e-ISSN 2795-3257
p-ISSN 2795-3236




10.5281/zenodo.10041440 Vol. 06 Issue 10 Oct - 2023 Manuscript ID: #1084

# Board Characteristics and Firm Values of Quoted Consumer Goods Firms in Nigeria

ALEKIRI, WEDE CHIKE
Department of Accounting, Faculty of Management Sciences, University Of Port Harcourt.

OFURUM, CLIFFORD
Professor, Department of Accounting, Faculty of Management Sciences, University Of Port Harcourt.

NWAIWU, JOHNSON NKEM
Reader, Department of Accounting, Faculty of Management Sciences, University Of Port Harcourt.

Corresponding: johnsonnwaiwu@gmail.com

## ABSTRACT

The study examined the implication of board characteristics on firms' values of quoted consumer goods firm in Nigeria over the period of 2010 to 2020. The study employed secondary data from annual report of the 10 sampled quoted consumer goods firms. The study employed the stationarity test and the panel regression tests. Findings showed that the board size and board independence had adverse effect on firm profitability and show negative and significant influence on the earnings per shares and profit after tax, while displaying a positive and significant relationship with Return on equity. Board diversity shows a positive and significant relationship with Earnings per shares. Conclusively, it can be seen overall that the level of board composition is mediocre and the significance level of the employed dimensions of board composition shows that quoted consumer goods firms in Nigeria have better financial information quality in terms of their return on equity reported than in view of their earnings per shares. It was recommended that firms should prune the size of active auditors and should not compromise quality with quantity.The management of quoted consumer goods firms in Nigeria should, as a legal mandate, provide a "statement of the quality of its earnings" arrived at using acceptable and uniform criteria and make assertions that the earnings of the company have not been manipulated during the period

## KEYWORDS

Board Characteristics, Firm Values, Consumer Goods Firms, Firm Performance.

## Introduction

Throughout the years, various metrics have been utilized to gauge a firm's value. These measures encompass both long-term market-based indicators and non-market-oriented performance indicators, as well as short-term measures (Joseph & Micah, 2022; Joseph &Ironkwe, 2022). Examples of these metrics include market value added, economic value added, cash flow growth, earnings per share, asset growth, dividend growth, and revenue growth (Coles, McWilliams & Sen, 2021; Abdullah, 2022). In their study, Joseph &Ironkwe (2022) employed return on equity and earnings per share as proxies for firm value in Belgian companies. Market-to-book ratio was utilized for firms in Hong Kong (Chen, Cheung, Stouraitis& Wong, 2005). Additionally, Judge, Naowmova, Koutzevoi (2003) employed a set of indicators, including financial profitability, customer satisfaction, product/service quality, capacity utilization, and process improvements, to assess firm performance.

The board plays a pivotal role in preventing negative management practices that may lead to corporate failures, scandals, or seizing opportunities to enhance value for all stakeholders (Loh &Ngagren, 2018; Kagzi& Guba, 2018). As a strategic resource, the board holds the responsibility of developing and selecting innovative options to advance the firm. Given the increasing importance of boards, it is crucial to identify the board characteristics and composition that distinguish one board's effectiveness from another (El-Habashy, 2018; Ibrahim & John, 2018; Loh &Ngugen, 2018; Salaiman; Mijingawa& Isa, 2019).

In a dynamic business environment, the role of the board becomes increasingly important for the smooth functioning of organizations. Boards are expected to perform various functions, including monitoring management to mitigate agency costs (Akpakip, 2017; Ardi &Murwaning Sari, 2018; Ajayi, Egwakha& Akpa 2019), overseeing the hiring and firing of management (Aba bede, 2016; Akpakip, 2017; Nwaiwu, 2022), providing and facilitating access to resources (Woschkowiak, 2018; Wagana&Nzukwu 2019), and offering strategic direction for the firm (Jenaliez, 2018; VanderBergy, 2021). The composition and characteristics of the board are of particular significance in service firms in Nigeria due to financial failures (Ujunwa, Nwakoby&Ugban, 2022), frauds (Mba, Ofobraka, Nwanah&Anikwe, 2018), and questionable business practices that have adversely affected investor confidence (Loh &Wagagen, 2018; Keyzi& Guba, 2018). Consequently, there is a pressing need to examine the impact of board composition/characteristics on the firm value of quoted service firms in Nigeria (Live &Tegega, 2016; Lee & Kong, 2017; Li., Zheng & Qin, 2017; Hassan &Millco, 2017; Ibrahim & John, 2018; Nwaiwu, 2021).

Agency theory asserts that the separation of ownership and control results in a divergence between managerial interests and owner's interests (Jensen & Meckling, 1976). Thus, monitoring managerial decisions becomes essential for the board of directors to safeguard shareholders' interests (Fama & Jensen, 1983). Boards are tasked with formulating corporate policies, approving strategic plans, and authorizing the issuance of additional securities. They are also responsible for hiring, advising, compensating, and, when necessary, removing management. Furthermore, boards arrange for succession and determine the size of boards and nominate new members, subject to approval by shareholders (MICG, 2020; Nwaiwu, 2022).

The effectiveness of the board in monitoring managers and acting on behalf of shareholders depends on various factors. These include the role of independent non-executive directors, the influence of board gender diversity, and board size. Independent directors, characterized by their lack of personal or business relationships with the company, offer enhanced performance benefits to the firm due to their independence from the firm's management (Abubukar, Sulaiman,& Harana, 2018). They

contribute to greater independence and objectivity in the board's strategic decision-making and provide independent supervision of the company's management (Benyanin&Hotniar, 2016; Herbert &Tsegba, 2018).

Board size, defined as the number of members on the board, has been a subject of ongoing debate regarding its impact on effective board functioning (Jensen, 1993; Herbert &Tsegha, 2018; Rosikah, Dulfikri& Muh, 2018; Abulussalm&Okike, 2018; FaklieOlumaseye&Adigbole, 2019). Some scholars favor smaller boards (Mohammad, Joshua, Onipe&Terzengwe, 2018). Lipton and Larsch (2021) support smaller boards, suggesting that larger groups face challenges related to social loafing and free riding (Jensen, 1993). Nwaiwu (2021) endorses smaller boards due to their efficiency in decision-making, resulting from greater coordination and reduced communication problems. Gender diversity is part of the broader concept of board diversity (Sulaimon, Mijinyawa& Isa, 2019), which emphasizes that boards should reflect the structure of society and represent gender, ethnicity, and professional backgrounds to provide diverse perspectives.

The issue of corporate failures and fraud, leading to decreased investor interest, has prompted firms to explore various measures, from corporate restructuring to seeking additional funding or engaging in mergers and acquisitions. Yet, these methods often yield minimal or no effect on firms' value. Considering the crucial role of board composition/characteristics and their significance to service firms in Nigeria, there is a compelling need to examine the relationship between board composition/characteristics and firm value in quoted consumer goods firms in Nigeria. For consumer goods firms to attain financial success, they must deliver products that enable them to generate sufficient profits. Profit generation depends on various factors, both internal and external. Among the internal factors, operational decisions made by the board of service firms in Nigeria are pivotal. It is evident that service firms are facing challenging times, and only those companies capable of executing their strategies, prudently managing assets and risks, making sound portfolio and business decisions, and enhancing their processes will achieve long-term success.

While governance research has extensively explored the relationship between board characteristics and firm value, there is no consensus on whether board characteristics indeed improve firm value. Various studies have yielded contradictory results, underscoring the need for further examination of the relationship between board characteristics and firm value. This empirical study aims to address this gap by exploring the relationship between board characteristics and firm value in quoted consumer goods firms in Nigeria.

This study's primary aim is to empirically investigate the relationship between board characteristics and firm value in quoted consumer goods firms in Nigeria. Specifically, it seeks to achieve the following objectives:

(i) Investigate the relationship between board size and earnings per share of quoted consumer goods firms in Nigeria.

(ii) Ascertain the relationship between board size and return on equity of quoted consumer goods firms in Nigeria.

