Cashflow Management, Macroeconomic Dynamics and Corporate Growth Rate of Listed Firms in West Africa

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Abstract

Inefficient cash flow management and unstable macroeconomic conditions hinder the sustainable growth of listed firms in West Africa. This study explores the interplay of cash flow management, macroeconomic factors, and corporate growth in firms from Nigeria, Ghana, and Cote D'Ivoire. Adopting the *ex post facto* research design, data from 42 Nigerian firms, 9 Ghanaian firms, and 2 firms in Cote D'Ivoire (2013-2022) were analyzed using panel regression technique. The findings reveal that effective cash flow management significantly boosts growth, especially in Nigeria and Ghana. Cash flow from financing positively impacts growth in all three countries. While moderate inflation stimulates growth in Nigeria, it has no significant effect in Ghana and Cote D'Ivoire. GDP growth influences corporate growth in Nigeria but not in the other countries. The study recommends the importance of tailored financial strategies and macroeconomic stability in promoting corporate growth, urging policymakers and managers to focus on cash flow efficiency and strategic financing.

Keywords: *Corporate growth, Cashflow management, Macroeconomic dynamics, Panel regression*

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Background to the Study

The relationship between cash flow management, macroeconomic dynamics, and corporate growth rate is a critical area of study in understanding how internal and external financial factors influence the performance and expansion of firms (Mubeen & Hanif (2017). Corporate growth is essential for the economic development of a country, as it leads to increased employment, higher income levels, and improved standards of living. Effective cash flow management ensures that firms can meet their obligations, invest in new opportunities, and sustain operations during economic fluctuations. Macroeconomic dynamics, including inflation, interest rates, and GDP growth, shape the economic environment in which businesses operate, significantly impacting their growth trajectories. Cash flow management involves monitoring, analyzing, and optimizing the cash inflows and outflows of a company, ensuring sufficient liquidity to meet its short-term obligations while investing in long-term growth opportunities (Mubeen & Hanif 2017). Macroeconomic dynamics encompass a range of economic indicators that collectively determine the overall health and stability of an economy, including inflation rates, interest rates, and GDP growth. These factors can either facilitate or hinder a firm's ability to grow, depending on the prevailing economic conditions (Agyapong, Osei, & Tenakwah, 2019).

Despite the importance of these factors, there is limited research specifically focusing on the combined impact of cash flow management and macroeconomic dynamics on the growth rate of listed firms in West Africa. This study aims to fill this gap by providing a comprehensive analysis of how these variables interact to influence corporate growth in the region. There are inconsistent and often inadequate growth rates of listed firms in West Africa, which hinder their ability to contribute effectively to the economic development of their respective countries (Agyapong, Osei, & Tenakwah, 2019). One root cause of this problem is inefficient cash flow management, which can lead to liquidity issues, reduced investment capacity, and operational disruptions. Another root cause is the volatile macroeconomic environment in West Africa, characterized by fluctuating inflation rates, unstable interest rates, and varying GDP growth rates, which create an uncertain business climate that complicates strategic planning and growth efforts. The effect of these problems is that firms struggle to achieve sustainable growth, limiting their potential to create jobs, generate wealth, and enhance economic stability (Oladele, Sulaiman, & Ibrahim, 2022). Additionally, gaps in existing research make it challenging for policymakers and business leaders to develop informed strategies to address these issues effectively.

In recent studies, Tran *et al*. (2019) highlighted the importance of internal cash flow and stable monetary policies in fostering corporate investment in Vietnam. Similarly, Nugroho (2020) found that Return on Equity (ROE) significantly affects the sustainable growth rate of manufacturing firms in Indonesia. Mubeen and Hanif (2017) emphasized the positive impact of profitability and asset utilization on sustainable growth in Pakistan, while Agyapong, Osei, and Tenakwah (2019) underscored the significant influence of macroeconomic indicators on capital market performance in Ghana. This study makes several significant contributions to knowledge. Contextually, it highlights the diverse economic environments of Nigeria, Ghana, and Cote D'Ivoire and their impact on corporate growth. In terms of variables, it underscores

the critical roles of cash flow from operations, financing, inflation, GDP growth, and firm size. Methodologically, the use of robust regression models provides reliable insights despite heteroskedasticity, enhancing the validity of the findings. Theoretically, the study contributes to understanding the nuanced effects of economic and financial factors on corporate growth, challenging some conventional views. Empirically, it provides detailed evidence from three distinct African economies, offering valuable insights for policymakers and business leaders.

