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Effect of Taxation Management on Financial Performance of Listed Consumer Goods in Nigeria

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Abstract
This study aimed to examine the effect of tax management on the financial performance of listed consumer goods companies in Nigeria. The research design used for this study was ex post facto, and the time frame covered 12 years from 2011 to 2022. The study used return on assets as a proxy. Tax expense and deferred tax liabilities were used as proxies to measure tax management. Revenue was included as a control variable. The study collected data from 15 listed consumer goods firms, comprising the selected sample out of 22 firms. The data was analyzed using descriptive statistics, correlation analysis, variance inflation factors, Hausman specification tests, and regression analysis. The random effect method of regression was employed. The study found that tax expenses had a positive and statistically significant effect on the return on assets. The study also found a statistically significant but negative effect of deferred tax liabilities on the financial performance of sample firms. The study concluded that taxation management was significant in determining the financial performance of listed consumer goods firms in Nigeria. The study recommended increased management of taxation to improve financial performance. The study also recommended tax-based training for firms' accounting staff. The study also recommended that all firms should have tax management subcommittees on the board.

Keywords
Taxation management, Annual tax expense, Annual deferred tax balance, Return on asset

INTRODUCTION

Taxation is a crucial element of any country's economic and financial framework. It is a means through which governments generate revenue to fund public infrastructure, services, and other developmental initiatives. The renewed drive of the Finance Act 2023, as well as the agenda of President Tinubu to increase the tax net, is a major event in the Nigerian tax system in contemporary times that will drive the administration of tax in Nigeria. Effective taxation management is significant for listed consumer goods firms in Nigeria, as it directly impacts their financial performance and overall sustainability. Consumer goods firms are pivotal in the Nigerian economy (Nongomin, 2022). These firms produce, distribute, and sell essential products for everyday life, ranging from food and beverages to personal care and household items (Eneisik et al., 2020). They often face increasing pressure from stakeholders, including customers, shareholders, and regulatory bodies, to ensure their financial performance remains strong and sustainable. Regulatory agencies are tasked with monitoring the tax compliance of consumer goods firms. Hence, firms need to manage their tax compliance actively.

Nigerian consumer goods firms have been focusing on innovation and product diversification in response to changing consumer demands. With a large, increasingly tech-savvy youth population, companies are leveraging digital technologies to engage customers, enhance supply chain efficiencies, and deliver personalized shopping experiences (Nongomin, 2022). Furthermore, sustainability and social responsibility have gained significant importance for consumer goods firms in Nigeria. According to Iormbagah et al. (2021), companies have adopted environmentally friendly practices, invested in renewable energy solutions, and implemented corporate social responsibility initiatives to contribute positively to local communities. Despite the challenges, consumer goods firms in Nigeria continue to thrive, meeting the

diverse needs and aspirations of the Nigerian population. As the economy continues to evolve, innovative companies have ample opportunities to succeed in this dynamic market.

Understanding the relationship between taxation management and financial performance is crucial for firms operating in the consumer goods industry in Nigeria. By examining the strategies and practices firms employ in managing their tax obligations, this study aims to identify the key factors contributing to improved financial performance. The study will also explore the challenges faced by consumer goods firms concerning taxation management and suggest practical measures for enhancing their financial performance. The hypotheses formulated for the study are stated below:

Ho_1: Taxation expenses do not significantly affect the financial performance of listed consumer goods firms in Nigeria.

Ho_2: Deferred tax liabilities do not significantly affect the financial performance of listed consumer goods firms in Nigeria.

LITERATURE REVIEW

Conceptual Framework

Taxation management

This study defines tax management as collecting all activities associated with an entity's tax responsibilities. It identifies tax management as a crucial concept that corporate firms must adopt to ensure financial efficiency, regulatory compliance, and responsible contribution to public finances. Strategic tax planning, compliance, and optimization form the core foundations of tax management practices. By effectively managing their tax obligations, businesses can enhance their financial prospects, promote societal well-being, and support sustainable development. The study also highlights the firms' two major tax management activities: tax payment and deferred tax liability management.