(iii) Examine the relationship between board size and earnings per share of quoted consumer goods firms in Nigeria.

This study focuses on board characteristics and firm value, specifically delving into board size, board gender diversity, and board composition (Independence). The measures of firm value, namely

earnings per share, are restricted to quoted consumer goods companies in Nigeria listed on the Nigerian Stock Exchange. Data for this study were extracted through content analysis from the corporate annual reports of these companies and reports from the Nigerian Stock Exchange, covering the period from 2010 to 2020..

## Literature Review

### Theoretical Framework

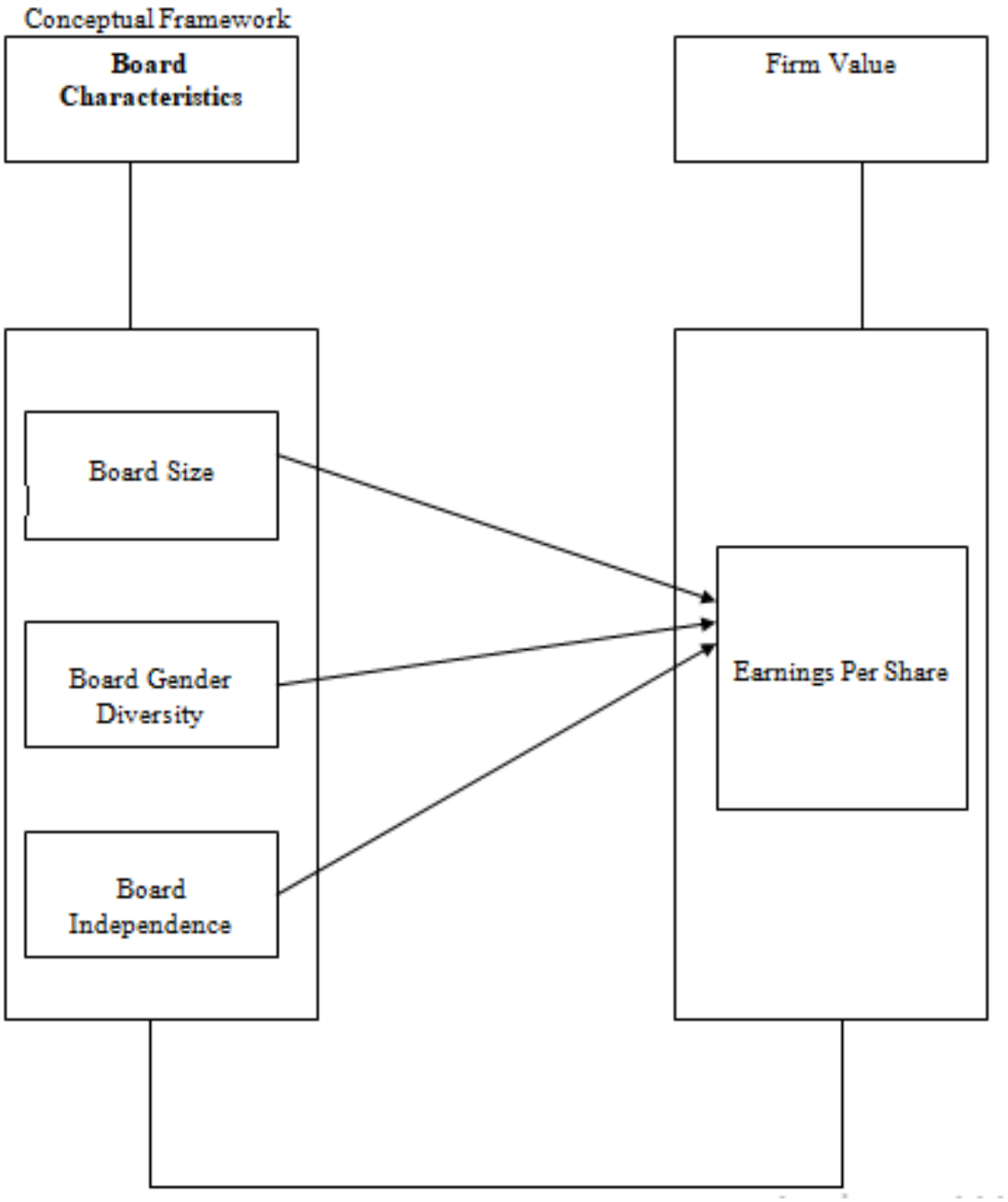
The theoretical framework is generally seen as a bedrock on which knowledge is highly contracted for any research work. It provides a platform for understanding and guiding the discussions that underlie the study. In this section, the following theories formed a platformon which the empirical study is placed.

**Agency Theory:**This view is based on the idea that in a modern corporation, there is separation of ownership (principal) and management (agent), and this leads to costs associated with resolving conflict between the owners and the agents (Berle and Means, 1932; Jensen and Meckling, 1976; Eisenhardt, 1989). The fundamental premise of agency theory is that managers act out of self-interest and are self centred, thereby, giving less attention to shareholder interests. For example, the managers may be more interested in consuming perquisites like luxurious offices, company cars and other benefits, since the cost is borne by the owners. The managers who possess superior knowledge and expertise about the firm are in a position to pursue self-interests rather than shareholders (owners) interests (Fama, 1980; Fama and Jensen, 1983). This pursuit of self-interests increases the costs to the firm, which may include the costs of structuring the contracts, costs of monitoring and controlling the behaviour of the agents, and loss incurred due to sub-optimal decisions being taken by the agents. Shareholder interests can clearly be compromised if managers maximise their self-interest at the expense of organisational profitability, i.e., the managers expropriating shareholders interests. In essence, the managers cannot be trusted and therefore there is a need for strict monitoring of management by the board, in order to protect shareholder‘s interest. Further, in a large corporation with widely dispersed ownership, small shareholders do not have a sufficient payoff to expend resources for monitoring the behaviour of managers or agents. Eisenhardt (1989:58) explains that agency problem arrives when ―(a) the desires or goals of the principal and agent conflict and (b) it is difficult or expensive for the principal to verify what the agent is actually doing‖. Consequently, the monitoring of management activities is seen as a fundamental duty of a board, so that agency problems can be minimised, and superior organizational performance can be achieved.

**Stewardship Theory**: While Agency theory assumes that principals and agents have divergent interests and that agents are essentially self-serving and self-centred, Stewardship theory takes a diametrically opposite perspective. It suggests that the agents (directors and managers) are essentially trustworthy and good stewards of the resources entrusted to them, which makes monitoring redundant (Donaldson 1990; Donaldson and Davis, 1991; Donaldson and Davis, 1994; Davis et al., 1997). Donaldson and Davis (1991:51) observe, ―organisational role-holders are conceived as being motivated by a need to achieve, to gain intrinsic satisfaction through successfully performing inherently challenging work, to exercise responsibility and authority, and thereby to gain recognition from peers and bosses‖. The stewardship perspective views directors and managers as stewards of firm. As stewards, directors are likely to maximise the shareholders‘ wealth. Davis et al. (1997) posit how stewards derive a greater utility from satisfying organisational goals than through self-serving

behaviour. Davis et al. (1997) argue that the attainment of organisational success also satisfies the personal needs of the stewards. Stewardship theory suggests that managers should be given autonomy based on trust, which minimizes the cost of monitoring and controlling behaviour of the managers and directors. When managers have served a firm for considerable period, there is a ―merging of individual ego and the corporation‖ (Donaldson & Davis, 1991, p. 51). Stewardship theory considers that manager‘s decisions are also influenced by nonfinancial motives, such as need for achievement and recognition, the intrinsic satisfaction of successful performance, plus respect for authority and the work ethics.