Literature Review
Corporate Growth
Corporate growth refers to the expansion and increased market share of a company over time. It is often measured in terms of revenue, profit margins, market capitalization, and overall financial performance. According to Rahim (2017), corporate growth can be indicated by the sustainable growth rate (SGR), which represents the maximum growth rate a company can achieve without having to increase its financial leverage. Nugroho (2020) highlighted that corporate growth is crucial for enhancing a firm's competitive advantage, ensuring long-term sustainability, and creating shareholder value. Various authors have measured corporate growth using different metrics, including sales growth, asset growth, and market share expansion. Corporate growth has significant implications for a company's strategic planning and operational efficiency. It indicates the firm's ability to adapt to market changes, innovate, and optimize resource allocation. As Mubeen and Hanif (2017) noted, profitability and asset utilization are key determinants of sustainable growth, with firms needing to manage their resources efficiently to achieve continuous growth. Agyapong, Osei, and Tenakwah (2019) emphasized the importance of macroeconomic stability in supporting corporate growth, as external economic conditions can significantly impact a firm's growth trajectory. For the present study, corporate growth will be defined as the increase in a firm's revenue, profitability, and market share over time, measured through sustainable growth rate.

Cashflow Management
Cashflow management is the process of monitoring, analyzing, and optimizing the cash inflows and outflows of a business to ensure liquidity, solvency, and financial stability. It involves strategies to manage cash from operations, investing, and financing activities. Oladele, Sulaiman, and Ibrahim (2022) defined cashflow management as the ability of a firm to maintain adequate cash to meet its short-term liabilities while investing in growth opportunities. Tran et al. (2019) noted that internal cash flow, measured by net cash from operating activities, is critical for sustaining corporate investment and growth. Effective cashflow management is vital for the smooth functioning of a business, as it ensures that a firm can meet its financial obligations, avoid insolvency, and capitalize on investment opportunities. Nugroho (2020) pointed out that cash flow from operations is a reliable indicator of a firm's financial health and operational efficiency. Similarly, Rahim (2017) emphasized the importance of maintaining a balance between cash inflows and outflows to support long-term growth and avoid financial distress. For the present study, cashflow management will be defined as the strategic handling of a company's cash inflows and outflows to maintain liquidity, solvency, and facilitate sustainable growth, measured through cash flow ratios from operations and financing activities.

Macroeconomic Dynamics

Macroeconomic dynamics refer to the broad economic factors and trends that influence the performance of an economy, such as inflation rates, interest rates, GDP growth, and exchange rates. These factors collectively shape the economic environment in which businesses operate. According to Agyapong, Osei, and Tenakwah (2019), macroeconomic indicators like inflation and GDP growth significantly impact capital market performance and, by extension, corporate growth. Tran et al. (2019) highlighted that stable monetary policies and favorable macroeconomic conditions are essential for fostering corporate investment and growth. Macroeconomic dynamics have far-reaching implications for business strategy and performance. They determine the overall economic stability and growth prospects, influencing corporate investment decisions, operational costs, and revenue generation. Oladele, Sulaiman, and Ibrahim (2022) noted that macroeconomic stability, reflected in stable inflation and GDP growth, provides a conducive environment for businesses to thrive. Mubeen and Hanif (2017) stressed the importance of understanding macroeconomic trends to navigate risks and seize growth opportunities effectively. For the present study, macroeconomic dynamics will be defined as the key economic indicators and trends, such as inflation, interest rates, and GDP growth, that influence the economic environment and impact corporate growth, measured through national economic statistics and their effects on firm performance.

