-sectional dependence diagnostics.

3. Methods

This study adopted an ex-post facto research design to examine the effect of entrepreneurial cash management on corporate value creation among listed consumer goods firms in Nigeria. The ex-post facto approach is appropriate for

this research because it investigates historical data without any form of manipulation or experimental control over the variables. The key constructs—cash management and value creation—are measured using existing financial data from audited company records. Since the study seeks to analyze how variations in firms' cash levels (a proxy for entrepreneurial cash management) influence their ability to generate value (measured by firm value-added), the design allows for a fact-based, non-intrusive inquiry rooted in real-world corporate performance. The population consists of all 20 consumer goods companies listed on the Nigerian Exchange Group as of December 31, 2024. These firms listed below constitute a significant portion of Nigeria's formal manufacturing sector and reflect a diverse array of operational scales, cash management practices, and value creation mechanisms.

- Bua Foods Plc
- Cadbury Nigeria Plc
- Champion Breweries Plc
- Dangote Sugar Refinery Plc
- DN Tyre & Rubber Plc
- Golden Guinea Breweries Plc
- Guinness Nigeria Plc
- Honeywell Flour Mill Plc
- International Breweries Plc
- McNichols Plc
- Multi-Trex Integrated Foods Plc
- Northern Nigeria Flour Mills Plc
- NASCON Allied Industries Plc
- Nestlé Nigeria Plc
- Nigerian Breweries Plc
- Nigerian Enamelware Plc
- PZ Cussons Nigeria Plc
- Unilever Nigeria Plc
- Union Dicon Salt Plc
- Vitafoam Nigeria Plc

Source: Nigerian Exchange Group (2024)

A purposive sampling technique was employed to select firms that had complete, audited financial data spanning the years 2015 to 2024. The sampling criteria ensured that only firms with published data from 2015-2024 were included. Based on these requirements, 15 firms were selected from the population. These firms listed below met the data sufficiency threshold required for robust panel data analysis and were actively listed on the NGX throughout the entire 10-year period.

- Cadbury Nigeria Plc
- Champion Breweries Plc
- Dangote Sugar Refinery Plc
- Guinness Nigeria Plc
- Honeywell Flour Mill Plc
- International Breweries Plc
- Northern Nigeria Flour Mills Plc
- NASCON Allied Industries Plc
- Nestlé Nigeria Plc
- Nigerian Breweries Plc
- Nigerian Enamelware Plc
- PZ Cussons Nigeria Plc
- Unilever Nigeria Plc
- Union Dicon Salt Plc

– Vitafoam Nigeria Plc

The study relied exclusively on secondary data extracted from the audited annual financial statements of the sampled firms. These reports were sourced from the Nigerian Exchange Group portal and official corporate websites. Data collected included cash holdings (used to proxy entrepreneurial cash management), and firm value-added. The timeframe for the dataset is 2015 to 2024, providing a 10-year longitudinal structure for panel data analysis. The reliance on audited financial statements enhances the validity and reliability of the research findings. The study is structured around two key variables:

- Dependent Variable: Corporate value creation, indexed by Firm Value-Added.
- Independent Variable: Entrepreneurial cash management, indexed by Cash Level of the Firm.

To analyze the effect of entrepreneurial cash management on firm value creation, the study estimated a panel econometric model tailored to the characteristics of the dataset as follows:

$$FVA_{it} = \beta_0 + \beta_1 CASH_{it} + \epsilon_{it}$$

where:

FVA_{it} = Firm Value-Added for firm *i* in year *t*
 CASH_{it} = Cash Level for firm *i* in year *t*
 β₀ = Intercept
 β₁ = Coefficient
 ε_{it} = Error term

The analysis commenced with descriptive statistics to profile the distribution of variables. Cross-sectional dependence tests were conducted to identify potential inter-firm linkages that may bias standard error estimates, and panel heteroskedasticity tests were performed to assess the variance stability across entities. Given the presence of heteroskedasticity and possible cross-sectional correlation, the study employed Panel EGLS (Cross-section weights) for estimation. This technique corrects for heteroskedasticity and contemporaneous correlation across firms, making it suitable for financial panel data. Statistical analysis was carried out using software capable of handling panel structures, ensuring robust inference and hypothesis testing.