Annual Tax Expenses

As defined by Adejare (2015), tax expense is the income tax amount incurred by a company during a fiscal year, reflecting its obligations to comply with tax laws and regulations in its operating jurisdiction. This article explores the concept of tax expense in corporate firms, emphasizing its complexities and significance in financial statement analysis. In addition, Kurawa and Saidu (2018) describe tax expense as the portion of a company's pre-tax income allocated for income tax purposes. It includes the current tax liability, determined by the applicable tax regulations during the reporting period and any adjustments for deferred taxes arising from timing differences between tax calculations and financial statement recognition. According to Eneisik et al. (2020), a thorough understanding of the specific tax laws in each jurisdiction where the company operates is necessary to calculate tax expenses accurately. Corporate firms must comply with complex tax codes encompassing income, sales, property, and payroll taxes. These complexities emerge from variations in tax rates, exemptions, credits, and deductions, resulting in differences in tax expenses among firms. As highlighted by Gatsi et al. (2013), multinational corporations face additional complexities in calculating tax expenses due to their operations in multiple jurisdictions, each with its tax regulations. Transfer pricing, international tax treaties, and tax planning strategies like profit shifting can affect the accuracy of reported tax expenses. Furthermore, tax laws and regulations are subject to change, creating uncertainty for corporations and investors alike. Such uncertainty poses challenges in accurately estimating future tax expenses and potential tax liabilities.

Annual Deferred Tax Balances

Deferred tax liability (DTL) refers to the temporary differences between the tax basis and carrying amount of an asset or liability in financial statements, which result in potential future tax obligations for a company (Oladipo et al., 2020). These differences stem from the timing discrepancies in recognizing revenues and expenses for financial reporting and tax purposes. This paper examines the significance of DTLs for corporate firms and their influence on financial performance. According to Olaoye and Oluwatoyin (2019), DTL arises when a company anticipates higher taxable income in the future due to temporary differences, such as accelerated depreciation methods or the recognition of revenue or expenses for tax purposes at different times. The recognition of DTL serves the primary purpose of ensuring accurate financial reporting and providing insight into a company's tax position.

This study defines deferred tax liability as a measure of the amount of income tax payable in future periods concerning taxable temporary differences, usually disclosed in the audited statement of financial position. DTL is an important concept for corporate firms as it provides insights into their future tax obligations and their effect on financial performance. Recognizing and managing DTL helps ensure transparent financial reporting, effective tax planning, and accurate assessment of a company's profitability and cash flow. Companies must carefully consider the complexities and potential changes in tax laws while accounting for and managing their deferred tax liabilities.

Financial Performance

The analysis of corporate firms' financial performance is of great importance to stakeholders, including investors, creditors, and managers, as it provides insights into a company's ability to generate profits, manage resources, and create shareholder value. This review aims to examine the positions of previous authors on financial performance, the underlying theories, key metrics, and influential factors associated with evaluating corporate firms' financial performance. The financial performance of a firm significantly affects its health and survival. The effectiveness and efficiency of a

firm's resource management in operational, investment, and financing activities indicate its high performance (Naser & Mokhtar, 2004). Corporate performance, which refers to the outcomes or results of activities that align with the organization's objectives, is a crucial aspect of organizational management (Ilesanmi, 2011). It aims to enhance the achievement of organizational goals. Ghosh and Subrata (2006) propose that its management's wealth management approach can measure an organization's performance, and a harmonious relationship between management and shareholders indicates good performance. Hence, a well-executed financial management strategy is expected to contribute positively to a firm's value creation. Numerous researchers in the fields of business and strategic management have focused on the topic of financial performance. Practitioners across different organizations also prioritize financial performance as it influences overall health and long-term survival. A high performance demonstrates the effectiveness and efficiency of management in utilizing the company's resources, ultimately benefiting the economy as a whole (Naser & Mokhtar, 2004).