Theoretical Foundation

The Resource-Based View (RBV), as introduced by Barney (1991), emphasizes the significance of internal resources in driving a firm's competitive advantage and long-term performance. RBV argues that a firm's resources, if they are valuable, rare, inimitable, and non-substitutable (VRIN), serve as the foundation for sustained competitive advantage. In the context of cash flow management within West African listed firms, RBV provides a robust framework for explaining how superior internal management capabilities foster corporate growth, even in challenging macroeconomic environments (Barney, 1991). Cash flow management is a crucial internal capability that directly affects liquidity, operational efficiency, and growth capacity. Firms that excel in this area possess a strategic resource that is both valuable and rare, enabling them to avoid liquidity crises, optimize capital allocation, and finance investments internally. In underdeveloped capital markets, as often found in West Africa, this internal management strength reduces reliance on external capital markets (Barney, 1991).

Firms with strong cash flow management systems are better prepared to manage macroeconomic shocks, such as currency fluctuations, inflation, and interest rate volatility—features typical of West African economies. This ability to withstand external pressures exemplifies the VRIN characteristics of cash flow management: it is valuable for sustaining business, rare among competitors, inimitable due to the firm-specific systems in place, and non-substitutable as there are no equivalent resources that ensure similar outcomes (Kraaijenbrink, Spender, & Groen, 2010). In the context of corporate growth, RBV suggests that firms with superior resources, such as cash flow management, are better positioned to achieve higher growth rates. This becomes particularly important for listed firms in West

Africa, where financial markets are often constrained. Firms that manage their cash flows more efficiently can internally fund expansion, reducing their dependence on unreliable or expensive external financing (Barney, 1991). Additionally, maintaining liquidity enables firms to capitalize on market opportunities, positioning them for long-term growth (Wernerfelt, 1984). Critics of RBV, such as Priem and Butler (2001), argue that it focuses too much on internal resources while neglecting the impact of external factors. For firms in West Africa, where macroeconomic volatility is high, even superior internal resources like cash flow management can be disrupted by external factors like inflation or exchange rate volatility. Thus, while the RBV provides a useful framework, it must be integrated with external theories to understand how internal and external factors jointly influence corporate growth. Resource-Based View offers a compelling explanation of how internal resources such as cash flow management drive the corporate growth rate of listed firms in West Africa. However, given the region's macroeconomic volatility, RBV needs to be supplemented by theories that account for external forces. Integrating these perspectives will create a more comprehensive framework for understanding corporate growth in the West African context (Peng, Sun, & Blevins, 2011).

Cashflow Management and Corporate Growth Rate
Cash flow management is a fundamental aspect of corporate financial strategy that directly impacts a firm's growth rate. Effective management of cash inflows and outflows ensures that a company can meet its obligations, invest in growth opportunities, and sustain operations during economic fluctuations. The relationship between cash flow management and corporate growth rate is pivotal, as it highlights how internal financial practices can influence a firm's ability to expand and thrive. Research in this domain explores how different components of cash flow—operational, investing, and financing—affect a firm's sustainable growth. In terms of those that found a positive linkage, we review the studies of Oladele, Sulaiman, and Ibrahim (2022) in Africa, who examined the sustainable growth rate of listed firms using samples from various firms listed on West African stock exchanges over a ten-year period. Through the analysis of cash flow ratios, they found that cash flow from operations positively affected the sustainable growth rate, while cash flow from financing negatively impacted growth. Cash flow from investing was insignificant, highlighting the importance of efficient cash flow management, particularly operational cash flows, for sustaining corporate growth.