4. Result and Discussions

4.1. Descriptive Analysis and Model Diagnostics

The study examines the effect of entrepreneurial cash management, indexed by the firm's cash level, on corporate value creation, indexed by firm value-added. The secondary data collected from fifteen listed consumer goods firms covered a ten year period from 2015-2024. Table 1 shows the descriptive analysis.

Table 1. Descriptive Analysis

	Value Added (₦'000)	Cash Level (₦'000)
Mean	29566262	22199675
Median	10043467	7011044.
Maximum	406384048	204677479
Minimum	-90789645	-3205235.
Std. Dev.	51696470	36492343
Skewness	3.285216	2.669138
Kurtosis	21.20313	10.67005
Jarque-Bera	2340.778	545.7926
Probability	0.000000	0.000000
Observations	150	150

Source: Eviews 10 Output (2025)

Based on Table 1, the descriptive analysis provides important information on the behavior of the two primary variables under study: Firm Value-Added and Cash Level—both measured in thousands of Nigerian Naira (₦'000)—across a ten-

year period (2015–2024) for fifteen listed consumer goods firms in Nigeria. The descriptive statistics for Firm Value-Added, the proxy for corporate value creation, reveal substantial variability and pronounced asymmetry. The mean value-added is approximately ₦29.57 billion, while the median is significantly lower at ₦10.04 billion. This wide gap suggests a right-skewed distribution, meaning that a few firms with extremely high value-added figures are influencing the average upwards. The maximum value-added observed is a substantial ₦406.38 billion, while the minimum is negative at -₦90.79 billion, indicating that some firms experienced value erosion during the period. The standard deviation, a measure of dispersion, is quite high at ₦51.70 billion, which confirms a large variation in value creation across the firms and time period. The skewness value of 3.29 further supports the presence of outliers on the higher end, while the kurtosis value of 21.20 is significantly above the normal distribution benchmark of 3, indicating a leptokurtic distribution—one with a sharp peak and fat tails. This suggests extreme values are more frequent than in a normal distribution. Finally, the Jarque-Bera probability of 0.000000 indicates a statistically significant deviation from normality at the 1% level, meaning the distribution of firm value-added is not normal and exhibits both high skewness and kurtosis.

Regarding Cash Level, the proxy for entrepreneurial cash management, Table 1 also reveals strong variability and non-normal distribution. The mean cash level is approximately ₦22.20 billion, while the median is ₦7.01 billion, again showing a wide gap that suggests the distribution is skewed. The maximum observed cash level is ₦204.68 billion, while the minimum is -₦3.21 billion, indicating that some firms experienced negative cash positions, likely due to overdrafts or high short-term liabilities exceeding their cash balances. The standard deviation is ₦36.49 billion, suggesting high variability in cash holdings across the firms and years. The skewness of 2.67 confirms a right-skewed distribution, implying that a few firms maintained exceptionally large cash balances. The kurtosis value of 10.67 also points to a leptokurtic distribution, with frequent extreme values and heavy tails. The Jarque-Bera probability of 0.000000 indicates that the distribution of cash levels is statistically non-normal, rejecting the null hypothesis of normality and confirming the presence of significant skewness and peakedness in the dataset.

Table 2. Model Diagnostics

Test	Cross-Section Dependence Test (Pesaran scaled LM)	Panel Cross-section Heteroskedasticity LR Test
Statistic	10.61985	489.2104
p-value	0.0000	0.0000

Source: EvIEWS 10 Output (2025)

Table 2 presents the results of two essential model diagnostic tests: the Cross-Section Dependence Test using the Pesaran Scaled LM, and the Panel Cross-Section Heteroskedasticity Test using the Likelihood Ratio (LR) method. These tests are crucial in determining the appropriateness of the regression technique to be applied in panel data analysis. The Cross-Section Dependence Test checks whether there is interdependence across the cross-sectional units—in this case, the 15 listed consumer goods firms. In panel data analysis, cross-sectional dependence occurs when the error terms across different entities are correlated, which can invalidate the assumptions of conventional regression models and lead to inefficient estimates. The p-value of 0.0000 for the Pesaran scaled LM test in Table 2 indicates that the null hypothesis of cross-section independence is rejected at the 1% level. This means there is statistically significant cross-sectional dependence among the firms, suggesting that the financial behaviors of the firms are interconnected—possibly due to sectoral trends, economic shocks, or regulatory changes that simultaneously affect multiple firms. The presence of this dependence necessitates the use of robust estimation techniques that can correct for such correlation, such as Panel EGLS with cross-section weights, to ensure consistent and efficient estimates.

