

Moderating Effect of Firm Size on the Relationship between Board Structure and Firm Financial Performance

OBAJE, Folashade Olufunke

Department of Accounting, Kogi State University, Anyigba, Kogi State, Nigeria
obajelashade01@gmail.com

ABDULLAHI, Sani Rufai PhD.,

Department of Accounting, Kogi State University, Anyigba, Kogi State, Nigeria
abdullahsanirufai@yahoo.com

UDE, Alexander, O. Ph.D.

Department of Accounting, Kogi State University, Anyigba, Kogi State, Nigeria
onyebuchialexude@gmail.com

Abstract

The collapse and failure of several corporate firms around the globe are attributable to lack of efficient corporate governance mechanism, consequent upon which, researchers have come up with diverse recommendations which are as a result of various contextual variables, scope of the study and varying roles of boards in different jurisdictions. It is on this note that this study examines the moderating effect of firm size on the relationship between board structure proxy by board size, board independent and board gender diversity and financial performance proxy by return on assets of quoted deposit money banks using secondary data which spanned from 2012 to 2019, a post International Financial Reporting Standards (IFRS) implementation period. The study employed a random effect regression analysis technique to estimate the values of the parameters and in order to achieve reliability of the result, robustness tests like Correlation Matrix, Shapiro-Wilk Normality Test and Hausman Specification Test were conducted. Heteroskedasticity Breusch-Pagan Test was equally used to test for the assumption of no constant variance of the data. Findings however indicate that board size moderated by firm size has a negatively insignificant effect on return on assets of quoted deposit money banks in Nigeria. Also, board independence moderated by firm size has a negative significant effect on ROA while board gender diversity with the interaction of firm size is negatively significant at 1% level of significance. This research recommends among others that firm size should be properly put into consideration in constituting the number of board members and the number of women on the board of directors of deposit money banks in Nigeria, because firm size is one of the major determinants and the firm size shouldn't be a determining factor in the area of board independence of deposit money banks in Nigeria.

Keywords: Board Structure, Deposit Money Banks, Financial Performance, Firm size

DOI URL: <https://doi.org/10.36758/jggsda/v6n3.2021/10>

Introduction

The global economic crisis faced by the world economy and the accounting profession in recent years have submerged the confidence of users of accounting information on accounting profession (Aifuwa & Embele, 2019). The failure of some of the world best firms, such as Enron, World.Com, Pamalat to mention but few in the early 2000s together with their respective external auditors have raised concern over the integrity of the accounting profession. As a result of this, researchers all over the

world have attributed the failure of these big firms to low ethical standards and poor corporate governance mechanisms (Aifuwa & Embele, 2019; Aifuwa, et al., 2018; Akeju & Babatunde, 2017).

Board of director is very important in the smooth running of a business. They are expected to perform different functions, such as monitoring of management in order to reduce agency costs, formulation of corporate policy, approval of strategic plans, recruiting of management, compensating and removal of management, arrangement for succession, provision and access to resources, determining the size of boards and nomination of new members subject to the approval of the shareholders (Oyedokun, 2019). Agency theory is of the view that when ownership and control are separated, it leads to divergence in the pursuit of managerial interests and owner's interest (Jensen & Meckling, 1976), hence, the need for monitoring of managerial decisions by an independent board of directors in order to protect the shareholders' interests. Board structure is very important to the financial service sector in Nigeria because of the financial fraud, failures and questionable practice that have affected the stakeholders' confidence on the firm. Therefore the effectiveness of the board of directors in monitoring and controlling the managers on behalf of the shareholders depends on certain factors such as the role of board size on the financial performance, impact of board independence on financial performance, the impact of board gender diversity on performance and others. Rashid, et al. (2010) is of the opinion that the collapse of Enron, World.Com, and others was attributable to questionable accounting practice among its management not detected by their respective boards.

The financial sector of the economy is said to be a very important sector which has a strong effect on the growth and development of the economy (Dzingai & Fakoya, 2017). The banking industry which is a sub-sector of the country's financial sector can be best described as the driving engine of the nation's economy to the extent that if the deposit money banks fail, the economy fails as well. Thus, the performance of deposit money banks goes a long way in determining the intermediation process of the economy (Oladejo & Oladipo, 2011). Financial performance can be measured in terms of profitability, liquidity and firms' value. The relevance of the financial performance of deposit money banks to the socio-economic development of a nation leads to the Nigerian government commitment to the effectiveness of the financial services sector of the economy over the years. As a result of this, the continuous existence of the sector is therefore a crucial issue to every stakeholder. For this sector of the economy to function well, it is imperative that a good corporate governance policy be put in place in order to ensure a smooth running of operations of the modern banking industry in the world today. In Nigeria, the banking sector among other sectors has witnessed several cases of collapses, some of which include the Oceanic Bank, Afri Bank, Intercontinental Bank, FinBank, Savannah Bank Plc, Wema Bank, Spring Bank among others which were as a result of poor oversight functions of the board of directors, the board relinquishing control to the entities managers that trail their own self-interest and the inattentiveness of the board in its accountability role to the stakeholders (Akpan, 2007; Omolehin, et al., 2019; Uadiale, 2010). As result of this, corporate governance is given the necessary attention needed by all sectors of the economy in which the banking sector is not an exception. In the same vein, the Federal Government of Nigeria through her various agencies came up with various institutional arrangements to protect the shareholders' investment from mismanagement by the managers of listed firms.

Statement of Research Problem

The failure and subsequent collapse of some of the world business organization were attributable to poor corporate governance mechanism which has arose the doubt of users of accounting information on the integrity of accounting profession since these users rely solely on the financial statements

issued by corporate organization to make certain economic decision. It is therefore imperative for organization to turn out an efficient, realistic and reliable report which can only be achieved through monitoring and independent audit by the board of directors. However, the collapse of major firms across the globe which is as a result of false financial report issued by the firms is seen as inevitable indicators. This has led to the critic of the effectiveness of the board towards its financial reporting responsibilities and overall performance of the firm (Aifuwa & Embele, 2019).