Empirical Review

Williams et al. (2023) examined the effect of corporate tax on the financial performance of Consumer Goods Firms in Nigeria. The study focused on a study sample of 16 listed consumer goods companies. The study proxied corporate tax with company income tax and value-added tax. The study used return on assets as the proxy for measuring the financial performance of sample firms. The authors utilized random effect panel regression analysis to test their hypotheses, using data from Nigerian Consumer Goods Firms over 11 years (2011-2021). The study discovered that company income tax had a detrimental effect on financial performance, while education tax had a significant positive effect. Therefore, the study concluded that corporate tax has a statistically significant effect on the financial performance of Nigerian Consumer Goods Firms. Consequently, the authors recommended that the federal government provide more tax exemptions for corporate taxpayers. However, the study should have considered updated information since the 2022 financial year, rendering the data obsolete for research purposes.

In another study, Tanko (2023) investigated the relationship between financial attributes and tax planning in listed manufacturing firms in Nigeria and examined the role of REM as a moderator in this relationship. The author obtained data from the annual reports of selected manufacturing firms and employed panel data methodology for analysis, using fixed effect estimation and random effect for the parsimonious and moderated models, respectively. The findings revealed that financial leverage had a positive and significant effect on tax planning in the sampled manufacturing firms, while firm growth had a negative and significant effect. REM was found to positively and significantly influence tax planning and was identified as a significant moderator. Consequently, the study suggested that firms should increase their debt levels to benefit from the tax shield provided by interest on debt. Moreover, non-current debt should be used to finance non-current assets, and current debt should finance current assets to mitigate takeover and liquidation risks. However, it should be noted that the study has yet to incorporate any updated information since its publication year, making the data outdated for research purposes.

Bello (2022) conducted a study on the effect of tax planning strategies on the financial performance of listed manufacturing consumer goods companies in Nigeria. The study aimed to evaluate the effect of capital intensity, capital structure, research and development expenditure, and firm leverage on the financial performance of these companies. The population consisted of twenty listed manufacturing consumer goods companies, with a sample size of eighteen companies selected through judgmental sampling. The study used secondary data from audited annual financial reports from 2011-2020. Data analysis involved robust least square regression analysis and correlation. The findings showed that capital intensity and capital structure had a positive but insignificant effect on financial performance, while research and development expenditure had a negative and significant effect. As a tax planning strategy, firm leverage had a positive but non-significant effect on financial performance. The study concluded that effective tax planning strategies can reduce tax liabilities and enhance the financial performance of listed consumer goods companies in Nigeria. Accordingly, the study recommended the adoption of appropriate capital structure, research and development, and capital intensity as tax planning strategies to improve financial performance. However, updated information on the subject matter has yet to be considered since the publication year of the study, rendering the data outdated for research purposes.

Iormbagah et al. (2021) conducted a study to explore the effect of combined corporate taxes on the financial performance of manufacturing firms listed on the Nigerian Stock Exchange. Data was collected from 10 manufacturing firms between 2014 and 2018, focusing on companies with complete information. The study utilized the ex post facto research design and employed Pearson correlation and multiple linear regression for data analysis. The results indicated that the tax mix had a positive but insignificant effect on the net income of the listed manufacturing firms in Nigeria. Moreover, deferred tax had a negative and insignificant influence on the net income of these firms. However, company income tax had a positive and significant effect on the net income of the manufacturing firms. These findings suggest that the current tax incentives provided to manufacturing firms must be revised to stimulate business growth, leading to deferred tax liabilities. The study recommends that the government offer more tax incentives to reduce corporate income tax payments and encourage tax deferment, thereby boosting manufacturing activities and increasing the net income of listed manufacturing firms. Furthermore, it advises manufacturing firms to explore available tax incentives to determine an effective corporate tax mix. The study had a limited time scope and was insufficient for explaining the relevant relationship. The study's time frame needs to be updated for current research.