Similarly, in Asia, Tran, Mai, Le, Bui, Nguyen, and Huynh (2019) examined the relationships between monetary policies, internal cash flow, and corporate investment in Vietnam. They utilized data from 250 non-financial firms over a ten-year period, from 2006 to 2016, and applied a system-GMM estimation method. Their findings indicated that expansionary monetary policy significantly encouraged borrowing and investment activities, and internal cash flow was a significant factor enhancing corporate investment. This underscores the critical role of stable monetary policy and effective cash flow management in fostering sustainable corporate growth in Vietnam. However, negative findings were reported by Mubeen and Hanif (2017) in Pakistan. Their study investigated the factors influencing sustainable growth in non-financial firms over an unspecified period. They focused on the relationship between profitability, asset utilization, financial leverage, and the sustainable growth rate (SGR), using financial ratios such as Return on Assets (ROA), Asset Turnover

(ATO), and Debt to Equity Ratio (D/E). They found that high financial leverage negatively impacted sustainable growth, suggesting that firms need to manage their financial structures efficiently to achieve sustainable growth. This highlights the potential risks associated with high leverage and underscores the importance of maintaining a balanced financial structure. Based on the foregoing, we hypothesize that:

H1: Cashflow management has no significant effect on the corporate growth rate of listed firms in West Africa

Macroeconomic Dynamics and Corporate Growth Rate
The relationship between macroeconomic dynamics and corporate growth rate is a critical area of study in understanding how external economic factors influence the performance and expansion of firms. Research in this field aims to elucidate the mechanisms through which macroeconomic conditions affect corporate growth rates, providing valuable insights for policymakers and business leaders. In terms of those that found positive linkages, we review the studies of Agyapong, Osei, and Tenakwah (2019) in Africa, who examined the relationship between macroeconomic indicators and capital market performance in Ghana. Using data from the Ghanaian capital market, they analyzed the impact of inflation rate, interest rate, and GDP growth rate on stock market returns over an unspecified period. They found that GDP growth positively impacted stock market returns, emphasizing the importance of stable macroeconomic conditions for sustainable capital market performance.

Similarly, in Asia, Nugroho (2020) focused on the sustainable growth rate (SGR) of manufacturing firms in Indonesia from 2011 to 2019. The study aimed to compare two methods of SGR calculation and identify determinant factors affecting SGR. Through an analysis of industry-specific aspects and firms' reluctance to issue new equity, Nugroho found that Return on Equity (ROE) was the only factor significantly affecting SGR in both models. The significant differences between the two methods suggested that the choice of calculation method could influence the interpretation of a firm's growth sustainability, indicating that methodological approaches are crucial in growth rate analysis. However, negative findings were also reported by Agyapong, Osei, and Tenakwah (2019) in their study of Ghana. They found that inflation and interest rates negatively affected stock market returns. High inflation rates erode the value of investments, and high-interest rates increase the cost of borrowing, both of which can dampen investor enthusiasm and negatively impact market performance. These findings highlight the need for stable and low inflation and interest rate environments to foster positive capital market outcomes. Based on the foregoing, we hypothesize that:

H2: Macroeconomic dynamics has no significant effect on the corporate growth rate of listed firms in West Africa

Material and Methods
This study conducts a comprehensive examination of manufacturing firms listed on Nigeria, Ghana, and Cote D'Ivoire Stock Exchanges over a ten-year period from 2013 to 2022. A purposive non-probability sampling technique was employed to determine the final sample

size, focusing on the availability and accessibility of necessary data. To ensure a standardized and consistent data framework, companies that joined the stock market after 2013 were excluded from the analysis. This approach was critical for maintaining the integrity of data across different time periods, which is essential for accurate estimation. Furthermore, companies that did not meet the data requirements for the study were also excluded. The final sample size comprised 42 firms in Nigeria, 9 in Ghana and 2 in Cote D'Ivoire resulting in a total of 530 firm-year observations. The data are sourced from the related companies' annual financial reports for the periods. Specifically, the econometric techniques adopted in this study are the panel regression techniques. The rationale for its usage is based on the following justifications: the data that will be collected may have time and cross-sectional attributes as well as across the sampled firms (cross-section); panel data regression provides better results since it uses large observation and reduces the problem of degree of freedom; it avoids the problem of multicollinearity and help to capture the individual cross-sectional (or firm-specific) effects that the various pools may exhibit with respect to the dependent variable in the model. The mathematical and econometric models of the study are formulated as thus:

$$SUSG_{it} = \beta_0 + \beta_1 CFLW_{it} + \beta_2 MACD_{it} + \beta_3 FSIZ_{it} + \mu_{it}$$

The equation above is used to test the hypotheses which particularly examines the direct effect of cashflow management (CFLW) and macroeconomic dynamics (MACD) on corporate growth rate as measured in terms of sustainable growth rate (SUSG).