Culminating from the problem of director's independence is the issue of board diversity (gender and nationality). Conventional boards have been criticized severally for promoting homo-sexual dominance and few foreign board members. Homo-sexuality is described as a same-sex relationship that has no romantic or sexual undertone. The corporate boards are currently dominated by male directors with little or no opportunity for female representation and foreign directorship thereby forfeiting their impact, as they may introduce heterogeneity of ideas and experiences as well as reducing information asymmetry and the associated agency costs. Finally, literatures also suggested that larger boards are less effective than smaller boards due to co-ordination problems in larger boards (Lipton & Lorsch 1992 & Jensen, 1993).

In order to add to the body of knowledge and literature, this study examines the moderating effect of board structure on financial performance of quoted deposit money banks in Nigeria. This current study is motivated by the choice of our explanatory variables (Board structure – size, independence, gender diversity and firm size as the moderating variable, while the dependent variable is proxy by return on assets (ROA)).

Objectives of the Study

The main objective of this research is to examine the relationship between board structure and financial performance of Quoted Deposit Money Banks in Nigeria using firm size as a moderator. The specific objectives are to:

- i. assess the relationship between board size and return on assets (ROA) of quoted Deposit Money Banks in Nigeria;
- ii. determine the relationship between board independence and return on assets (ROA) of quoted Deposit Money Banks in Nigeria;
- iii. establish the relationship between board gender diversity and return on assets (ROA) of quoted Deposit Money Banks in Nigeria;
- iv. examine the moderating role of firm size on the relationship between board size and return on assets of quoted deposit money banks in Nigeria;
- v. find out the moderating role of firm size on the relationship between board independence and return on assets of quoted deposit money banks in Nigeria; and
- vi. evaluate the moderating role of firm size on the relationship between board gender diversity and return on assets of quoted deposit money banks in Nigeria.

Statement of Hypotheses

In order to achieve the study objectives, the following null hypotheses were formulated to be tested:

H₀₁: Board Size has no significant relationship with Return on Assets of Quoted Deposit Money Banks in Nigeria.

H₀₂: Board Independence has no significant relationship with Return on Assets of Quoted Deposit Money Banks in Nigeria.

- H₀₃:** Board Gender Diversity has no significant relationship with Return on Assets of quoted Deposit Money Banks in Nigeria.
- H₀₄:** Board Size moderated by firm size has no significant relationship with Return on Assets of Quoted Deposit Money Banks in Nigeria.
- H₀₅:** Board Independence moderated by firm size has no significant relationship with Return on Assets of Quoted Deposit Money Banks in Nigeria.
- H₀₆:** Board Gender diversity moderated by firm size has no significant relationship with Return on Assets of Quoted Deposit Money Banks in Nigeria.

LITERATURE REVIEW

Conceptual Framework

The conceptual framework work for this study is as follow

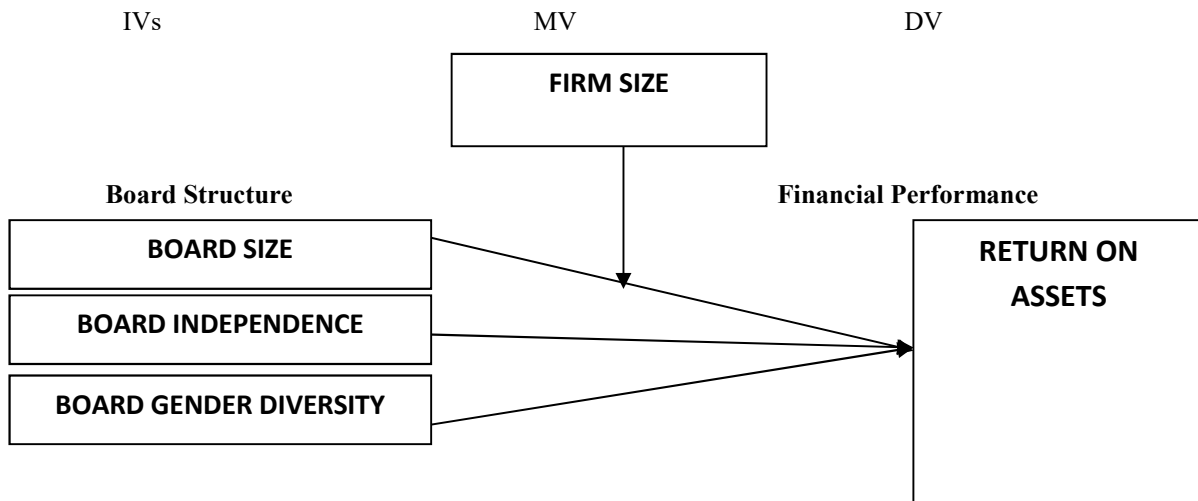


Fig 2.1: The framework of the study

Source: Adopted from Badara, (2016) and Ongore, et al. (2015)

Board structure is one of the core issues in corporate governance. Board existed primarily to offer advice, monitor and discipline the managers. Agency theorists are of the view that for shareholder’s interest to be protected, the board of director must assume an effective oversight function. It is believed that the performance of board monitoring duties is subject to the effectiveness of the board, which in turn is influenced by factors such as the size of the board, board diversity, board independence, board financial expertise, information asymmetries and board culture (Brennan, 2006; Uadiale, 2010). The Nigerian Code of Corporate Governance (2018) recommends the establishment of a board which is responsible for nomination, remuneration, governance, risk management and audit. However, these responsibilities are avail to firm considering the size, needs and activities of the firm. The code goes further to stipulate that board responsible for nomination, remuneration, governance and audit should basically comprises of only the Independent non-executive directors. Arguments on what should constitute the optimum board structure and whether large firms should have large or smaller boards and vice versa, also, the number of inside executive directors and outside non-executive directors on boards and their independence is also questionable. The question of

whether non-executive directors really independent is still lingering. The issue of board structure as a corporate governance mechanism continues to receive attention because theorists have diverse opinion as to the impact of board structure on firms' performance, while the empirical evidence as well is inconclusive. Till the time of this research, the relationship between board structure and firm performance has been the most studied aspect among all board researches (Bhagat&Black, 1999). In most studies, it is often assumed that a company's financial performance is mainly determined by the structure of the board of directors. For the purpose of this study, proxies for board structure are board size, board independence and board gender diversity.