Eneisik et al. (2020) attempted to ascertain the effect of a company's income taxes on its financial performance. The study better understands a company's financial performance through theoretical, conceptual, and empirical literature on its taxes and financial performance. The company's income tax is proxied by its capital gains tax, its tertiary education tax, and its company income tax. The main population consists of sixty listed manufacturing companies in Nigeria. The study has therefore taken a purposive sampling technique to select thirty of these manufacturing companies. Secondary data was gathered from these manufacturing companies' audited annual financial reports from 2006 to 2020. The formulated Hypotheses were then tested using a panel least squares regression method. Through a pooled effect, fixed effect, and random effect, as determined by the Hausman test, fixed effect regression was preferred for results interpretation with the aid of E-Views 10 econometric statistical software. The study found that a company's income tax influenced the net profit margin of quoted manufacturing companies in Nigeria in a negative and insignificant manner. It has also been shown that the capital gains tax positively and significantly affects the net profit margin of quoted manufacturing companies in Nigeria. The conclusion was that a company's income tax reduces the financial performance of listed manufacturing companies in Nigeria. The study recommends various actions the government can take to ensure transparency in corporate tax administration. It is important to attract investors and ensure good tax compliance. Also, the government can implement a tax harmonization policy to reduce multiple taxations.

Chude and Chude (2015) studied how taxation affects the profitability of companies in Nigeria. Secondary data was utilized, and a time series econometric technique was employed. The study employed an error correction model to test variables likely to influence profitability. The findings suggested that the corporate tax level significantly affects profitability, including company income tax (CIT). Consequently, implementing policy measures to enhance tax revenue through improved tax administration will positively affect increasing company profitability. Therefore, the study recommended that the government expand tax yield by improving tax system administration. This recommendation aims to counter the risks associated with over-relying on crude oil export revenues to drive the economy. Additionally, the effectiveness of taxation can be improved by ensuring fair and timely tax assessment and collection. Since publication, the study has disregarded relevant information regarding the subject matter, making the research data outdated for current research purposes.

Theoretical Framework

Institutional Theory

The institutional theory was developed by John Myer and Brian Rowan in the 1970s, emphasizing the social concepts that emerge within an organization and contribute to its sustainability and achievement of goals. These concepts can pertain to behaviour or infrastructure. According to Odoma (2019), institutional theory examines social structure's underlying and enduring aspects. It scrutinizes the processes by which structures such as cognitive, normative, and regulatory elements, as well as norms, rules, and routines, become legally established guidelines for acceptable social behaviour and practice. In the global accounting framework context, recent developments represent new accepted behaviours, rules, and norms that must be adhered to. The question posed by this theory, applied here, is whether normative or regulatory practices drive these recent asset and financial management reforms. The institutional theory provides valuable insights into the correlation between tax management and the financial performance of private firms. According to this theory, the tax management practices of private firms are influenced by the social and cultural norms, legal regulations, and market forces to which they are exposed.

The institutional theory is the theoretical framework that underpins this research work. The institutional theory recognizes that it is the mix of scenarios that surround an organization that determines the behaviour of the organization. The theory seeks to justify decisions made and policies put in place. For the consumer goods sector, the taxes payable by consumer goods firms in Nigeria form part of the scenarios surrounding an institution determining the tax behaviour of these firms.

METHODOLOGY

The foundation of this investigation is the ex post facto research design. The sample for this research includes 15 consumer goods companies listed in Nigeria from 2012 to 2022. These 15 companies were purposefully selected based on data availability during the study period. The duration of the study is considered sufficient for the variables to exhibit a consistent pattern alongside the economic activities of the consumer goods sector. The study employed the selected companies' yearly panel data from 2011 to 2022. The data was obtained from the organization's audited financial statements, including profit/loss statements and balance sheets spanning an eleven-year timeframe. The data analysis was conducted using the E-view Statistics software version 10. The hypothesis testing in this study was based on regression analysis. The model utilized for investigating the hypotheses was derived from Tanko (2023), as specified below:

$$ROAit = \beta_0 + \beta 1TEXit + \beta 2DTLit + \beta 3REVit + eit \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(i)}$$

where

ROA= Return on Assets
TEX= Tax Expense
DTL= Deferred Tax Liabilities
REV = Revenue

The approach expectation of this study is that taxation management will have a positive and significant effect on the financial performance of sample firms.