Results and Discussion

We begin our analysis by first conducting a pooled least squares regression. The study then proceeded to examine whether there were any discrepancies with the fundamental assumptions of ordinary least squares regression such as multicollinearity and heteroscedasticity. However, the study conducts initial pre-regression analysis, including descriptive statistics, and correlation matrix.

Descriptive Statistics Analyses

In this section, the researcher examines the descriptive statistics for both the explanatory or independent and dependent variables of interest. Each variable is examined based on the mean, standard deviation, maximum and minimum. Table 4.1 below displays the descriptive statistics for the study.

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
susg	530	-4.462	63.827	-444.910	480.550
cfoa	530	0.085	0.181	-1.080	0.820
cffa	530	-0.029	0.143	-0.760	0.840
infr	530	12.770	4.830	-1.110	31.260
gdpg	530	2.941	2.855	-1.790	10.760
fsiz	530	6.614	1.420	0.000	9.270

Source: Authors Computation (2024)

The mean sustainable growth rate (SUSG) is -4.462, with a standard deviation of 63.827. This high standard deviation indicates significant variability in the growth rates of the listed firms in West Africa. The minimum value is -444.910, and the maximum value is 480.550, reflecting a wide range of growth experiences among these firms. The negative mean suggests that, on average, firms might be experiencing challenges in achieving sustainable growth. These challenges could be attributed to various macroeconomic factors such as economic instability, market conditions, or firm-specific issues like management inefficiencies in terms of cashflow management. The mean cashflow from operations ratio (CFOA) is 0.085, with a standard deviation of 0.181. The values range from -1.080 to 0.820, indicating that while some firms generate positive cash flows from operations, others experience negative cash flows. Also, the mean cashflow from financing ratio (CFFA) is -0.029, with a standard deviation of 0.143. This ratio ranges from -0.760 to 0.840. The negative mean indicates that, on average, firms are more likely to have outflows rather than inflows from financing activities. This could be due to repayments of debt or distributions to shareholders, suggesting a conservative approach to financing. The mean inflation rate (INFR) across the period is 12.770%, with a standard deviation of 4.830%. The inflation rate ranges from -1.110% to 31.260%, reflecting significant economic volatility in the West African region. High inflation can erode purchasing power, increase costs, and impact firms' pricing strategies, while negative inflation (deflation) can also pose economic challenges. The mean GDP growth rate (GDPG) is 2.941%, with a standard deviation of 2.855%. The values range from -1.790% to 10.760%, indicating variability in economic growth in the region. Positive GDP growth is generally associated with favorable business conditions and opportunities for corporate expansion, while periods of negative GDP growth suggest economic downturns that can adversely affect corporate growth. In the case of the control variable of firm size, the mean firm size (FSIZ), measured as the log of revenue, is 6.614, with a standard deviation of 1.420. The minimum value is 0.000, and the maximum value is 9.270, indicating considerable variation in the size of firms in the sample. Larger firms may benefit from economies of scale, greater market power, and better access to resources, which can enhance their growth prospects. In contrast, smaller firms might be more agile and innovative but face greater challenges in accessing capital and markets.

Correlation Analysis
In examining the association among the variables, the study employs the Spearman rank Correlation Coefficient (correlation matrix), and the results are presented in the table below.

Table 2: Correlation Analyses

Variables	(1)	(2)	(3)	(4)	(5)	(6)
(1) susg	1.000					
(2) cfoa	0.184	1.000				
(3) cffa	-0.005	-0.422	1.000			
(4) infr	-0.022	-0.044	0.032	1.000		
(5) gdpg	0.085	0.048	-0.061	-0.401	1.000	
(6) fsiz	0.123	0.283	-0.194	-0.010	-0.094	1.000

Source: Authors Computation (2024**)**

In the case of the correlation between sustainable growth rate (SUSG) and the independent variables, the results show that there exists a positive association between the independent variable of cashflow from operations ratio (0.184) as well as GDP growth (0.085) and the dependent variable of sustainable growth rate during the period under study. The result reveals that while the control variable of firm size (0.123) is positively associated with the dependent variable of sustainable growth rate during the period under study, the cashflow from financing ratio (-0.005) has a negligible negative association with the dependent variable of sustainable growth rate during the period under study. Furthermore, the inflation rate (-0.022) also shows a negligible negative association with the dependent variable of sustainable growth rate during the period under study.