The Panel Cross-Section Heteroskedasticity LR Test examines whether the variance of the error terms differs across firms or time periods—a violation of the homoskedasticity assumption required in standard linear regression models. Heteroskedasticity indicates that the spread or variability of residuals is not constant, which can distort standard errors and hypothesis tests, leading to unreliable statistical inferences. In Table 2, the p-value of 0.0000 from the LR test confirms the rejection of the null hypothesis of homoskedasticity at the 1% significance level. This result implies that heteroskedasticity is present across the panel data, meaning that the firms do not exhibit uniform error variances—possibly due to differences in firm size, financial structure, or operational scale. Consequently, to correct for this violation and maintain the integrity of the results, the study rightly employed the Panel EGLS (Cross-section weights) estimation method, which adjusts for heteroskedasticity and provides more reliable coefficient estimates and standard

errors.

4.2. Test of Hypothesis

Ha: Entrepreneurial cash management (proxy by cash level of firm) will have a significant positive effect on corporate value creation (proxy by firm value-added) in Nigerian consumer goods sector.

Based on Table 3, the analysis evaluates the effect of entrepreneurial cash management (indexed by cash level) on corporate value creation (indexed by firm value-added) in Nigeria's listed consumer goods firms from 2015 to 2024, using Panel EGLS with cross-section weights to account for cross-sectional dependence and heteroskedasticity. The model's overall validity is confirmed by key statistics. The R-squared value of 0.662342 indicates that approximately 66.2% of the variation in firm value-added is explained by the firm's cash level, suggesting a strong explanatory power of the model. Additionally, the probability of the F-statistic is 0.000000, which is highly significant at the 1% level. This means the model, as a whole, is statistically valid and capable of explaining changes in value creation based on the variation in entrepreneurial cash management practices.

Table 3. Test of Hypothesis

Dependent Variable: VALUE_ADDED

Method: Panel EGLS (Cross-section weights)

Date: 06/16/25 Time: 11:12

Sample: 2015 2024

Periods included: 10

Cross-sections included: 15

Total panel (balanced) observations: 150

Linear estimation after one-step weighting matrix

Cross-section weights (PCSE) standard errors & covariance (d.f. corrected)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CASH_LEVEL	0.564707	0.057009	9.905535	0.0000
C	5541685.	900517.2	6.153891	0.0000
Weighted Statistics				
R-squared	0.662342	Mean dependent var		40349495
Adjusted R-squared	0.660060	S.D. dependent var		61255610
S.E. of regression	35984292	Sum squared resid		1.92E+17
F-statistic	290.3130	Durbin-Watson stat		1.647964
Prob(F-statistic)	0.000000			

Source: Eviews 10 Output (2025)

The constant term (C) in the regression model has a coefficient of ₦5,541,685 with a p-value of 0.0000, indicating that it is statistically significant at the 1% level. This constant represents the baseline level of value-added that would be expected when the firm's cash level is zero. In practical terms, even without any entrepreneurial cash reserves, a firm in the consumer goods sector is still expected to generate some positive value-added—possibly due to other inherent operational efficiencies, brand equity, or fixed capital inputs.

The coefficient of CASH_LEVEL is 0.564707 with a p-value of 0.0000, showing that the effect of entrepreneurial cash management on corporate value creation is both positive and statistically significant at the 1% level. This means that for every ₦1,000 increase in the firm's cash level, the firm value-added increases by approximately ₦564.71. This marginal effect signifies that maintaining higher levels of cash reserves—representing efficient entrepreneurial cash management—enables firms to respond to investment opportunities, manage risk, and support operations, ultimately contributing to higher value creation. The extremely low p-value confirms the effect is not due to chance, but is a robust and statistically valid outcome across the observed firms and period. The alternate hypothesis was therefore accepted that entrepreneurial cash management (indexed by cash level of firm) has a significant positive effect on corporate value creation (indexed by firm value-added) in Nigerian consumer goods sector ($\beta = 0.564707$, $p = 0.0000$).