RESULTS AND DISCUSSION

This study was set aside to evaluate the effect of taxation management on the financial performance of listed consumer goods firms in Nigeria. This part of the research presents the analysis of the statistical tests carried out and the subsequent analysis. We began with the presentation of descriptive statistics, then a correlation matrix to multicollinearity assumption, heteroscedasticity test and regression results.

Descriptive Statistics

Descriptive Statistics is an analysis of data that helps to describe, show, or summarize the behaviour of data in a meaningful way, which allows for a simpler interpretation of the data. Table 1 below describes the properties of the variables ranging from the mean of the variable, minimum, maximum, and standard deviation, Skewness, Kurtosis, and Jarque-Bera.

Table 1 Summary of Descriptive Statistics

	ROA	TEX	DTL	REV
Mean	13.56778	89.04246	96.29336	170.6822
Median	14.05000	3.322850	10.73245	13.22913
Maximum	42.10000	2744.677	1185.531	4631.002
Minimum	-25.10000	0.000000	0.000000	0.000000
Std. Dev.	12.84119	373.4761	213.0986	584.7274
Skewness	-0.007018	5.655423	2.865287	4.796433
Kurtosis	2.795479	36.07820	11.17045	29.04102
Jarque-Bera	0.315193	9165.767	746.9683	5776.182
Probability	0.854194	0.000000	0.000000	0.000000
Sum	2442.200	16027.64	17332.80	30722.79
Sum Sq. Dev.	29516.39	24967705	8128574.	61201199
Observations	**180**	**180**	**180**	**180**

Source: Authors computation using Eviews10

The mean row shows the average values of each variable. The mean ROA is 13.56778, the mean TEX is 89.04246, the mean DTL is 96.29336, and the mean REV is 170.6822. All the means are positive, indicating that the variables may have demonstrated increasing trends throughout the study period. The median row displays the middle value of each variable. The median ROA is 14.05000, the median TEX is 3.322850, the median DTL is 10.73245, and the median REV is 13.22913. It indicates a moderate spread of the sample range across the variables. The maximum row presents the highest value observed for each variable. The maximum ROA is 42.10000, the maximum TEX is 2744.677, the maximum DTL is 1185.531, and the maximum REV is 4631.002. The minimum row shows the lowest value observed for each variable. The minimum ROA is -25.10000, the minimum TEX is 0.000000, the minimum DTL is 0.000000, and the minimum REV is 0.000000. Only ROA had negative values. The standard deviation row provides the standard deviation of each variable. The standard deviation of ROA is 12.84119, the standard deviation of TEX is 373.4761, the standard deviation of DTL is 213.0986, and the standard deviation of REV is 584.7274.

The skewness row indicates the skewness of each variable. The skewness of ROA is -0.007018, the skewness of TEX is 5.655423, the skewness of DTL is 2.865287, and the skewness of REV is 4.796433. It indicates that only return on assets had a negative skewness among all the variables that were employed. At the same time, other variables were positively skewed. To be positively skewed means that a particular variable demonstrates more values above the sample average. The kurtosis row presents the kurtosis of each variable. The kurtosis of ROA is 2.795479, the kurtosis of TEX is 36.07820, the kurtosis of DTL is 11.17045, and the kurtosis of REV is 29.04102. The Jarque-Bera row provides the test statistic for each variable's Jarque-Bera test of normality. The Jarque-Bera statistic for ROA is 0.315193, the Jarque-Bera statistic for TEX is 9165.767, the Jarque-Bera statistic for DTL is 746.9683, and the Jarque-Bera statistic for REV is 5776.182. The probability row shows each variable's p-value associated with the Jarque-Bera test. The p-value for ROA is 0.854194, the p-value for TEX is 0.000000, the p-value for DTL is 0.000000, and the p-value for REV is 0.000000. Overall, this descriptive statistics table above provides a comprehensive summary of the four variables, including their means, medians, maximum and minimum values, standard deviations, skewness and kurtosis, as well as the results of the Jarque-Bera test. These statistics can be used better to understand the distribution and characteristics of the variables.