Board size refers to the number of members on the board of a firm (PanAsian, et al., 2003). Identifying the appropriate board size that affects its ability to function effectively has been a bone of contention in literature (Dalton, et al., 1999; Hermalin & Weisbach, 2003). Aligning with the fact that there is no legislation that specifically state the number of directors that should constitute board size, Section 2.1 of the Nigerian Code of Corporate Governance (2018) stipulates that the Board should be of a sufficient size to effectively undertake and fulfill its business; to oversee, monitor, direct and control the company's activities and be relative to the scale and complexity of its operations. Proponents of large board size believe it provides an increased pool of expertise because larger boards are likely to have more knowledge and skills at their disposal. Board size is believed to be very fundamental to effective corporate decision making. Optimum board size of between a minimum of 8 have been prescribed at various times by codes of corporate governance of quoted companies, banks and financial institutions in Nigeria (CG Code, 2016; section 5.4). However, from agency theory perspective, Nicholson and Kiel, (2003) argue that a larger board is more likely to be vigilant with regard to agency problems simply because a greater number of people will review management actions. In contrast with the aforementioned, scholars like Lipton and Lorsch (1992), Jensen, (1993) endorse small boards because of efficiency in decision making due to greater coordination and lesser communication problems. They further say that board comprises of eight or nine members are the most effective. According to them, when the board exceeds this optimal size, it becomes difficult for all the board members to express their ideas and opinions in the limited time available at board meetings.

Board independence represents the degree to which the board consists of outside directors who are not affiliated with the company. Board independence also refers to as the freedom of the board members in expressing objective opinions in the running of the firms without undue interferences from the chairman, management and even block owners. It is measured by the percentage of independent non-executive directors (INED) on board and it has great influence on firm performance in that a highly independent board will be able to effectively reduce agency problem by effective monitoring of the managers to mitigate their opportunistic behavior (Oyedokun, 2019; Uadiale, 2010). Anderson, et al. (2004) argue that a board comprising of mostly employees or employee-related directors may be willing to conceal negative information in order to gain direct personal benefits and consequently hiding this dealing from stakeholders of the company. Independent board of directors is willing to serve both the management and stakeholders of the company through proper monitoring and full disclosure of both financial and non-financial information.

Gender is among the most researched demographic diversity attribute (Terjesen et al., 2009). According to Ararat, et al., (2015), diversity refers to equal opportunity accorded to all persons with different attributes. Hillman (2015) and Sener and Karaye (2014) are of the view that female directors persist when providing solutions to problems, and are ethical when meditating over decisions, unlike their male counterparts. Farrel and Herch (2005) are of the view that women directors are known to

be tough monitors and contribute to the increment of possible viewpoints which enlarge the scope of governance decision. Subsequently, gender diversity is part of the broader concept of board diversity (Milliken & Martins, 1996). The concept of board diversity suggests that boards should reflect the structure of the society and appropriately represent the gender, ethnicity and professional backgrounds. Boards are concerned with having the right composition to provide diverse perspectives. Nevertheless, the implementation of gender diversity policy remains a challenge due to citizens' cultural beliefs across countries (Ramly et al., 2015). Sirnidi et al., (2011) opine that the best board is a mix of individuals with different skills, knowledge, information power and readily available to contribute his/her time professionally. Specifically on gender diversity, the conventional make-up of the board globally does not easily support the linear relationship between gender diversity and financial performance, as the male gender in the board room always supersedes the number of their female counterparts (Ilaboya & Lodikero, 2017). This is evidenced in Europe legislation stipulating 40% of female gender in the board, and also in Nigeria where some government positions are design for female (for example, the ministry of finance).

Financial performance refers to those outcomes that can be measured monetarily, especially with figures from the set of financial statements. Over the years, different variables have been used to measure financial performance. It could be measured using long term market performance measures and other performance measures that are non-market oriented measures or short-term measures. Some examples of these measures include market value added (MVA), economic value added (EVA), cash flow growth, earnings per share (EPS) growth, asset growth, dividend growth, and sales growth (Coles, et al., 2001; Abdullah, 2004). Financial performance is the quantitative expression of goal attainment using financial variables (Gunu & Adamade, 2015; Kazmi 2008). Akenga (2017) also defines financial performance as the process of measuring the results of a firm's policies and operation in monetary terms. The study is of the view that financial performance is a subjective way of how well a firm can use its assets for its primary mode of business and generate revenue. It is a measure of firm's overall financial health over a given period of time. The most popularly used performance measurement is the accounting based measurement Returns on Assets (ROA), which is widely used as was found in the following studies: Uadiale & Fagbemi (2011), Usman & Amran (2015). For the purpose of this study, ROA is use to measure firms' financial performance. Return on Asset (ROA) is an indicator of the financial performance of a firm's in relation to its total assets.

Firm size is one of the most acknowledged determinants of firm performance (Rehman, 2016). Akinyomi and Olagunju (2013) are of the opinion that in today's world firm size is very critical to performance due to the phenomenon of economies of scale. Essentially, it means larger entities can obtain cost leadership relative to smaller firms. Firms' size is seen as a resource in obtaining sustainable competitive advantage in terms of profit and market share. Firm size can be defined in form of total assets, total investment, net worth of the firm, and others. Brigham and Houston, (2016) believe that firm size has significant influence on firm's performance and firm's value directly or indirectly.

Theoretical Framework

Different theories have been used by previous researchers to underpin studies in this area. These theories include agency theory, resource dependency theory and stewardship theory.

Agency Theory

Agency theory as postulated by Jensen and Meckling (1976) is of the view that when ownership and control are separated, it leads to divergence in the pursuit of managerial interests and owner's interest (Jensen & Meckling, 1976). As a result of this, monitoring of managerial decisions is crucial for the board of directors in order to protect the shareholders' interests. The fundamental premise of agency theory is that the managers' act out of self-interest and are self centered, thereby given less attention to the shareholders' interest. The theory as well assumes that agency problem can be resolved with appropriate designed contracts by specifying the right of the both agent and principals. It is also of the view that agency problems will be more prevalent when the board is dominated by insiders (Nicholson & Kiel, 2007). Agency theory allocates a significant role to the board of directors in the organizational and governance structure of the corporation. Agency theorist argues that board with large number of outside directors is independent and may independently monitor and advise managers who can promote the shareholders' interest (Brickley & Zimmerman, 2010). The separation of role may enable boards to perform their oversight functions more effectively because such boards are considered to be independent. Whereas, proper coordination and team work is required to achieve the firms' goal of maximizing its value and profitability (Jensen & Meckling, 1976). Hence, the need to monitor or control the activities of manager to ensure they are in congruence with that of the shareholders.