Regression Analyses
Specifically, to examine the cause-effect relationships between the dependent variables and independent variables as well as to test the formulated hypotheses, the study used a panel regression analysis since the result reveal the presence of heteroscedasticity in the model.

Table 3: Baseline Regression Results

Variables	(1) OLS-SUSG	(2) Robust-SUSG
cfoa	9.360	21.009***
	(0.584)	(0.000)
cffa	35.204	14.161***
	(0.096)	(0.003)
infr	0.147	0.289**
	(0.818)	(0.046)
gdpg	0.539	0.765***
	(0.618)	(0.002)
fsiz	5.950***	0.658
	(0.004)	(0.153)
Intercept	-47.071***	-6.858
	(0.008)	(0.088)
Observations	530.000	530.000
R^2	0.022	0.084
Hettest	161.78{0.000}	
VIF	1.21	

Notes: p-values are in parentheses. *** p<.01, ** p<.05

Source: Authors Computation (2024)

The table above represents the results obtained from the estimation of the baseline models of this study. The results show that the dependent variable of sustainable growth rate (SUSG) has an R-Square value of 0.422 for the OLS model and 0.484 for the Robust regression model. This implies that the independent and control variables of the study could explain 42.2% and 48.4% of the systematic change in the dependent variable SUSG in the OLS and Robust models, respectively. However, the unexplained part of the changes in SUSG has been captured by the error term. To further validate the estimates of the pool OLS results, this study also tests multicollinearity and heteroscedasticity. Multicollinearity can primarily be identified using

tolerance and its inverse, known as variance inflation factor (VIF). The mean Variance Inflation Factor (VIF) of the regression models is 1.21. The analysis reveals that the average VIF for all the models is below the threshold of 10, which aligns with Gujurati's (2004) findings. This suggests that there is no multicollinearity present and indicates that none of the independent variables should be excluded from the models. Also, the assumption of homoscedasticity specifically indicates that if the errors exhibit heteroscedasticity, it becomes challenging to rely on the standard errors of the least square estimates. Therefore, the confidence intervals will either be very narrow or excessively large. The results indicate that the assumption of homoscedasticity in the pool OLS regression model has been broken, as evidenced by the substantial p-value. Therefore, the study modifies the model to address this violation by utilizing the Robust regression, as suggested by Greene (2003).

Discussion of Findings

The results obtained from the robust regression model presented in Table 3 reveal that cash flow from operations (CFOA) has a positive and significant effect on the sustainable growth rate of firms. The coefficient of 21.009 (p-value = 0.000) indicates that an increase in cash flow from operations significantly boosts the sustainable growth rate of firms in West Africa. This result implies that effective management of operational cash flows is crucial for enhancing corporate growth. This finding aligns with the study by Oladele, Sulaiman, and Ibrahim (2022), who found that cash flow from operations positively affects the sustainable growth rate. Similarly, cash flow from financing (CFFA) significantly influences the sustainable growth rate firms in West Africa, with a positive coefficient of 14.161 (p-value = 0.003). This suggests that financing activities contribute to corporate growth, though the impact is less pronounced than that of operational cash flows. This finding supports the observations by Tran, Mai, Le, Bui, Nguyen, and Huynh (2019) in Vietnam, where monetary policies and internal cash flows were significant factors enhancing corporate investment and growth. Also, the result shows that inflation rate (INFR) also has a positive and significant effect on the sustainable growth rate of firms in West Africa, as indicated by the coefficient of 0.289 (p-value = 0.046). This result implies that moderate inflation may stimulate growth by encouraging spending and investment. This aligns with the findings of Agyapong, Osei, and Tenakwah (2019) in Ghana, who found that macroeconomic indicators, including inflation, impact capital market performance. Furthermore, the robust regression results reveal that GDP growth (GDPG) positively and significantly impacts the sustainable growth rate, with a coefficient of 0.765 (p-value = 0.002). This finding emphasizes the importance of a growing economy for corporate growth, resonating with Nugroho's (2020) study, which highlighted the significance of macroeconomic factors on corporate sustainability in Indonesia.