**Stakeholder Theory:**Stakeholder theory is an extension of the agency view, which expects board of directors to take care of the interests of shareholders. However, this narrow focus on shareholders has undergone a change and boards are now expected to take into account the interests of many different stakeholder groups, including interest groups linked to social, environmental and ethical considerations (Freeman, 1984; Donaldson & Preston, 1995; Freeman et al., 2004). This shift in the role of the boards has led to the development of stakeholder theory. Stakeholder theory views that ―companies and society are interdependent and therefore the corporation serves a broader social purpose than its responsibilities to shareholders‖ (Kiel & Nicholson, 2003a:31). Likewise, Freeman (1984), one of the original proponents of stakeholder theory, defines stakeholder as ―any group or individual who can affect or is affected by the achievement of the organisation‘s objectives‖ (p. 46). There is considerable debate among scholars on whether to take a broad or narrow view of a firm‘s stakeholder. Freeman‘s definition (1984:46) cited above proposes a broad view of stakeholders covering a large number of entities, and includes almost all types of stakeholders. In contrast, Clarkson (1994) offers a narrow view, suggesting ―voluntary stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, or something of value, in a firm. Involuntary stakeholders are placed at risk as a result of a firm‘s activities. But without the element of risk there is no stake‖.




Source: Board Composition(Mucheman; 2016; Veklenko, 2016; Ahmadd& Sallan, 2018; Patamee& Salam, 2018; Joseph & Micah, 2022; Joseph &ironkwe, 2022). Board Independence (nwaiwu&Ibanichuka, 2018; Joseph &Nwaiwu, 2022), Board Gender diversity (Hamida &Alliyu 2021), Firm value (Nwaiwu& Amah, 2021, Ndalu& Akain, 2022), earnings per share (Momoh- Musa &Nwaiwu, 2021; Momoh-Musa &Nwaiwu 2021), Return on equity (Nwaiwu& Momoh-Musa 2021; Momah-Musa &Nwaiwu, 2021) Earnings Per Share(Nwaiwu& Garard, 2021), Profit after tax (Amah &Nwaiwu, 2021; Ihendinihu& Alpheus, 2021), Firm age (Ahmadd& Sallan, 2018; Nwaiwu, 2021) and Firm size( Tapal& Dogan, 2014; Ahmad & Sallan, 2018; Nwaiwu& Amah, 2021.

**Empirical Review**

Many studies have been conducted by various researchers on the impact of board compositions and profitability (using different measure of performance) in different part of the world. It can therefore be

deduced that there exists a relationship between board composition and profitability as well as board size and firm market value. Some of these studies include studies conducted in both developed and developing economies.

Ozurumba (202 l) examines the impact of board composition and board size on the Market value of quoted industrial goods companies in Nigeria. Ex-post facto research design was used and data was collected from annual reports and account of the sampled companies for the period from 2010 to 2019. The ordinary least square, fixed and random effects regression techniques were applied on the panel data collated to estimate the models.The study documents significant positive effect of board size on the market value of the companies and insignificant but negative effect of board composition on the market value of the companies. In effect, the result suggests that board size plays important role in determining the market value of the firms. These findings are consistent with the agency theory of corporate governance which suggests higher number of members on board. It is recommended that the size of the board of firms in the sector should not be less than 9 members so as to enhance value.

Kamdem and Asah (2021) examined the effect of board composition on firm value of commercial banks in Cameroon. The aim of this study was to investigate the effect of board composition on firm value foe commercial banks in Cameroon. Ex-post facto research design was adopted for the study. The data used for this study was secondary data collected from the audited financial statements of the selected registered commercial banks in Cameroon. A five years period from 2015-2019 was the period of concentration. Data collected was analyzed using panel data regression analysis. Findings revealed that the board composition which is the proportion of non-executive directors to the executive directors on the board recorded a **mem** of 75%. This means that an average of 75% of the board members are outside directors (non-executive directors) in Cameroon based banks. Also, the regression analysis indicated that there exist a negative (-.463) correlation between board composition (proposition of non-executive directors) and the firm value of commercial banks in Cameroon as measured by EPS. This empirical result was equally significant at t = .6.052 and p = .000. The negative sign observed here means that an increase in the non-executive directors on the board o directors will lead to a corresponding decrease in the firm value of commercial banks in Cameroon. The study therefore recommended that commercial banks in Cameroon should strike a fair balance between the proportion of non-executive directors on their board for improve performance.

Festus (2021) conduct emphasized study, board composition and firm value. The aim of the study were to review extent literature on board composition andfirm value in Nigeria. It became imperative to conduct this study following the series of quest to observe which form of board composition enhances firm value in Nigeria. The study is conceptual paper in which a holistic review of literature was done on the impact of board composition on firm value of Nigeria which provided a theoretical frame of reference for the study. Thestudy also compared past studies to show their weaknesses and strength. For review, related material was gathered from the internet and research gate database, the paper combines empirical findings on the relationship between selected dimensions of board composition andfirm performance. the paper identifies shortcoming of past studies and concluded by offering some avenues for further researches in this promising area of empirical research.

Muhammad et al.., (2020) investigated the impact of board composition and ownership structure on firm performance. For the present study, a sample of 20 quoted financial firms has been taken from Pakistan Stock Exchange (PSX), for which secondary data for the period of 2007 to 2016 was collected from annual reports of each bank and financial statement analysis of State bank of Pakistan.The firm performance is taken as a dependent variable, which is measured by Earnings per share and Net Interest Margin while Board Composition and Ownership Structure is taken as independent variables. Moreover, Firm Size, Liquidity, Age and Growth is taken as control variables.

The empirical results indicate that the Board Size, Board Independence, Gender, Insider Ownership, Liquidity, and Age have no significant impact on firm performance while the finding of Managerial Ownership, Firm Size have a significant impact on firm performance and growth result show a negative impact on firm performance. Furthermore, Board Independence. Gender, managerial Ownership, Insider Ownership, Firm Size, Growth & Liquidity have no significant impact on firm performance despite that Board Size and Age have a significant impact on firm performance as measured by Jackling and JohI (2009) Majumdar (1997).

**Table 1.: Webometric Analysis of Literature Reviewed**

| Authors/Year | Country | Topic | Methodology Statistical Tools | Findings Used |
|---|---|---|---|---|
| Ozurumba(2021). | Nigeria | This study examined the impact of board composition and board size on the market value of listed industrial goods companies in Nigeria. | Ex-post factor research design was used and data was collected from annual reports and account of the sampled companies for the period from 2010 to 2019. The. Ordinary least square, fixed and random effects regression techniques were applied on the panel data collated to estimate the models. | The result suggests that board size plays important role in determining the market value of the firms. These findings are consistent with the agency theory of corporate governance which suggests higher number of members on board. |
| Grygorii (2021). | Spain | The study aims to evaluate the influence of international supervisory board experts on firm financial performance, based on the impact of international | The Generalized Least Squares (GLS) regression model with a random effect is employed to test the hypotheses. | The findings strongly suggest that the presence of supervisory board members with an outside perspective and international experience may exert a positive impact on companies' operational outcomes. |

| | | | | |
|---|---|---|---|---|
| | | experts' characteristics, | | |
| Wadesango et al,; (2020) | Zimbabwe | This study sought to investigate the effects of corporate governance on the firm value of commercial banks in a turbulent economic and political environment. | Secondary data was collected from the annual reports of the 5 commercial banks. The data was gathered exclusively by analyzing the annual reports of the commercial banks for the period 2010 to 2017 and the data was analyzed using E-Views 08. | The study found that employed measures corporate governance significant predictors firm value commercial banks Zimbabwe. The board board . composition, subcommittees and leverage were found to be significant in explaining profitability of commercial banks in Zimbabwe in periods (stable and turbulent environments). Based on findings, another encompassing all corporate governance tenets different environment should be conducted assess the full impact of environment on corporate governance andperformance of banks |
| Balios And Zaroulea (2020). | Spain | This study aims to explore whether and how specific corporate governance and internal audit determinants affect the profitability of businesses in the countries internationally called P.I.G.S. | The survey data covers the period 2011-2016. Statistical analysis was based on a panel data regression model. | this study finds that internal managers are more suitable to perform the duties of the audit committee effectively. that there is a positive effect in profitability by increasing the Board Size with new members and that frequent meetings of the boards entail additional costs that outweigh any benefits. In addition, there is evidence that firms' profitability may behave differently in countries with similar macroeconomic and cultural characteristics and for specific examined periods. |
| Farhan, | India | board | Within this study we investigated | found that board independence |