Stewardship theory

Stewardship theory was introduced by Donaldson and Davis (1989) as an alternative to agency theory. In contrast to the agency theory, stewardship theory holds an optimistic view of human (managerial) behavior, arguing that agents are not necessarily motivated by individual goals and that rather they are inherently trustworthy and not prone to misappropriate corporate resources and motivates to work in the interest of their principals (Barney, 1990; Davis 1991; Nicholson & Kiel, 2007). As a result of this, stewardship theorists suggest the consolidation of power by insiders. They suggest that the optimal stewardship role can only be exercised when the board has the ultimate power and authority (Donaldson & Davis, 1991). Steward theory further suggests that outside independent directors are unnecessary because agents are the best stewards for their corporations and are not motivated by individual goals (Luan & Tang 2007). Ramadani and Witteloostuijn (2010) assumes that stewardship theory is of the opinion that board of directors should consist of more inside directors because they are more conversant about the firm than the outsiders and therefore can make better decisions in the interest of the firm.

However this study also believes that individual is self-interested and opportunistic, rather than altruistic and there is a need for monitoring of the activities of the management by the independent directors. Although in this study board independence has a negative insignificant relationship with financial performance (ROA) but since agency theory is of the opinion that management of business organization need close monitoring to enhance financial performance, this study is therefore anchor on agency theory.

Empirical Review

Oyedokun (2019) examines the effect of board characteristics on financial Performance of quoted commercial banks in Nigeria for the period 2013-2017. The independent variable is proxied by board size, board independence, board gender diversity and board meetings. The study employed secondary

data which were drawn from the annual reports of the selected quoted deposit money banks. The study used fixed effect regression model in analyzing the collected data and findings reveals that board characteristics have a significant effect on financial performance of quoted selected banks in Nigeria. Precisely, board gender diversity has a significant positive effect on the financial performance of quoted commercial banks. Also, board meetings have a significant negative effect on financial performance while board size and board independence have insignificant negative effect on financial Performance. Based on the findings, the study, recommends that, the regulators of commercial banks in Nigeria should increase surveillance and supervision to ensure proper overall risk management that could safeguard the interest of all stakeholders and the reputations of the banks, The regulators and the management of the commercial banks in Nigeria should emphasize the optimal size of the board and board of directors should have composed of more independent/non-executive directors who are experts in the financial services industry to bring more independent and expert-based judgments and opinions with regard to risk management and the overall performance of the banks. The study recommends that the regulators of commercial banks in Nigeria should increase surveillance and supervision to ensure proper overall risk management that could safeguard the interest of all stakeholders and the reputations of the banks and that they should emphasize the optimal size of the board and board of directors compose of more independent non-executive directors and are experts in the financial services industry in order to foster the independent and expert-based judgments and opinions with respect to risk management and overall performance of the banks.

Oyerogba, et al. (2016) evaluates the impact of board size on the profitability of the listed firms in Nigeria for a period of ten years ranging from 2004 to 2013. Specifically, the study investigate the impact of board size, firm size and firm age on return on capital employed (ROCE) of the selected companies. Secondary source of data was used in drawing the needed data from the annual reports and accounts of the selected listed companies in Nigeria. The study carried out both inferential and descriptive statistics and findings reveal that a significant positive relationship exists between the board size, firm size and return on capital employed. The study therefore recommends that listed companies should adopt the use of a large board (12 members) to improve profitability. It is also needful for the listed companies to increase the capital-based as this was found to have a positive impact on the profitability of listed companies in Nigeria.

Odudu, et al. (2016) assesses the influence of board Characteristics and Financial Performance of listed deposit money banks in Nigeria. the independent variable was proxied by of independent non-executive director, grey directors, executive directors, women and foreign director while return on assets and return on equity are proxies for the dependent variable of the study. The study discovered that the executive director has no significant influence on the performance of listed banks in Nigeria and recommended that the management of listed deposit money banks in Nigeria should increase the number of foreign directors on Board to a certain average or number as their skills, expertise, experience and would like to protect their integrity, reputation and professional competence.

Bebeji, et al. (2015) examines the effect of Board size and Composition on the Financial Performance of Banks in Nigeria. The study employed ROA and ROE as proxies for the dependent variable and board size and board composition for the independent variable. Cross sectional design was employed to gather time series data of five banks judgmentally sampled out of the twenty two banks listed on the Nigeria Stock Exchange at that time. The pooled least square regression result shows that board composition and board size are related to the financial performance of deposit money banks in Nigeria. The study recommends that parties involved in monitoring and institutionalization of an effective system of corporate governance in Nigeria should seek to positively influence the standard

of corporate governance in banks in which they invest by ensuring that there is a strict compliance with the code of corporate governance.

Ongore, et al. (2015) evaluates the effects of board composition on financial performance. Using multivariate regression analysis on panel data, with Return on Assets, Return on Equity, and Dividend Yield as performance indicators, the study found out that independent board members had an insignificant effect on financial performance, but gender diversity did, in fact, have a significant positive effect on financial performance. Board size, on the other hand, had an inverse relationship with financial performance. These results are largely consistent with the conceptual and empirical literature on corporate governance with respect to small board size (5 to 7) that is sufficiently diverse in terms of gender, skill, experience, industry networks, among other important attributes. Regarding outside directors, however, the study findings appear to contradict the long-held traditional view that outsiders confer superior performance to the board. The study recommends that firms should pay attention to both board size and board gender diversity and smaller board sizes accompanied by skills, experience and expedience of the board results in increased firm performance.

Biljawan and Madan (2013) examine board composition, ownership structure and financial performance using ROCE, ROE, ROA and PAT (profit after tax) as proxies for the dependent variable and board size, board independence and ownership structure as proxies for the independent variable. The study was based on 121 small cap, mid cap and large cap companies listed on the Bombay Stock Exchange India for the period 2010-2011. Findings showed no significant relationship between ownership structure and financial performance and a positive significant relationship between board size & board composition and financial performance.