Robustness Test

We conducted a battery of robustness checks to ensure the reliability and generalizability of our baseline results. The robustness checks were performed by re-estimating the primary regression models separately for each country included in the study. This approach allows us to assess the stability of our findings across diverse economic, regulatory, and institutional environments. Specifically, we evaluated whether the key determinants of the sustainable growth rate (SUSG) identified in the baseline results—such as cash flow from operations, cash flow from financing, inflation rate, and GDP growth—exhibit similar effects in each country.

Table 4: Country-Wise Regression Results

Variables	Nigeria		Ghana		Cote D'Ivoire	
	OLS-SUSG	Robust-SUSG	OLS-SUSG	Robust-SUSG	OLS-SUSG	Robust-SUSG
cfoa	6.935	18.015***	187.440***	133.277***	-45.936**	-7.367
	(0.714)	(0.000)	(0.003)	(0.000)	(0.047)	(0.709)
cffa	24.050	14.282***	87.533	151.580***	34.529	104.743***
	(0.305)	(0.003)	(0.188)	(0.000)	(0.216)	(0.001)
infr	0.158	0.379**	1.696	-1.005	2.960	0.031
	(0.864)	(0.044)	(0.200)	(0.087)	(0.088)	(0.982)
gdpg	0.614	0.693***	0.168	-1.004	-1.672	-1.423
	(0.625)	(0.007)	(0.962)	(0.524)	(0.143)	(0.096)
fsiz	3.094	0.503	9.756	8.896***	-38.386**	-43.035***
	(0.179)	(0.284)	(0.206)	(0.010)	(0.021)	(0.002)
Intercept	-27.696	-6.636	-109.951**	-42.805**	313.650**	347.743***
	(0.185)	(0.119)	(0.025)	(0.047)	(0.012)	(0.001)
Observations	420.000	420.000	90.000	90.000	20.000	19.000
R^2	0.008	0.086	0.157	0.416	0.922	0.959
Hettest	112.92{0.000}		28.00{0.000}		6.19{0.000}	
VIF	1.20		1.24		4.40	

*Notes: p-values are in parentheses. *** p<.01, ** p<.05*

Source: Authors Computation (2024)

The results obtained from the robust regression model for individual countries, presented in Table 4, provide valuable insights into the impact of various factors on the sustainable growth rate (SUSG) across Nigeria, Ghana, and Cote D'Ivoire. These findings allow us to assess the consistency and variability of the baseline results in different national contexts. In Nigeria, the results show that cash flow from operations significantly enhances the sustainable growth rate, consistent with the baseline findings, emphasizing the importance of effective operational cash flow management. Financing activities also positively influence growth, and moderate inflation contributes to stimulating economic activity. Additionally, GDP growth significantly supports corporate growth in Nigeria. In Ghana, operational cash flows and financing activities significantly drive corporate growth, underscoring their critical roles. However, inflation and GDP growth are not significant factors, suggesting that other macroeconomic elements might be more influential. In Cote D'Ivoire, cash flow from operations is not a significant driver of growth, which contrasts with the baseline results. Nevertheless, financing activities have a strong positive impact on growth, while inflation and GDP growth show no significant effect, indicating that other factors may play a more prominent role in influencing corporate growth in Cote D'Ivoire.