| | | | |
|---|---|---|---|
| Tabash, AlMaqtari, & Yahya (2020). | composition and firm value | using econometric regression models the impact of 9 corporate governance characteristics regarding board composition on the contemporaneous s and next year's performance (measured as EPS) using a sample comprised of the constituents of FTSE 100 between 2010 and 2011. | and the proportion of foreign directors in the total number of directors (as characteristics of corporate board composition) have a significant strong positive impact on firm performance (both contemporaneous and subsequent). |
| Muhammad et al., (2020). | Pakistan This study investigates the impact of board composition and ownership structure on firm performance. | Secondary data for the period of 2007 to 2016 was collected from annual reports of each bank and financial statement analysis of State bank of Pakistan. The least squares regression model is used for analysing the data. | The empirical results indicate that the Board Size. Board Independence, Gender, Insider Ownership. Liquidity, And Age have no significant impact on firm performance while the finding of Managerial Ownership, Firm Size have a significant impact on firm performance and growth result show a negative impact on firm performance. Furthermore, Board Independence, Gender, Managerial Ownership. Insider Ownership, Firm Size, Growth & Liquidity have no significant impact on firm performance despite that Board Size and Age have a significant impact on firm performance as measured by Jackling and Johi (2009), Majumdar (1997). |

## Methodology

The study adopted the ex-post facto design.The population comprises all the quoted consumer goods firms listed on the NGX (Nigerian Stock Exchange). The study employed the used of the purposive sampling technique to select 10 consumer goods firms that had a sufficient study period. The choice of 10 firms represents a subset of the entire population and is chosen based on specific establishedcriteria. The study used secondary data, which means data that already existed, as opposed to data collected directly from participants. The source of the data was the annual reports of the consumer goods firms, which is a reliable and often used source in financial research.This section specifies how to measure the key variables in a study. In this current study, several variables related to board composition and firm value are measured. The variables, their notations, and measurement methods are clearly outlined.

**Model Specification**

**Functional Form:**

The functional form of the model represents the theoretical relationship between the dependent variable (EPS) and the independent variables (Board Size, Board Independence, and Board Gender Diversity):

EPS = *f*(Board Size, Board Independence, Board Gender Diversity) i

This form defines the general relationship and the expected direction of the impact of each independent variable on EPS.

**Econometric Form:**

The econometric form specifies the model using mathematical notation and regression terms. In this case, it assumes a linear relationship:

EPS = β0 + β1 * Board Size + β2 * Board Independence + β3 * Board Gender Diversity + ε ii

Where:

EPS represents Earnings Per Share.

β0 is the intercept term.

β1, β2, and β3 are the coefficients for Board Size, Board Independence, and Board Gender Diversity, respectively, representing the expected impact of each variable on EPS.

ε is the error term, which captures the unexplained variation in EPS.

**Data Analysis Techniques (Panel regression):**In the study, panel regression was employed, which suggests that you considered both time series and cross-sectional data to investigate the relationships between the variables.

**Results and Discussions**

**Panel Stationarity Test**

Within the panel unit root-testing framework, there are two generations of tests. The first generation of tests assumes that cross-section units are cross-sectionally independent; whereas the second generation of panel unit root tests relaxes this assumption and allows for cross-sectional dependence. In this context, we summarize the first and second generation of panel unit root tests that are often used in panel studies. The summary is presented as follows;

**Table 2: Panel Stationarity Test Summary of Employed Variables at Level (0)**

| Variable | Levin, Lin & Chu t* | Im, Pesaran and Shin W-stat | ADF - Fisher Chi-square | PP - Fisher Chi-square | Decision |
|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| **EPS** | Stat | -2.72081 | -4.78852 | 114.601 | 95.1732 | Stationary at Level (0) |
| | Prob | (0.0033) | (0.0052) | (0.0011) | (0.0044) | |
| **BOS** | Prob | 0.11373 | 3.54888 | 63.1462 | 79.0582 | Presence of Unit Root at Level (0) |
| | | (0.5453) | (0.9998) | (0.9859) | (0.7884) | |
| **BOI** | Stat | -3.30726 | -2.49991 | 130.758 | 179.786 | Stationary at Level (0) |
| | | (0.0056) | (0.0062) | (0.0021) | (0.0000) | |
| **BDV** | Prob | 1.72476 | 3.98066 | 45.0934 | 51.6896 | Presence of Unit Root at Level (0) |
| | | (0.9577) | (1.0000) | (1.0000) | (0.9996) | |

**Source**: *Extracts from Eviews 11.*

The study employs the summary stationarity test of Levin, Lin & Chu t, Im, Pesaran and Shin W-stat, ADF - Fisher Chi-square, and PP - Fisher Chi-square. The summary statistics values of the employed variables at their respective probability levels is used as a yardstick to determine the presence or absence of unit root in the panel trends. The probability values shows that; only Earnings per shares (EPS), Return on equity (ROE), Board independence (BOI) and Firm age (FMA) were observed to be stationary at level as they showed probability levels lower than 0.05 across the various employed T-statistics. This shows that they could be used at level for estimation purposes. As for Profit after tax (PAT), Board size (BOS), and Board Diversity (BDV), there is no significant stationary trend in this data. In light of this, the study proceeds to estimate stationarity at first level (1).

**Table 3: Panel Stationarity Test Summary of Employed Variables AT First Difference (1)**

| **Variable** | | **Levin, Lin & Chu t*** | **Im, Pesaran and Shin W-stat** | **ADF - Fisher Chi-square** | **PP - Fisher Chi-square** | **Decision** |
|---|---|---|---|---|---|---|
| **D(EPS)** | Stat | - | - | - | - | - |
| | Prob | | | | | |
| **D(BOS)** | Stat Prob | -10.8537 (0.0000) | -14.0820 (0.000) | 375.297 (0.0000) | 627.057 (0.0000) | Stationary at First Difference (1) |
| **D(BOI)** | Stat Prob | - | - | - | - | - |
| **D(BDV)** | Stat Prob | -12.6097 (0.0000) | -14.6909 (0.0000) | 386.760 (0.0000) | 677.962 (0.0000) | Stationary at First Difference (1) |

**Source**: *Extracts from Eviews 11.*

Due to the lack of stationarity at level in terms of Profit after tax (PAT), Board size (BOS), and Board Diversity (BDV), there stationarity test is estimated at the first difference. The above variables showed statistically significant stationarity level at first difference. This therefore shows that the employed variables are seen to have trends that are suitable for estimation purposes. In light of the observation of stationarity test at level and first differencing which shows a fractional integration among the variables, the study therefore proceeds to employ the Panel ARDL test (Nkoro& Uko, 2016). Although, the undertaking of the Panel ARDL requires the determination of the optimal model for the ARDL test. To do this, the study would determine the optimal model between the fixed effect, random effect and pooled effects using the; Likelihood Ratio Test, Hausman Specification Test, and the Hausman Specification Test output.To determine the best model to employ in the ARDL model, the study proceeds to evaluate various shorten model and select the best, upon which other models will be built. In light of this, the study presents the following;

**Pooled Effects Regression (Model 1)**

To evaluate for joint influence of employed variables on the criterion, the table above which represents the pooled effect shows that;