Kwanbo and Abdul-Qadir (2013) assess board composition, executive duality and performance of banks in the post-consolidation era in Nigeria. The dependent variable is proxy with $ROCE_{gross}$ and $ROCE_{net}$ while the independent variable is proxy with board size, executive duality and compliance statue. Content analysis was used to collect corporate governance and financial performance data from the annual financial reports and accounts of twelve banks that survived consolidation for the period 2006-2010. The independent sample t-test and multiple regression results revealed that board composition, executive duality do not significantly relate and impact on the ROCE of banks in Nigeria. The study recommends that sustaining the use of diverse corporate governance codes (by CBN, FRC, SEC) should be further enhanced by complementary managerial policies that would promote the relationship and impact of governance mechanism on financial performance of banks.

Uwuigbe and Fakile (2012) examine the effect of board size on the financial performance of banks in Nigeria using ordinary least square regression analysis and discover that there is a significant negative relationship between board size and bank financial performance. This is because, increase in board size occurs with increase in agency problems (such as director free-riding) within the board and the board becomes less effective. However, the paper recommends a smaller board size for better financial performance and to reduce the problem of free-rider of banks in Nigeria.

Gaps in the Literature

Most studies only examine either the relationship or effect of board structure on financial performance not considering whether the moderating variable has any effect on both the independent and dependent variable. As a result of this, this study tends to bridge this gap by considering the moderating effect of firm size on the relationship between board structure and financial performance of deposit money banks in Nigeria.

Also, the empirical works of On'goreet *et al.* (2015) and Uwuigbe and Fakile, (2012), shows that some of the study employed inappropriate statistical tools of analysis for their panel data instead of panel regression analysis which affects the reliability of their findings. However, the empirical work of Oyedokun (2019) which is the most recent work reviewed regarding board characteristic and financial performance of deposit money banks in Nigeria made use of 2017 data. Studies such as Uwuigbe and Fakile (2012), Kwanbo and Abdul-Qadir (2013) and Biljawan and Madan (2013) also made use of pre-IFRS implementation period data which affects the currency of their study.

These gaps in the literature necessitate the need for this study moderating effect of firm size on the relationship between board structure and financial performance of quoted deposit money banks in Nigeria which update the data up to 2019 and also employ the use of post-IFRS implementation data and also made use of random effect regression model based on Hausman specification test.

METHODOLOGY

This study employs longitudinal research design to examine the relationship between board structures moderated by firm size on the return on assets of quoted deposit money banks in Nigeria. This research design is chosen in this study because of its consistency with the research objectives, as the aim of the design is to investigate the relationship between variables and to estimate the relationship of the independent variable on the dependent variable, so as to establish a causal relationship or otherwise among the variables. The population of this study consists of all the fourteen (14) Deposit Money Banks quoted on the Nigerian Stock Exchange as at 31st December 2019, as attached as appendix I. Year 2012 was chosen been the year of mandatory compliance with the International Financial Reporting Standards in Nigeria. Similarly, 2019s was chosen as the last year because it is the most recent year for which data were available.

Using filtering method, nine (9) quoted deposit money banks out of the fourteen (14) quoted deposit money banks is consider in this study as the sample size. The filter criteria for a deposit money banks to be included in this study is as follow:

- i. Such bank must be quoted before 2012 and remained in operation throughout the period of 2012-2019 and must have the basic data required for the study in its financial statements over the period. As a result of this, Jaiz Bank which was quoted in 2017 is therefore exempted from this study.
- ii. Also, the bank must be quoted as a financial institution on the Nigerian Stock Exchange and not as a group or other financial institutions. On this basis First Bank Plc, First City Monument Bank (FCMB), ECO Bank and Stanbic IBTC bank which are quoted under other financial institutions are also exempted from the study.

The source of data majorly for this research is the secondary data which is due to the nature of the variables under study. The panel dataset comprised 72 observations which were subjected to different tests for analysis. Panel regression analysis was used for analysing the collected panel data in order to establish the relationship between the dependent and independent variables. In order to achieve reliability of the result, descriptive statistics was used to test for the distribution pattern of the series. Heteroskedasticity Breusch-Pagan Test was equally used to test for the assumption of no constant variance of the data. The Pearson correlation was used to check for the multicollinearity problem in the model while Shapiro-Wilk Normality was used to test for the normality of the series. Hausman

specification test was used to make a choice between Fixed Effect (FE) and Random effect models while robust Random Effect (RE) regression model was used.

Model Specification

The model used to empirically test the hypotheses formulated is as follows:

Model 1: without moderation

$$ROA = \beta_0 + \beta_1 BSIZE_{it} + \beta_2 BIND_{it} + \beta_3 BGDIV_{it} + \epsilon_{i,t} \dots \dots \dots 1$$

Model 2: with moderation

$$ROA_{it} = \alpha + \beta_1 BSIZE_{i,t} + \beta_2 BIND_{i,t} + \beta_3 BGDIV_{i,t} + \beta_6 BSIZE_{i,t} * FSIZE_{i,t} + \beta_7 BIND_{i,t} * FSIZE_{i,t} + \beta_8 BGDIV_{i,t} * FSIZE_{i,t} + \epsilon_{i,t} \dots \dots \dots 2$$

Where:

- ROA = Return on Assets
- BSIZE = Board Size
- BIND = Board Independent
- BGDIV: Board Gender Diversity
- FSIZE: Firm Size
- $\epsilon_{i,t}$ = Error term ($\epsilon_i + \mu_{i,t}$)
- ϵ_i = Error term within entity ;
- $\mu_{i,t}$ = Error term between entity;

Baron and Kenny (1986) are of the view that assuming the effect of the independent variable on the dependent variable varies linearly, the best analytical procedure for testing moderation effects for continuous variable is to regress the dependent variable (Y) against the independent variable (X), the moderator (Z) and the interaction (XZ). According to their analysis, moderating effects are indicated by significant effect of XZ while X and Z are controlled.

This model is adopted from Badara (2016).