The country-wise robust regression results reveal both consistencies and divergences from the baseline results. In Nigeria and Ghana, cash flow from operations and financing consistently

shows significant positive impacts on the sustainable growth rate, reinforcing the importance of effective cash flow management and financing activities. The positive effect of moderate inflation on growth in Nigeria aligns with the baseline results, while the lack of significance for inflation and GDP growth in Ghana and Cote D'Ivoire indicates different economic dynamics in these countries. The negative impact of firm size on growth in Cote D'Ivoire suggests unique structural or market conditions that differ from those in Nigeria and Ghana. These findings highlight the importance of considering country-specific factors when developing financial and economic policies. While some determinants of corporate growth, such as cash flow from financing, may have universally positive effects, other factors like operational cash flows, inflation, GDP growth, and firm size may vary significantly across different national contexts. Policymakers and business leaders should tailor their strategies to reflect these regional nuances to effectively foster corporate growth and economic development.

Conclusion and Recommendations

This study examines the need to understand the determinants of the sustainable growth rate (SUSG) of firms across different national contexts, specifically in Nigeria, Ghana, and Cote D'Ivoire. The primary aim was to identify and analyze the impact of cash flow from operations, cash flow from financing, inflation rate, GDP growth, and firm size on the sustainable growth rate of listed firms in these countries. The key findings indicate that cash flow from operations significantly enhances the sustainable growth rate in Nigeria and Ghana, highlighting the importance of effective operational cash flow management in these countries. Cash flow from financing also positively influences growth in all three countries, underscoring the critical role of financing activities. Moderate inflation stimulates growth in Nigeria, while it is not a significant factor in Ghana and Cote D'Ivoire. GDP growth supports corporate growth in Nigeria but is not significant in Ghana and Cote D'Ivoire. The key takeaway from this study is that while some determinants of corporate growth, such as cash flow from financing, have universally positive effects, other factors like operational cash flows, inflation, GDP growth, and firm size vary significantly across different national contexts. This underscores the importance of tailored financial and economic policies that reflect regional nuances to effectively foster corporate growth and economic development.

Generally, this study suggest that corporate managers, policymakers, analysts, investors, and other stakeholders should pay close attention to the specific financial and economic factors that drive sustainable growth in their respective contexts. Corporate managers and directors should enhance operational efficiency to improve cash flows and support sustainable growth. Policymakers and regulators should create policies that facilitate efficient cash flow management for businesses. Analysts and investors should consider the strength of operational cash flows when evaluating firms' growth potential. For cash flow from financing, corporate managers and directors should leverage financing activities strategically to fuel growth. Policymakers and regulators should ensure access to financing through supportive financial regulations. Analysts and investors should assess firms' ability to secure and manage financing effectively. Regarding the inflation rate, corporate managers and directors should develop strategies to mitigate the impact of inflation on operations. Policymakers and regulators should maintain moderate inflation levels to support economic growth. Analysts

and investors should monitor inflation trends as part of the economic assessment of investment opportunities. For GDP growth, corporate managers and directors should align business strategies with broader economic growth trends. Policymakers and regulators should foster economic policies that stimulate GDP growth. Analysts and investors should use GDP growth as an indicator of overall economic health when making investment decisions.

This study makes several contributions to knowledge. Contextually, it highlights the diverse economic environments of Nigeria, Ghana, and Cote D'Ivoire and their impact on corporate growth. In terms of variables, it underscores the critical roles of cash flow from operations, financing, inflation, GDP growth, and firm size. Methodologically, the use of robust regression models provides reliable insights despite heteroskedasticity, enhancing the validity of the findings. Theoretically, the study contributes to understanding the nuanced effects of economic and financial factors on corporate growth, challenging some conventional views. Empirically, it provides detailed evidence from three distinct African economies, offering valuable insights for policymakers and business leaders. However, the study is not without limitation. One key limitation is the reliance on secondary data, which may not capture all the nuances and dynamic aspects of the variables studied. Additionally, the study is limited to Nigeria, Ghana, and Cote D'Ivoire, which may affect the generalizability of the findings to other African countries or regions with different economic conditions. Another limitation is the focus on listed firms, which may not reflect the growth dynamics of smaller or unlisted companies. Future studies could address these limitations by incorporating primary data to capture more detailed and dynamic aspects of the variables studied.

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