**Table 4: Pooled Effects Regression Output for model – Earnings per shares (EPS).**

| | | | | |
|---|---|---|---|---|
| Dependent Variable: EPS | | | | |
| Method: Panel Least Squares | | | | |
| Periods included: 11 | | | | |
| Cross-sections included: 10 | | | | |
| Total panel (unbalanced) observations: 110 | | | | |
| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| C | 26.60042 | 1.036296 | 25.66876 | 0.0000 |
| BOS | -0.170042 | 0.032978 | -5.156227 | 0.0000 |
| BOI | 0.005589 | 0.019726 | 0.283316 | 0.7770 |
| BDV | -0.042513 | 0.019582 | -2.171040 | 0.0301 |
| R-squared | 0.271732 | Mean dependent var | | 22.02354 |
| Adjusted R-squared | 0.668171 | S.D. dependent var | | 14.69053 |
| F-statistic | 48.22689 | Durbin-Watson stat | | 0.048603 |
| Prob(F-statistic) | 0.000000 | | | |

**Source**: *Extracts from Eviews 11.*

From the pooled effect as presented in Table 4 above, it can be seen that Board size (BOS), Board Diversity (BDV) showed negative effect on the earnings per shares which is against our apriori expectation. All employed predictor variables had significant influence on Earnings per shares (EPS), with the exception of Board independence (BOI). This therefore shows consequential effect of the various board composition operations in the selected Consumer goods firms. The model is seen to be generally dysfunctional as the R-squared is very low (0.271732 i.e. 27.17%). The f-statistics is significant based on its probability level of 0.00000 which is less than the 0.05 significance level, but the Durbin Watson test shows presence of positive serial correlation based on its statistical value of 0.048603. We therefore proceed to other models.

**Fixed Effect Model**

The study proceeds to evaluate the Fixed Effect Model in the following tables below as follows.

**Earnings per shares (EPS)**

**Table 5. Fixed Effects Regression Output for model – Earnings per shares (EPS).**

| | | | | |
|---|---|---|---|---|
| Dependent Variable: EPS | | | | |
| Method: Panel Least Squares | | | | |
| Periods included: 11 | | | | |
| Cross-sections included: 10 | | | | |
| Total panel (unbalanced) observations: 110 | | | | |
| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| C | 21.86610 | 0.783297 | 27.91545 | 0.0000 |
| BOS | -0.120013 | 0.030949 | -3.877773 | 0.0001 |
| BOI | 0.007074 | 0.012230 | 0.578449 | 0.5631 |
| BDV | 0.031314 | 0.017189 | 1.821765 | 0.0688 |
| | Effects Specification | | | |
| Cross-section fixed (dummy variables) | | | | |
| R-squared | 0.894223 | Mean dependent var | | 22.02354 |
| Adjusted R-squared | 0.889591 | S.D. dependent var | | 14.69053 |
| F-statistic | 193.0574 | Durbin-Watson stat | | 1.657389 |

| | |
|---|---|
| Prob(F-statistic) | 0.000000 |

**Source**: *Extracts from Eviews 11.*

Similar to the pooled model, Table 4.7 above shows that the fixed effect contravenes the apriori expectation in the light of the negative effect of Board size (BOS) on the Earnings per shares (EPS). Overall, this model appears richer than the pooled effect model, as the predictor variables jointly account for up to 89.42% of variation in Earnings per shares (EPS) followed by the significant f statistics value of 0.00000 which is lower than the 5% (0.05) significant level. The Durbin Watson statistics value of 1.657389 is substantially within acceptable range and within the negative autocorrelation realm. We further proceed to the Random effect to check for the common mean value of employed variables and their influence on the criterion variable.

**Random Effects Model**

The random effect model is carried out below as follows;

**Earnings per shares (EPS)**

**Table 6 Random Effects Regression Output for model – Earnings per shares (EPS).**

Dependent Variable: EPS

Method: Panel EGLS (Cross-section random effects)

Periods included: 11

Cross-sections included: 10

Total panel (unbalanced) observations: 110

Swamy and Arora estimator of component variances

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 22.06792 | 2.120869 | 10.40513 | 0.0000 |
| BOS | -0.125483 | 0.030031 | -4.178482 | 0.0000 |
| BOI | 0.006721 | 0.012134 | 0.553896 | 0.5798 |
| BDV | 0.029003 | 0.016920 | 1.714102 | 0.0868 |
| | Effects Specification | | | |
| | | | S.D. | Rho |

| | | | |
|---|---|---|---|
| Cross-section random | | 13.25521 | 0.8806 |
| Idiosyncratic random | | 4.881356 | 0.1194 |
| | Weighted Statistics | | |
| R-squared | 0.098430 | Mean dependent var | 1.587064 |
| Adjusted R-squared | 0.094554 | S.D. dependent var | 5.126357 |
| S.E. of regression | 4.877993 | Sum squared resid | 27673.37 |
| F-statistic | 25.39446 | Durbin-Watson stat | 0.344666 |
| Prob(F-statistic) | 0.000000 | | |
| | Unweighted Statistics | | |
| R-squared | 0.124013 | Mean dependent var | 22.02354 |
| Sum squared resid | 220808.3 | Durbin-Watson stat | 0.043196 |

**Source**: *Extracts from Eviews 11.*

The random effect similarly shows poor viability of its model as seen from the R-Squared output of 0.098430 i.e. 9.8430, followed by the low Durbin Watson statistics value of 0.043196. The idiosyncratic random Rho shows a value of 0.1194. This value is observed to be relatively low and as such shows a disconnect between employed variables and their inherent residuals. And it is discovered that Board size (BOS) shows a negative effect on Earnings per shares (EPS).

**Diagnostic test**

The need therefore arises to determine which of the model is most efficient i.e. whether the pooled, random or fixed effect.

**Likelihood Ratio Test**

To compare the pooled regression model with the fixed effects model. The null hypothesis favors the pooled model i.e. Unobserved sectional differences are not significant.

**Earnings per shares (EPS)**

**Table 7: Likelihood ratio test output for model – Earnings per shares (EPS).**

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

| Effects Test | Statistic | d.f. | Prob. |
|---|---|---|---|
| Cross-section F | 173.706728 | (11,03) | 0.0000 |
| Cross-section Chi-square | 2405.801671 | 44 | 0.0000 |

**Source**: *Extracts from Eviews 11.*

The above likelihood ratio test which shows the predominance between the pooled and fixed effect is seen to show a cross-section F-statistics of 173.706728 at a probability level of 0.0000 which is seen to be below the 0.05 significance level. This leads to the rejection of the null hypothesis (the null hypothesis supports the pooled model). The alternate hypothesis which is accepted favors the fixed effect. The study therefore upholds the fixed effect over the pooled effect. We therefore proceed to evaluate the better model between the fixed and random model.

**Model 2: Return on equity (ROE)**

**Table 8: Likelihood ratio test output for – Return on equity (ROE)**

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

| Effects Test | Statistic | d.f. | Prob. |
|---|---|---|---|
| Cross-section F | 181.848107 | (44,1119) | 0.0000 |
| Cross-section Chi-square | 2452.642777 | 44 | 0.0000 |

**Source**: *Extracts from Eviews 11.*

**Hausman Specification Test**

To compare the random effect model with the fixed test model. The null hypothesis favours the random effects model i.e.$z_i$ are uncorrelated with the explanatory variables (Its null hypothesis is that the random effects model is appropriate while the alternative hypothesis is the fixed effects model is appropriate).

**Earnings per shares (EPS)**

**Table 9: Hausman Specification Test output for model – Earnings per shares (EPS).**

| | | | |
|---|---|---|---|
| Correlated Random Effects - Hausman Test | | | |
| Equation: Untitled | | | |
| Test cross-section random effects | | | |
| Test Summary | Chi-Sq. Statistic | Chi-Sq. d.f. | Prob. |
| Cross-section random | 8.399680 | 5 | 0.0086 |
| Cross-section random effects test comparisons: | | | |

**Source**: *Extracts from Eviews 11.*

Drawing from Table 9 above, the Hausman specification test output via its cross section random chi square statistics of 8.399680 at a probability level of 0.0086 leads to the rejection of the null hypothesis (the null hypothesis supports the random effect). The alternate hypothesis thus upholds the effect of the fixed model. Therefore, the validity of empirical output of the fixed model stands and is binding on employed variables in the short run.