Variable Measurement

Variables	Type	Measurement and Justification
Return on Assets	Dependent	Measured as the ratio of profit after tax to total assets. It clarifies the extent to which the deposit money banks assets have been used to generate wealth. (Adebayo, Oluwatoyosi & Elizabeth, 2012; Bebeji, et'al 2015; Nnado&Ugwu, 2016)
Board Size (BSIZE)	Independent	Measured as the total number of board member (Badara, 2016; Bebeji, et'al 2015; Norliana, et al. 2018; Oyedokun, 2019)
Board Independent	Independent	Measured as the number of independent non-executive director in a board (Badara, 2016; Ilaboya & Lodikero, 2017; Ongore, K'Obonyo, Ogutu & Bosire, 2015; Oyedokun, 2019)
Board Gender Diversity (BGDIV)	Independent	Measured as Ratio of female directors (Ilaboya & Lodikero, 2017; Oyedokun, 2019)
Firm Size (FSIZE)	Moderator	Measured as natural logarithms of firm's total assets (Babalola, 2013; Badara, 2016; Ilaboya & Ohiokha, 2014; Dioha, et al. 2018; Usman & Amran 2015)

Source: authors's compilation

The variables of the study consist of dependent variable which is firm financial performance measured by Return on Assets (ROA) and the independent variable is Board Structure proxied with board size, board independent, board gender diversity and board expertise. These variables were measured using content analysis of annual reports of quoted Deposit Money Banks in Nigeria.

Data Presentation and Analysis

Data Presentation

Appendix B shows the data used to examine the moderating effect of firm size on the relationship between board structure and financial performance of quoted deposit money banks in Nigeria for the period of eight (8) years (2012-2019).

Data Analysis

The data analysis was carried out using descriptive statistics, Shapiro-Wilk normality test, Pearson correlation, Heteroskasticity test, Hausman specification test and robust Random effect regression model.

Descriptive Statistics

Table 2 below is the descriptive statistics that summarizes the entire data sets.

Variable	Obs	Mean	Std.Dev.	Min	Max
ROA	72	.062	.346	.004	2.95
BSIZE	72	15.694	2.636	10	21
BIND	72	.706	.229	.133	1
BGDIV	72	.207	.102	0	.43
LogFSIZE	72	9.153	.407	8.195	09.854

Source: Researcher's Computation using STATA 15 Software

Table 2, presents the results of the descriptive statistic for the variables of the study. The table shows an average return on assets (ROA) of .062, board size (BSIZE) of 15.694, board independence (BIND) of .706, board gender diversity (BGDIV) of .207 and firms size (FSIZE) of 9.153.

The table also shows the standard deviations of return on assets (ROA) of 0.346, board size (BSIZE) of 2.636, board independence (BIND) of 0.229, board gender diversity (BGDIV) of 0.102 and firms size (FSIZE) of 0.407 of the sampled BANKS, during the study period. The table further shows that all the variables except return on asset (ROA) have standard deviations lower than their respective mean indicating slow growth. Return on assets (ROA) indicating high growth. The table also reveals minimum and maximum figures of ROA of 0.004 and 2.95, BSIZE of 10 and 21, BIND of 0.133 and 1, BGDIV of 0 and .43, FSIZE of 8.195 and 9.854 during the study period.

Shapiro-Wilk Normality Test

Table 3 below shows the results of the normality test conducted with the Shapiro-Wilk method.

Variable	Obs	W	V	Z	Prob>z
ROA	72	0.12163	55.318	8.741	0.00
BSIZE	72	0.99786	0.135	-4.361	0.99
BIND	72	0.91914	5.092	3.545	0.00
BGDIV	72	0.96160	2.418	1.923	0.03
LogFSIZE	72	0.96883	1.963	1.469	0.07

Source: Researcher's Computation (2021) Using Stata 15 Software

The result in table 3 above shows that three of the variables have prob>z values that are less than 0.05 which signifies that they are not normally distributed around their means. The board size and firm size have prob>z values that are greater than 0.05 which signifies that they are normally distributed around their means. Normality is all about the distribution of a series around its central mean and because three of the variables displayed abnormality in their distribution pattern, this study concludes that one of the basic assumptions of linear regression which allows only normally distributed series has been violated which necessitated the use of panel regression technique.

Correlation Matrix

Table 4 below is the Pearson correlation matrix for the data set to show the extent of interdependent variables.

Variable	ROA	BSIZE	BIND	BGDIV	FSIZE
ROA	1				
BSIZE	0.0626	1			
BIND	-0.0166	-0.0405	1		
BGDIV	0.1071	-0.1380	0.0904	1	
LogFSIZE	-0.022	0.5802	0.5802	-0.0743	1

Source: Researcher's Computation (2021) Using Stata 15 Software

Table 4 above presents a correlation matrix of the variables of the study. The correlation matrix shows the relationship between the explanatory (independent) variables themselves, moderating variable and their relationship with the response (dependent) variable ROA. The result in the correlation matrix table above shows positive associations between BSIZE of 0.0626, BGDIV of 0.1071 with ROA. The result implies that companies with reasonable board size and board gender diversity will have positive effects on the return on assets. However, the negative association is between board independence of -0.0166 and firm size of -0.022 with ROA. Table 4 above further reveals that there is no multicollinearity problem in the model as all the proxies to independent variable relationships are below 0.85 (85%) which according to Hair, Tathan and Anderson (2005), indicate that there is no multicollinearity problem in the model.

Heteroskedasticity Breusch-Pagan Test

Heteroskedasticity Breusch-Pagan test which test whether or not the estimated variance of the residuals from a regression is dependent on the values of the independent variables.

Table 5 below shows the diagnostic test results using Heteroskedasticity Breusch-Pagan

Types of test	F-Test	P-Value
Heteroskedasticity Breusch-Pagan	43.28	0.00

Source: Researcher's Computation (2021) Using Stata 15 Software

The Heteroskedasticity Breusch-Pagan is a statistical test that establishes whether or not the residual variance of a variable in a regression model is constant (i.e. homoskedastic) or not constant (heteroskedastic) over time. Table 5 reveals the null hypothesis that, there is constant variance (homoskedasticity) in the model is rejected. This is because the F-statistic of 43.28 and a probability value of 0.00 for the model is statistically significant at 1% alpha level ($p\text{-value} < 0.05$). The conclusion is that there is presence of heteroskedasticity in the model. To address this heteroskedasticity problem, a robust random effect regression technique was used to estimate the model.

Hausman Specification Test

Table 6 below is the result of a Hausman specification test conducted to determine which of the model Fixed effect or Random effect would be used for estimation.

Types of test	Chi2	P-chi2
Hausman Test	1.45	0.8354

Source: Researcher's Computation (2021) Using Stata 15 Software

The result from Table 6 depicts a probability > chi2 of .835, a value that is greater than 0.05. This result implies that the null hypothesis which states that difference in coefficient not systematic is accepted, so the random effect model is the more appropriate model for this study.