4.3. Discussion of Finding

The analysis showed that entrepreneurial cash management, represented by the firm's cash level, significantly and positively affects corporate value creation, measured by firm value-added ($\beta = 0.564707$, $p = 0.0000$). This result implies that consumer goods firms in Nigeria that maintain strategic cash levels are better positioned to generate value. Such cash reserves can be deployed flexibly in seizing investment opportunities, managing risks, funding innovations, or supporting working capital needs—all of which contribute to value creation. In a volatile business environment like Nigeria's, access to external finance is often costly or uncertain. Hence, a firm's internal cash position becomes crucial for quick and independent decision-making. The significant positive relationship could also reflect sound entrepreneurial financial stewardship—where cash is not hoarded but deliberately managed to support value-generating activities. This finding aligns with several previous studies that also reported a positive link between cash holdings or cash flow management and firm value or performance. For example, Akpan et al. (2025) confirmed that both operating and financing cash flows positively impact financial performance among Nigerian consumer goods firms, supporting the notion that effective cash flow use contributes to value creation. Similarly, Idehen et al. (2025) found that operating, investing, and financing cash flows all positively influenced asset growth in industrial goods firms, reinforcing the idea that comprehensive cash flow management boosts organizational value. Theissen et al. (2023) also provided robust evidence that firm value increases with higher cash holdings, particularly when investment opportunities are strong—supporting the argument that more cash translates to more flexibility and value creation. Additionally, Dunakhir (2023) revealed that both operating and investing cash flows positively affect firm value in Indonesian manufacturing companies, which echoes the current study's outcome. However, contrasting views were offered by Oroniran et al. (2023) and Odo and Udodi (2022), who reported negative effects of cash management (especially operating and investing flows) on profitability and firm value, suggesting that poor or inefficient cash deployment could diminish returns. These contradictions might be due to sectoral differences, short-term focus, or contextual issues such as poor governance or weak investment strategies.

5. Conclusions

In an ideal business environment, listed firms are expected to adopt forward-looking and strategic financial management practices that align with entrepreneurial principles—proactivity, innovation, risk management, and opportunity exploitation. Cash management, when handled entrepreneurially, becomes a strategic tool for fostering innovation, enabling timely investments, ensuring operational stability, and ultimately enhancing shareholder value. Ideally, corporate finance functions are not limited to traditional bookkeeping or reactive liquidity control; rather, they serve as engines of growth through strategic cash deployment, financial foresight, and agile responsiveness to market dynamics. For publicly listed consumer goods firms, which operate under intense market scrutiny and are expected to demonstrate consistent value creation, entrepreneurial cash management should be a central pillar of corporate strategy.

The finding that entrepreneurial cash management, as indexed by the cash level of firms, exerts a significant positive effect on corporate value creation in Nigeria's consumer goods sector has profound implications for understanding how liquidity strategies contribute to enterprise success. It suggests that the ability of firms to strategically accumulate and deploy cash reserves serves not only as a buffer against financial uncertainty but also as a catalyst for enhancing operational efficiency, strategic agility, and long-term value generation. This relationship implies that cash-rich firms are better positioned to exploit market opportunities, withstand economic shocks, and invest in innovation or capacity expansion without excessive reliance on external financing. The implication is that in an environment characterized by fluctuating macroeconomic indicators, high financing costs, and market volatility, internally generated liquidity emerges as a vital entrepreneurial asset that enables firms to create sustainable economic value. On the above basis, we recommend that Chief Financial Officers (CFOs) of need to institutionalize entrepreneurial cash management systems that emphasize strategic liquidity optimization as a deliberate value-creation mechanism by adopting dynamic cash flow forecasting tools, scenario analysis, and contingency planning frameworks that are proactive and data-driven. By ensuring that cash is not just preserved but strategically allocated to high-return projects, firms can create long-term shareholder value and achieve financial resilience in the face of Nigeria's economic uncertainties.

5.1. Limitations of the Study and Suggestion for Further Studies

This study faced a few limitations that were outside the researcher's control. First, some of the selected firms had restated their financial statements multiple times, which caused inconsistencies in the data gathered across the years. Second, not all consumer goods firms were listed on the Nigerian Exchange as of 2015, so they could not be included in the full 10-year analysis. Also, a few firms had not yet published their 2024 annual reports at the time of data

collection, which made it difficult to get a complete and uniform dataset for all the sampled companies.

Future studies can expand this research by including more recent data once all firms have released their 2024 annual reports, to ensure a more complete analysis. Researchers could also focus on newly listed consumer goods firms or compare listed with unlisted firms to see if entrepreneurial cash management practices differ. In addition, future studies may explore other financial indicators or use interviews and surveys to get more hints on how managers make cash-related decisions that affect value creation.

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