Correlation Matrix

A correlation matrix is a table showing correlation coefficients between variables. Each cell in the table shows the correlation between two variables. A correlation matrix summarises data as an input into a more advanced analysis and as a diagnostic for advanced analysis. Table 2 shows the correlation between the dependent variable and each independent variable and among the independent variables.

The given Table 2 represents a correlation matrix between four variables: ROA (Return on Assets), TEX (Tax Expense), DTL (Deferred Tax Liabilities), and REV (Revenue). The matrix displays the correlation coefficients between each pair of variables. Starting with the first cell, the correlation coefficient between ROA and itself is 1, indicating a perfect positive correlation as expected. A strong relationship exists between ROA and itself, which is logical since a company's return on assets should be consistent with itself. Moving to the second cell, the correlation coefficient between ROA and TEX is approximately 0.014. There is a very weak positive correlation between the two variables. It implies that there is almost no relationship between the return on assets and tax expense, meaning that changes in tax expense have little impact on the return on assets of a company. The correlation coefficient between ROA and DTL in the third cell is approximately -0.263. It indicates a weak negative correlation between the two variables. It suggests that there might be a slight inverse relationship between the return on assets and deferred tax liabilities. However, the negative correlation must be stronger to make significant conclusions. Lastly, the correlation coefficient between ROA and REV in the fourth cell is approximately -0.024. A very weak negative correlation exists between the return on assets and revenue. It implies that the return on assets and revenue are not strongly related.

Table 2 Correlation Analysis

	ROA	TEX	DTL	REV
ROA	1	0.013649394 23567904	-0.262689820 9263752	-0.023900460 24978405
TAX EXP	0.013649394 23567904	1	0.621810984 760591	0.741249157 8078889
DEF TAX_LIAB	-0.262689820 9263752	0.621810984 760591	1	0.419466936 9760374
REVENUE	-0.023900460 24978405	0.741249157 8078889	0.419466936 9760374	1

Source: Authors computation using Eviews10

Test of Hypotheses

The regression model used in this report examines the relationship between the dependent variable, Return on Assets (ROA), and the independent variables TEX, DTL and REV. The panel EGLS method was employed, with cross-section random effects. The null hypothesis of the regression test indicates no statistically significant effect of the independent variable on the dependent variable. The decision rule of the test is to reject the null hypothesis if the probability value is less than 0.05. The probability value is the smallest evidence that helps the researcher determine if a particular variable significantly affects another variable. The probability value of 0.0000 is significantly lower than the 0.05 significance level. Therefore, the study rejects the null hypothesis, which states that there is no statistically significant effect of tax expenses on the return on assets of sample firms. The coefficients and standard errors of the independent variables are reported in the table. TEX has a coefficient of 0.345028, indicating a positive relationship with ROA, with a t-statistic of 5.514774, suggesting that this coefficient is statistically significant. The positive coefficient value indicates a positive direction of the observed effects. There is evidence of positive and statistically significant effects of tax expenses on the return on assets of sample consumer goods firms in Nigeria. The probability value of 0.0007 is less than 0.05.