In this section, the regression result of the first model of the study is presented and the major findings discussed below.

Model One (Without the Moderator)

Table 7: The Robust Random Effect Regression Result (Model One)

Variable	Coefficient	Z-values	p-values
Constants	-.1919535	-0.39	0.693
BFSIZE	.0343779	2.58	0.012**
BIND	-.381278	-0.51	0.612
BGDIV	.4580042	1.05	0.294
LogFSIZE	-.0043947	-0.09	0.930
Overall R-Squared	0.8101		
Wald chi2	111.92		
Prob>F	0.0000		

Dependent Variable: ROA ** signified 5% level of significance

Source: Researcher's Computation (2021) Using Stata 15 Software

Results from Table 7 above reveal an overall coefficient of determination (Overall R-sq) of 0.81 which means that the proxies (BFSIZE, BIND, BGDIV and FSIZE) of the independent variable without the moderator used in this study have an approximately 81% combined effect on the systematic changes in the dependent variable (ROA) during the period under review. The Wald Chi2 of 111.92 and the corresponding prob. >chi² of 0.00 indicate that the model is fit and reliable for decision making. This serves as a piece of considerable evidence to conclude that the explanatory powers of board structure (BFSIZE, BIND, BGDIV and FSIZE) without the moderator used for the study are suitable for the study.

Model Two (With the Moderator)

Table 8: The robust Random effect model conducted which would be used for estimation.

Variables	Coefficient	t-values	Prob.
Constants	-7.292117	-1.14	0.253
BFSIZE	.2177138	1.25	0.210
BIND	4.577025	0.91	0.363
BGDIV	3.615314	0.71	0.475
FBSIZE	.7962892	1.14	0.255
FBSIZE*BFSIZE	-.0231211	-1.26	0.206
FBSIZE*BIND	-.5165518	-5.91	0.00*
FBSIZE*BGDIV	-.3382642	-2.65	0.00*
Overall R-Squared	0.80		
Wald chi2	68.32		
Prob>F	0.00		

Dependent Variable: ROA *signified 1% level of significance

Source: Researchers's Computation (2021) Using Stata 15 Software

Results from Table 8 above reveal an overall coefficient of determination (R-sq) of 0.80 which means that the proxies (BFSIZE, BIND and BGDIV) of the independent variable moderated by FBSIZE used in this study have 80% combined effect on the systematic changes in the dependent variable (ROA) during the period under review. The Wald chi2 of 68.32 and the corresponding prob. >chi² of 0.00 indicate that the model is fit and reliable for decision making. This means that the explanatory powers of board structure (BFSIZE, BIND and BGDIV) moderated by FBSIZE used for the study are suitable for the study of the moderating effect of firm size on the relationship between board structure and financial performance of quoted deposit money banks in Nigeria.

Discussion of Findings

This study reveals that board size has a significant positive relationship with return on asset of quoted deposit money banks in Nigeria. This implies that an increase in board size will result in an increase in return on assets of deposit money banks in Nigeria by ₦0.0344. This finding is in line with the empirical findings of Bebeji *et al.* (2015), Biljawan and Madan (2013), Oyerogbaet *et al.* (2016) and Uwuigbe and Fakile (2012) who discover a significant positive relationship between board size and financial performance. However, the finding is in contrast with the empirical finding of Oyedokun (2019) who discovered that board size has an insignificant negative relationship with financial performance of firms.

The study reveals that board independence has an insignificant negative effect on return on asset of quoted deposit money banks in Nigeria. This implies that an increase in board independence will result in a decrease in return on assets of deposit money banks in Nigeria by ₦ -.038. This finding is in consonance with the empirical findings of Bebeji, *et al.* (2015) and Biljawan and Madan (2013) that find a positive relationship between board independent and financial performance of firms. The finding, however, disagrees with the empirical findings of Ongore *et al.* (2015) and Oyedokun (2019) which discovered a negative relationship between board independent and firms' financial performance.

The study further reveals that board gender diversity has an insignificant positive relationship with return on asset of quoted deposit money banks in Nigeria. This implies that an increase in board gender diversity will result in an increase in return on assets of deposit money banks in Nigeria by ₦0.458. This finding is in agreement with the findings of Ongore *et al* (2015) and Oyedokun (2019). However this finding is in contrast with the findings of Odudu *et al.* (2016) that discovered an insignificant negative relationship between gender diversity and financial performance.

The study reveals that board size with the interaction of firm size is negatively insignificant at all levels of significance, in explaining the return on assets of quoted deposit money banks in Nigeria. As observed from table 7 above, the result of board size without moderation is significant at 5% while the indirect relationship of board size in table 8 as moderated by firm size has a negative insignificant effect on return on assets. This, therefore, implies that firm size does not significantly moderate the relationship between board size and return on assets but it changes the direction of the relationships.

The study also reveal that board independence with the interaction of firm size is negatively significant at 1% level of significance, in explaining the return on assets of quoted deposit money banks in Nigeria. As observed from table 7 above, the result of board independent without moderation is not significant at all levels while the indirect relationship of board independence in table 8 as moderated by firm size has a negative significant effect on return on assets. This, therefore, implies that firm size significantly moderate the relationship between board independence and return on assets as it changes the direction of the relationships.

The study further reveal that board gender diversity with the interaction of firm size is negatively significant at 1% level of significance, in explaining the return on assets of quoted deposit money banks in Nigeria. As observed from table 7 above, the result of board gender diversity without moderation is not significant at all levels while the indirect relationship of board gender diversity in table 8 as moderated by firm size has a negative significant effect on return on assets. This, therefore, implies that firm size significantly moderate the relationship between board gender diversity and return on assets as it changes the direction of the relationships.

Conclusion and Recommendations

Conclusion

The board size of deposit money banks in Nigeria which constitute the number of directors on the boards must be of sufficient size and constitute financial experts and well experienced individual from the industry. The large board size that is drawn from financial experts and well experienced individual from the industry will enhance the financial performance of deposit money banks in Nigeria. The members of the board of directors must be of equal size between the executive directors and non-executive directors to avoid the lopsidedness of the board members. The board that is mostly constituted by the executive directors will affect the independence of the board while the board that is mostly constituted by the non-executive directors will most often lead to lack of rigor as they are not involve in the day to day operations of the banks. The board that is constituted by equal number of both executive and non-executive directors will enhance the financial performance of deposit money banks in Nigeria.