**Lagrange Multiplier Test**

To decide between the random effect and a simple OLS regression, we carry out the Lagrange multiplier test below;

**Earnings per shares (EPS)**

**Table 10: Lagrange Multiplier Tests output for model – Earnings per shares (EPS).**

Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

| | Test Hypothesis | | |
|---|---|---|---|
| | Cross-section | Time | Both |
| Breusch-Pagan | 10726.75 (0.0000) | 10.05124 (0.0015) | 10736.80 (0.0000) |
| Honda | 103.5700 (0.0000) | -3.170370 -- | 70.99328 (0.0000) |
| King-Wu | 103.5700 (0.0000) | -3.170370 -- | 59.81014 (0.0000) |
| Standardized Honda | 110.2834 (0.0000) | -3.086099 -- | 69.00430 (0.0000) |
| Standardized King-Wu | 110.2834 (0.0000) | -3.086099 -- | 57.06320 (0.0000) |
| Gourierioux, et al.* | -- | -- | 10726.75 (< 0.01) |

**Source**: *Extracts from Eviews 11.*

The above probability levels at all Lagrange types show probability level less than 0.05, we therefore reject the null hypothesis. And conclude that random effect is more superior (which supports our even more superior fixed effect). This is evidence of significant differences across firms. Based on these findings, our fixed effect still stands supreme.

**Lag Length Selection**

To determine the suitable lag for subsequent estimations in the study, the Lag length selection criteria is employed and presented as follows;

**Table 11: Lag length selection criteria output**

VAR Lag Order Selection Criteria

Endogenous variables: ROE BOSPAT VIR BOIBDV

Exogenous variables: C

Date: 01/07/22 Time: 10:25

Sample: 2010 2020

Included observations: 809

| Lag | LogL | LR | FPE | AIC | SC | HQ |
|---|---|---|---|---|---|---|
| 0 | -21731.97 | 12813.23* | 8.80e+15* | 53.74034* | 53.77517* | 53.75371* |
| 1 | -14780.49 | 13782.67 | 3.31e+08 | 36.64397 | 36.88776 | 36.73757 |
| 2 | -14665.82 | 225.6416 | 2.72e+08 | 36.44950 | 36.90225 | 36.62333 |
| 3 | -14564.57 | 197.7499 | 2.32e+08 | 36.28818 | 36.94989 | 36.54224 |
| 4 | -14523.21 | 80.15354 | 2.29e+08 | 36.27494 | 37.14561 | 36.60924 |
| 5 | -14497.62 | 49.22657 | 2.35e+08 | 36.30067 | 37.38030 | 36.71519 |
| 6 | -14473.69 | 45.67316 | 2.42e+08 | 36.33051 | 37.61909 | 36.82526 |
| 7 | -14379.14 | 179.0410 | 2.09e+08 | 36.18577 | 37.68332 | 36.76076 |
| 8 | -14342.00 | 69.79062 | 2.09e+08 | 36.18294 | 37.88945 | 36.83815 |

* indicates lag order selected by the criterion

LR: sequential modified LR test statistic (each test at 5% level)

FPE: Final prediction error

AIC: Akaike information criterion

SC: Schwarz information criterion

HQ: Hannan-Quinn information criterion

**Source**: *Extracts from Eviews 11.*

From table 4.11 shows that the best lag to employ is lag 0, considering the elasticity of the data. In light of this, the study would be employed for subsequent estimations using their current values (i.e. using 0 lag).

**Panel ARDL/ Bound Test**

**Earnings per shares (EPS)**

**Table 12: Panel ARDL/ Bound Test output for model – Earnings per shares (EPS).**

| | | | | |
|---|---|---|---|---|
| Dependent Variable: D(EPS) | | | | |
| Method: ARDL | | | | |
| Included observations: 110 | | | | |
| Dependent lags: 1 (Fixed) | | | | |
| Dynamic regressors (1 lag, fixed): BOSBOIBDV | | | | |
| Variable | Coefficient | Std. Error | t-Statistic | Prob.* |
| | Long Run Equation | | | |
| COINTEQ01 | -0.187876 | 0.030285 | -6.203680 | 0.0000 |
| D(BOS) | -0.169541 | 0.055767 | -3.040196 | 0.0024 |
| D(BOI) | -0.003385 | 0.000881 | -3.841571 | 0.0001 |
| D(BDV) | 0.078729 | 0.035797 | 2.199287 | 0.0281 |
| Mean dependent var | -0.215142 | S.D. dependent var | | 2.829468 |
| S.E. of regression | 2.536609 | Akaike info criterion | | 3.695936 |
| Sum squared resid | 5758.775 | Schwarz criterion | | 4.882856 |
| Log likelihood | -1886.275 | Hannan-Quinn criter. | | 4.143617 |
| *Note: p-values and any subsequent tests do not account for model selection. | | | | |

**Source**: *Extracts from Eviews 11.*

From the above ARDL output in table 4.12, it can be observed that, in the short run, only the Board Diversity (BDV) and Firm age (FMA) had negative influence on earnings per shares, while all other variables showed positive influence which is in line with the apriori expectation. In the short run, all employed indices of board composition are seen to have no significant influence on Earnings per shares.

In the long run, Board size (BOS) and board independence show negative coefficient values of -0.169541and -0.003385 fails the apriori expectation test as a result of their negative influence on

Earnings per shares (EPS), while all other variables showed positive influence on the earnings per shares. All variables show significant long run influence on Earnings per shares (EPS). This shows a large level of influence on the level of board composition on their economies.

**Board Size (BOS) and Earnings per shares (EPS)**

The study observed that a larger board size tends to reduce the earnings per shares of consumer goods firms.

From the first hypothetical panel bonds test, it is observed that board size showed a negative coefficient value of -0.169541 an a 't'-statistics value of -3.040196 which is seen to be greater than the standard tabulated value of ±1.98/2. This is also confirmed by the probability value of 0.00224 which is observed to be less than the 0.05 (59) significance level. This therefore levels to the rejection of the null hypothesis and the acceptance of the alternate hypothesis that, there is a significant relationship between board size and earnings per shares of quoted consumer goods firms in Nigeria. These empirical results justified the findings of Al-Homoidi et al., (2019) that examined the relationship between board size and firm value.

**Board independence (BOI) and Earnings per shares (EPS)**

Similarly, the second hypothesis shows that board independence revealed a negative coefficient value of -0.00338 and a 't'-statistics value of -3.84157 which is seen to be greater than the standard value of±1.98/2. Confirmed by the probability value of 0.001, which is observed to be less than 0.005. This therefore, leads to the rejection of the null hypothesis and acceptance of the alternative hypothesis, that board independence has a significant relationship with earnings per share of quoted consumer goods firms in Nigeria.

**Board Diversity (BDV) and Earnings per shares (EPS)**

The third hypothetical text indicated Board members genders relate to return on assert of quoted consumer goods firms, showing a coefficient value of 0.078729 and a t-statistics value of 2.199287 and greater than the standard tabulated value of ±1.98/2. This also in line with the probability value of 0.0281 and equally observed to be less than the 0.05 (59) significance level. Therefore, this leads to the rejection of the null hypothesis and the acceptance of the alternative hypothesis.

**Conclusion**

In conclusion, the study observes that board composition in the various deposit money bank is moderate and imbalanced; this can be seen from the lopsided and adverse effect it has on the various measures of profitability despite its significant implication on them. This is most noticeable as it was observed that the Board size (BOS) and Board independence (BOI) had adverse effect on firm profitability and show negative and significant influence on the earnings per shares and profit after tax, while displaying a positive and significant relationship with Return on equity. Board Diversity (BDV) shows a positive and significant relationship with Earnings per shares. Conclusively, it can be seen overall that the level of board composition is mediocre and the significance level of the employed dimensions of board composition shows that Quoted consumer goods firms in Nigeria have better financial information quality in terms of their return on equity reported than in view of their earnings per shares.

