

**DIGITAL TRANSFORMATION AND FINANCIAL PERFORMANCE: A
STUDY OF LISTED MANUFACTURING COMPANIES IN NIGERIA**

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AUGUST, 2024

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BY

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF
POSTGRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF
SCIENCE(M.Sc.) DEGREE IN ACCOUNTING IN THE DEPARTMENT
OF ACCOUNTING, COLLEGE OF MANAGEMENT AND SOCIAL
SCIENCES, COVENANT UNIVERSITY, OTA, OGUN STATE**

AUGUST, 2024

ACCEPTANCE

This is to attest that this dissertation is accepted in partial fulfillment of the requirements for the award of the Master of Science in Accounting degree in the Department of Accounting, College of Management and Social Sciences, Covenant University, Ota, Nigeria.

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DECLARATION

I, **UKO COMFORT OLUCHUKWU**, with matric number (**22PAA02356**), declare that this dissertation is based on a study undertaken by me in the Department of Accounting, College of Management and Social Sciences, Covenant University, Ota, Ogun State. This project has never been submitted elsewhere for the award of a degree. All ideas and views expressed are products of personal research. Where ideas and views of the authors /researchers have been expressed, they have been duly acknowledged.

UKO, COMFORT OLUCHUKWU

Signature and Date

CERTIFICATION

This is to certify that this study is an original research work carried out by **UKO, COMFORT OLUCHUKWU (22PAA02356)** of the Department of Accounting, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria, under the supervision of Dr Peace O. Okougbo. We have examined and found this work acceptable as part of the requirements for the award of Master of Science in Accounting.

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DEDICATION

This work is dedicated to God firstly, by whom all inspiration, knowledge, wisdom, and courage come, my help in ages past and hope for years to come; and to my immediate family for their solid support and encouragement through this period.

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ABSTRACT

This study investigates the relationship between digital transformation and the financial performance of listed companies in the manufacturing industry in Nigeria from 2019 to 2023. The rapid pace of digital innovation has prompted many manufacturing firms to adopt new technologies; nonetheless, how these modifications affect financial performance remains under-explored. The purpose of this research is to bridge this gap by examining how digital transformation (IT infrastructure, digital payments, digital analytic tools, digital technology) influences key financial metrics—Debt to Equity Ratio (DER), Return on Equity (ROE), Return on Assets (ROA), and Net Assets per Share (NAPS). Using data from 33 listed manufacturing firms, this study employs the ordinary least squares (OLS) regression method to analyze periodic observations throughout the standard reporting period, which runs from January 1 to December 31. The results show significant positive relationships between digital transformation and ROA and ROE, suggesting that digital initiatives enhance operational efficiency and profitability. However, no significant impact was found on DER and NAPS, indicating that the benefits of digital transformation may not extend uniformly across all financial measures. The findings of the research have salient ramifications for Nigerian industrial firms. This positive correlation between digital transformation and profitability underscores the strategic importance of investing in digital technologies. Firms are encouraged to continue their digital transformation efforts to achieve improved financial performance. Policymakers and industry stakeholders should support these initiatives by providing a conducive environment for digital innovation.

Keywords: Digital Transformation, Board size, Ownership, Financial Health