Table 3 Random Effect Regression

Variable	Coefficient	Std. Error	t-Statistic	Probability
TEX	0.345028	0.062564	5.514774	0.0000
DTL	-0.353146	0.101856	-3.467114	0.0007
REV	-0.097301	0.109916	-0.885232	0.3775
C	3.039413	0.376684	8.068864	0.0000

Effects Specification		
	S.D.	Rho
Cross-section random	0.782398	0.6059
Idiosyncratic random	0.631049	0.3941

Weighted Statistics			
R-squared	0.191665	Mean dependent var	0.566083
Adjusted R-squared	0.175056	S.D. dependent var	0.686918
S.E. of regression	0.630098	Sum squared resid	57.96551
F-statistic	11.53942	Durbin-Watson stat	0.875450
Prob(F-statistic)	0.000001		

Unweighted Statistics			
R-squared	0.247757	Mean dependent var	2.413441
Sum squared resid	133.4957	Durbin-Watson stat	0.380131

Source: *Authors computation using Eviews10*

There is a significant relationship between deferred tax liabilities and return on assets. Therefore, the study rejects the null hypothesis that there is no evidence of statistically significant effect of DTL on the ROA. DTL has a coefficient of -0.353146, implying a negative relationship with ROA. This negative relationship is also statistically significant, as indicated by the t-statistic of -3.467114. There was evidence of a negative and statistically significant effect of deferred tax liabilities on the return on assets of the consumer goods firms tested. The probability value of 0.3775 is significantly higher than the 0.05 level of significance defined. Because of this, the study cannot reject the null hypothesis, which states that there is no statistically significant effect of revenue on the return on assets of listed consumer goods firms. REV, with a coefficient of -0.097301, appears to harm ROA, but this relationship is not statistically significant based on the t-statistic of -0.885232. There is evidence of a negative relationship that could be more statistically significant between the revenue variables and the return on assets of sampled consumer goods firms in Nigeria.

The weighted statistics section includes various measures of the goodness of fit for the regression model. The R-squared value is reported as 0.191665, indicating that the independent variables explain 19.17% of the variation in ROA. The adjusted R-squared value is slightly lower at 0.175056, suggesting the model may be slightly overfit. The mean dependent variable is 0.566083, with a standard deviation (S.D.) of 0.686918. The sum of squared residuals is reported as 57.96551, indicating the unexplained variation in the model. The F-statistic is 11.53942, suggesting that the overall regression model is statistically significant. Finally, the Durbin-Watson statistic is 0.875450, which indicates the presence of positive autocorrelation in the residuals. The unweighted statistics section provides similar measures of the model's goodness of fit but without considering the weighted nature of the data. The R-squared value is slightly higher at 0.247757, suggesting that the independent variables explain 24.78% of the variation in ROA. The mean dependent variable is 2.413441, with squared residuals of 133.4957. The Durbin-Watson statistic is lower at 0.380131, indicating even stronger positive autocorrelation in the residuals.

DISCUSSION OF FINDINGS

This research aimed to investigate the impact of taxation management on the financial performance of consumer goods firms listed on the Nigerian exchange group. The study discovered a statistically significant effect of taxation management proxies on the financial performance of the firms included in the sample. These findings are consistent with previous studies conducted by Aderawa et al. (2023), Usman (2022), Williams et al. (2023), Ali and Zouaghi (2022), Onyeukwu and Ihendinihu (2019), Tanko (2023), Igboyi and Enekwe (2022), Nwaeke (2022), and Chude and Chude (2015), all of whom observed varying levels of statistically significant relationships between taxation management and the financial performance of the sample firms. However, the results of this study contradict the findings of Eneisik et al. (2020), Iormbagah et al. (2021), Nwaorg and Abiahu (2020), and Kurawa and Saidu (2018), who did not identify any evidence of a statistically significant relationship between taxation management and the financial performance of the firms in their respective study samples.

CONCLUSION AND RECOMMENDATIONS

This study aimed to investigate how taxation management affected the financial performance of consumer goods firms listed in Nigeria. The findings indicated a statistically significant impact of taxation management on financial performance. Therefore, taxation management significantly affected the financial performance of listed consumer goods firms during the study period. The proxies used to measure taxation management demonstrated a statistically significant effect on the dependent variable of financial performance during the study period. In line with the above findings and conclusions, the following recommendations were made:

i. The study recommended that frequent tax-based training should be carried out for the employees of firms to enable them to understand the tax repercussions of their decisions.
ii. There should be a board committee set up to help manage the affairs relating to taxation more effectively.

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