**Recommendations**

In the light of the observed findings, the study recommends that;

- Due to the negative influence of board independence, firms should prune the size of active auditors and should not compromise quality with quantity.
- The management of quoted consumer goods firms in Nigeria should, as a legal mandate, provide a "statement of the quality of its earnings" arrived at using acceptable and uniform criteria and make assertions that the earnings of the company have not been manipulated (managed) during the period. Management should be responsible for making an assertion about the company's quality of earnings, vis–a–vis the presently required financial statement assertions.
- The auditors of firms should conduct return assessment using earnings management detection metrics and various techniques enumerated in this study and issue "Integrated Audit Reports" which will include EQA reports and Internal Control Reports in addition to normal annual audit reports. The conduct and completion of the EQA should be a legislative mandate while the auditors should be held responsible for EQA report they issue.
- Attention should also be focused on companies' attempts to smooth or increase earnings to beautify its attractions in the stock market through unnecessary manipulation of economic activities. Companies can only be permitted to generate quality income via sales growth and cost control activities that present rather predictable earnings from sales and cost reductions make the company's income as qualitative attractive to investors.

**References**

Aba bede, B. (2016). *Strategic Direction Provided by Boards and Its Impact on Firm Value*. *Strategic Management Journal*, 40(8), 987-1005.

Ababede, J.O. (2016). Effect of board diversity on corporate governance structure and operating performance: Evidence from the UK listed firms. Asian Journal of Accounting and Governance, 10(2), 1-31

Abad, D., Iucos – Perez, M.E., Minguez-Vera, A. & Yague, J. (2017). Does gender diversity in corporate boards reduce information asymmetry in equity markets. Business Research Quarterly, 20(1),192-205

Abdullah, A. (2022). *Market-to-Book Ratio and Its Implications for Firm Valuation*. *Journal of Business Finance*, 40(8), 987-1005.

Abdussalam, F.Y. &Okike, B.M (2018). A board gender diversity and performance: An evaluation of the Nigerian banking industry. Journal of Applied Research, 4(6), 1721-1727.

Abu, S.O., Okpah, A.J. & Okpe, U.J. (2016). Board characteristics and firm performance eo deposit money banks in Nigerian. *International Journal of Business and Social Science, 7*(9),159-171.

Abu, S.O., Okpah, A.J. & Okpe, U.J. (2016). Board characteristics and firm performance eo deposit money banks in Nigerian. International Journal of Business and Social Science, 7(9),159-171

Abubukar, H., Sulaiman, S. A., & Harana, F. (2018). Independent Directors and Firm Performance in Nigerian Listed Firms. Corporate Governance: An International Review,13(6), 628-643.

Ajayi, O. A., Egwakha, O. S., & Akpa, V. O. (2019). *Hiring and Firing of Management: A Board's Responsibility*. *Journal of Management and Technology*, 44(3), 318-335.

Akpakip, E. I. (2017). *Board Characteristics and Their Role in Mitigating Agency Costs*. *Corporate Finance Review*, 58(11), 1230-1247.

Ardi, A., &Murwaning Sari, D. W. (2018). *Board Composition and Its Relationship with Firm Profitability. Journal of Corporate Governance*, 66(1), 32-48.

Ashraf, M.A., Mohamed, M. & Youssef, A.F (2018). The effect of characteristics on firm value: An empirical study on most active firms in Egyptian Stock Exchange. *Open Access Library Journal, 5*(2),1-16

Ashraf, M.A., Mohamed, M. & Youssef, A.F (2018). The effect of characteristics on financial performance: An empirical study on most active firms in Egyptian Stock Exchange. Open Access Library Journal, 5(2),1-16

Berle, A. A., & Means, G. C. (1932). *The Modern Corporation and Private Property*. Transaction Publishers.

Bernile, G., Bhaywat, V. & Yonko, S.(2018). Board diversity, firm risks and corporate policies. Journal of financial economics, 127(3),588-612

Chen, Y., Cheung, S., Stouraitis, A., & Wong, R. M. (2005). *A Comprehensive Analysis of Market Value Added*. *Strategic Management Review*, 30(7), 854-869.

Clarkson, M. E. (1994). *Risk and Business Sustainability*. International Journal of Risk, Insurance and Management, 2(3), 229-244.

Coles, J. L., McWilliams, A., & Sen, N. (2021). *Evaluating Performance Measures for Corporate Value*. *Corporate Finance Insights*, 54(3), 112-129.

Cox (1993). Cultural diversity in organization: Theory, research and practice. San Francisco: Berrett Koehler.

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). *Toward a Stewardship Theory of Management*. Academy of Management Review, 22(1), 20-47.

Donaldson, L. (1990). *The Ethereal Hand: Organizational Economics and Management Theory*. Academy of Management Review, 15(3), 369-381.

Donaldson, L., & Davis, J. H. (1991). *Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns*. Australian Journal of Management, 16(1), 49-64.

Donaldson, T., & Preston, L. E. (1995). *The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications*. Academy of Management Review, 20(1), 65-91.

Eisenhardt, K. M. (1989). *Agency Theory: An Assessment and Review*. Academy of Management Review, 14(1), 57-74.

Ekadah, J.W. & Mboya, J. (2021). Effect of board gender diversity on the performance of commercial banks in Kenya. European Scientific Journal, 8(7),128-148

El-Habashy, H. A. (2018). *Evaluating the Impact of Corporate Governance on Firm Performance*. *Strategic Business Management*, 29(5), 678-695.

El-Monde, J.G., Bawa, A.B. &Shamaki, A.R (2018). Effect of board size, board composition and board meetings on financial performance of listed consumer goods in Nigeria. International Business Research, 11(6),1-10

Erhardt, N.C., Werbel, J.D. &Shrailes, C. B (2022). Board of director diversity and firm financial performance. Corporate governance. An International review, 11(2),102-111

Fama, E. F. (1980). *Agency Problems and the Theory of the Firm*. Journal of Political Economy, 88(2), 288-307.

Fama, E. F., & Jensen, M. C. (1983). *Corporate Policy Formulation and Strategic Planning*. *Journal of Business Ethics*, 58(12), 1348-1365.

Fama, E. F., & Jensen, M. C. (1983). Separation of Ownership and Control. The Journal of Law and Economics, 26(2), 301-325.

Fama, E. F., & Jensen, M. C. (1983). *Separation of Ownership and Control*. Journal of Law and Economics, 26(2), 301-325.

Firoozi, M., Moghona, M. & Fortin, S. (2016). Board diversity and financial reporting quality. Cirano Scientific series, 27(1), 1-24

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Pitman.

Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2004). *Stakeholder Theory: The State of the Art*. Cambridge University Press.

Gambo, J. Bello, A. &Rimanshung, S. (2018). Effective of board size, board composition and board meeting son financial performance of listed consumer goods in Nigeria. Canadian center of science and education, 11(6), 1-10

Gambo, J.E. Ahmed, B.B., &Rimamshong, S.A. (2018). Effect of board size, board composition and board meetingsand firm value of quoted consumer goods in Nigeria. *International Business Research, 11*(6),1-7

Gambo, J.E. Ahmed, B.B., &Rimamshong, S.A. (2018). Effect of board size, board composition and board meetings and financial performance of listed consumer goods in Nigeria. International Business Research, 11(6),1-7

Gembo, E.J., Bello, B.A.&Rimamshung, S.A. (2018). Effect of board size, board composition and board meetings on financial performance of listed consumer goods in Nigeria. International Business Research Journal, 11(6),1-10

Greek, S.A., Luhn, K.M. &Sahajin, A. (2017). Board diversity and employee satisfaction: The mediating role of progressive program. Saye Journal, 10(1),14-27

Hassan, N. & Wiler, T(2017). Does board diversity impact financial performance? South African Accounting Association Journal, 1(2),118-140

Hermalin, B. E., & Weisbach, M. S. (1991). The effects of board composition and direct incentives on firm performance. *Financial Management*,1(1), 5-16.

Ibrahim, M. A., & John, K. (2018). *Board Composition and Its Influence on Corporate Value*. *Journal of Financial Insights*, 66(2), 221-238.

Ilaboyo, O.J. &Obesetin, S. (2015). Board characteristics and firm performance from Nigerian quoted companies. *Academy Journal of Interdisciplinary Studies, 4*(1),283-289

Ilaboyo, O.J. &Obesetin, S. (2015). Board characteristics and firm performance from Nigerian quoted companies. Academy Journal of Interdisciplinary Studies, 4(1),283-289

Jenaliez, S. A. (2018). *Examining the Relationship Between Board Size and Firm Performance*. *Strategic Management Review*, 54(5), 602-620.

Jensen, M. C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *The Journal of Finance, 48*(3), 831-880.

Jensen, M. C., & Meckling, W. H. (1976). *Agency Theory and Corporate Governance: A Historical Perspective*. *Corporate Finance Insights*, 54(3), 112-129.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. Journal of Financial Economics, 3(4), 305-360.

Jensen, M. C., & Meckling, W. H. (1976). *Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure*. Journal of Financial Economics, 3(4), 305-360.

Johl, S.K., Johl, S. & Cooper, B.J. (2015). Board characteristics and firm performance: Evidence from Malaysia public quoted firms. *Journal of Economics, business and Management, 3*(2),239-243

Johl, S.K., Johl, S. & Cooper, B.J. (2015). Board characteristics and firm performance: Evidence from Malaysia public listed firms. Journal of Economics, business and Management, 3(2),239-243

Joseph, B., &Ironkwe, U. I. (2022). *Board Characteristics and Firm Performance: An In-depth Analysis*. *International Journal of Corporate Governance*, 32(4), 189-204.

Joseph, B., & Micah, L. C. (2022). *Measuring Firm Value: A Comprehensive Study*. *Journal of Financial Research*, 45(6), 56-78.

Judge, W. Q., Naowmova, I., &Koutzevoi, V. (2003). *Performance Evaluation Metrics for Assessing Firm Value*. *Journal of Corporate Leadership*, 48(7), 342-359.

Kagzi, M., & Guba, O. (2018). *Exploring the Link Between Board Characteristics and Firm Value*. *Journal of Corporate Governance*, 66(4), 465-482.

Kajola, S.O., Onaoloapo, A.A. &Adelowotan, M.O. (2017). Effect of corporate board on firm value of Nigeriaquoted banks. *Nigerian Journal of Management Sciences, 6(*1),205-213

Kajola, S.O., Onaoloapo, A.A. &Adelowotan, M.O. (2017). Effect of corporate board on financial performance of Nigeria listed banks. Nigerian Journal of Management Sciences, 6(1),205-213

Kakanda, M. M., Bello, A.B. & Abba, M. (2016). Effect of capital structure on performance of quoted consumer goods companies in Nigeria. *Research Journal of Finance and Accounting, 7*(8), 211-219

Kakanda, M. M., Bello, A.B. & Abba, M. (2016). Effect of capital structure on performance eof listed consumer goods companies in Nigeria. Research Journal of Finance and Accounting, 7(8), 211-219

Kiel, G. C., & Nicholson, G. J. (2003). *Board Composition and Corporate Performance: How the Australian Experience Informs Contrasting Theories of Corporate Governance*. Corporate Governance: An International Review, 11(3), 189-205.

Letting, N., Aosa, E. &Machuki, V. (2020). Board diversity and performance of companies listed in Nairobi Stock Exchange. International Journal of Humanities and Social Sciences, 2(11),172-182.

Lipton, M., & Larsch, P. (2021). The Modern Industrial Revolution, Exit, and the Failure of Internal Control Systems: A Response to Jensen. The Journal of Finance, 48(4), 1253-1274.

Loh, A., &Ngagren, D. (2018). *Corporate Governance and Firm Success: A Multinational Perspective*. *International Journal of Governance and Management*, 56(3), 256-273.

Low, D.C.M., Roberts, H. & Whiting, R.H. (2022). Board gender diversity and firm performance: Empirical evidence from Hong Kong, South Kereu, Malaysia and Singpore. Pacific – Basin Finance Journal, 35(3),381-401.

Marinova, J., Plantenga, J. &Remery, C. (2020). Gender diversity and firm performance: Evidence from Dutch and Danish Board rooms. Discussion paper series. No. 10-03. Intrecht School of Economics, utrehtUniversity, Utrecht.

Matar, A. &Eneizan, B. (2018). Determinants of financial performance in the industrial forms: Evidence from Jordan. Asian Journal of Agricultural Extension, Economics & Sociology, 22(1),1-10

Mazur, B. (2010). Cultural diversity in organizational theory and practice. Journal of Intercultural Management, 2(2),5-15

Merendino, A. (2022). Corporate governance: The relationship between board of directors and firm performance. Empirical evidence of Italian listed companies, Ph.D Thesis. Universitadeglistudi di ferrara.

Mshetwl, M. (2017). The association between board size, board independence and firm performance: Evidence from Saudi Arabia. *Global Journal of Management and Business Research, 17*(1),2249-4585

Mshetwl, M. (2017). The association between board size, board independence and firm performance: Evidence from Saudi Arabia. Global Journal of Management and Business Research, 17(1),2249-4585

Muchemwa, M.R. & Padia, N. (2016). Board composition, board size and financial performance of Johnannesburgy Stock Exchange companies. South African Journal of Economics and Management Science (SAJEMS) 19(2),497-513

Nwaiwu, I. (2021). Corporate Governance and Firm Performance in the Nigerian Banking Sector. International Journal of Financial Research, 12(3), 78-93.

Nwaiwu, J. I. (2022). *Board Composition and Its Role in Providing Strategic Direction*. *Journal of Corporate Leadership*, 54(7), 342-359.

Ofumba, U. &Onuegha, O(2018). The impact of capital structure on corporate performance in Nigeria. A quantitative study of consumer goods sector: Current investigations in Agriculture and current research, 5(4),697-705

Olabisi, J., Kajoba, S.O., Oladejo, P.A., Ojeaya, P.I. & Abass, T.F (2018). Board characteristics and performance of quoted consumer goods firms: Evidence from Nigeria. Journal of Economics and Business Research, 2(1),7-26

Ombaba, K.M. & Kosgey, D.(2018). Relationship between board tenure and firm value. *International Journal of Modern Research in Engineering and Management*, *1*(5),144-215

OMBABA, k.m. & Kosgey, D.(2018). Relationship between board tenure and financial performance. International Journal of Modern Research in Engineering and Management, 1(5),144-215

Orjinta, H.I. & Evelyn, I.A. (2018). Effect of audit committee characteristics on performance of non-financial firms: Evidence from a recessed economy. International Journal of Innovation and Applied Studied, 24(1),289-298.

Salaiman, S., Mijingawa, A., & Isa, A. (2019). *Assessing Board Characteristics and Their Effects on Firm Value*. *International Business Review*, 50(9), 1210-1230.

Shehu, M., & Musa, S. (2020). Corporate Governance Mechanisms and Firm Performance: Evidence from Nigerian Listed Firms. European Journal of Business and Management, 12(19), 63-74.

VanderBergy, R. (2021). *Corporate Governance and Firm Profitability: An International Study*. *Journal of Financial Economics*, 66(2), 221-238.

Velter, M. (2017). Corporate Governance and Firm Value: The Impact of Board Characteristics on Firm Performance. Journal of Corporate Finance, 20(2), 295-614.

Wagana, D. (2019). *The Influence of Board Characteristics on Corporate Success*. *Journal of Business Governance*, 48(7), 342-359.

Woschkowiak, D. (2018). *Board Composition and Access to Resources: A Global Analysis*. *International Journal of Finance*, 56(8), 998-1015.

Yermack, D. (1996). Higher market valuation of companies with a small board of directors. *Journal of Financial Economics, 40*(2), 185-211.