The increase in the gender diversity of deposit money banks in Nigeria will enhance financial performance of deposit money banks in Nigeria. Women are known to be conservative and diligent in their dealings and having more women on the board of directors will enhance the financial

performance of deposit money banks in Nigeria. Therefore, more women must be giving opportunities to serve as board members in deposit money banks in Nigeria. The board size, board independence and board gender diversity, with the interaction of firm size will reduce the financial performance of deposit money banks quoted in Nigeria. The firm size, is one of the major determinants of board size and board gender diversity as it significantly moderate their relationships with financial performance of deposit money banks in Nigeria except board independence.

Recommendations

Based on the findings from this study, the following recommendations are made:

- i) The shareholders of deposit money banks in Nigeria should ensure that they maintain large board size because increase in the size of the board will enhance financial performance of deposit money banks in Nigeria.
- ii) The executive directors and non-executive directors must be of equal size in the board of directors of deposit money banks in Nigeria to avoid the lopsidedness of the board members. This will equally enhance the quality of board decisions as there are been reached from both the experiences of those within and outside the organization.
- iii) More women should be made as board members in deposit money banks in Nigeria to enhance the level of monitoring activities and, therefore, financial performance of deposit money banks in Nigeria.
- iv) The firm size should be properly put into consideration in constituting the number of Independent non-executive directors and the number of women on the board of directors of deposit money banks in Nigeria, because the firm size is one of the major determinants.
- v) The firm size should not be put into consideration in the area of board size of deposit money banks in Nigeria, because the firm size does not moderate the relationships between board sizes and financial performance.

References

- Aifuwa, H. O., &Embele, K. (2019).Board characteristics and financial reporting quality. *Journal of Accounting and Financial Management*, 5(1), 30-49.
- Aifuwa, H. O., Embele, K., & Saidu, M. (2018). Ethical accounting practices and financial reporting quality. *EPRA International Journal of Multidisciplinary Research* 4(12), 31-44.
- Akeju, J. B., &Babatunde, A. A. (2017). Corporate governance and financial reporting quality in Nigeria. *International Journal of Information Research and Review*, 4(2), 3749-3753.
- Akenga, G. (2017). Effect of liquidity on financial performance of firms listed at the Nairobi Securities Exchange, Kenya. *International Journal of Science and Research (IJSR)*, 6(7), 279-285.
- Akinyomi, O., & Olagunju, A. (2013). Effect of firm size on profitability: Evidence from Nigeria manufacturing sector. *Prime Journal of Business Administration and Management (BAM)*, 3 (9), 1171-1175.
- Akkaya, R., & Uzar, C. (2011). Data mining in financial application. *Journal of Modern Accounting and Auditing*, 7(12), 1362-1367.
- Akpan, N. (2007). Internal Control and Bank Fraud in Nigeria. *Economic Journal*, 9(5), 118-132.
- Akpan, E. O., & Amran, N. A. (2014). Board characteristics and company performance: Evidence from Nigeria. *Journal of Finance and Accounting*, 2(3), 84–89.

- Badara, M. S. (2016). The moderating effect of firm size on the relationship between board structure and financial performance of deposit money banks in Nigeria. *Sahel Analyst: Journal of Management Sciences*, 14(3), 101-115.
- Barney, J. B. (1991). First resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.
- Bebeji, A., Muhammed, A., & Tanko, M. (2015). The effect of board size and composition on the financial performance of banks in Nigeria. *Africa Journal of Business Management*, 9(16), 590-598.
- Bhagat, S., & Black, B. (1999). The uncertain relationship between board composition and firm performance. *Business Lawyer*, 921-963
- Bijalwan, J. G., & Madan, P. (2013). Board composition, ownership structure and firm performance. *Research Journal of Economics and Business Studies*, 2(6), 86-101.
- Brennan, N. (2006). Board of directors and firm performance: Is there an expectations gap? *Corporate Governance*, 14(6), 577-593. <http://doi.org/10.1111/j.1467-8683.2006.00534.x>
- Brickley, J. A., & Zimmerman, J. L. (2010). Corporate governance myths: Comments on Armstrong, Guay and Weber. *Journal of Accounting and Economics*, 50(2-3), 235-245.
- Central Bank of Nigeria Code of Corporate Governance for banks in Nigeria post-consolidation. March 1, 2006.
- Charles, A. O. R., Jennifer, A. C., & David, F. C. (1991). People and organizational culture: A profile comparison approach to assessing person, organizational fit. *Academy of Management Journal*, 34(3), 487-516.
- Code of Best Practice for Corporate Governance (2003). Lagos.
- Dalton, D., C., Daily, J. J., & Ellstrand, A. (1999). Number of directors and financial performance: A meta analysis. *Academy of Management Journal*, 42(6), 674-686.
- Donaldson, L., & Davis, J. (1991). Agency theory or stewardship theory: CEO governance and shareholder returns. *Australian Journal of Management*, 16(1), 49-64.
- Donaldson, L. & Davis, J. (2003). Stewardship theory or agency theory: Governance and shareholder returns. *Academy Of Management Review*, 20(1), 65-69.
- Donaldson, L., & Davis, J. (1991). Stewardship theory and Agency theory: CEO governance and shareholder returns. *Australian Journal of Management*, 16(1), 49-64.
- Dzingai, A., & Fakoya, M. B. (2017). Effect of corporate governance on financial performance of Johannesburg Stock Exchange (JSE) – listed mining firms. *Economic Sustainability*, 9(6), 867-882. Doi:10.3390/su9060867
- Farrel, K., & Herch, P. (2005). Additions to corporate board: The effect of gender. *Journal of Corporate Finance*, 11(3), 85-106.
- Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Pitman.
- Freeman, R. E. (2003). Response: Divergent stakeholder theory. *Academy of Management Review*, 24(2), 233- 236.
- Gunu, U., & Adamade, N. S. (2015). The relationship between firm age and financial performance in Nigeria: A panel analysis. *Journal of Sustainable Development in Africa*, 17(3), 128-141.
- Hair, J. F., Tathan, R. I., & Anderson, R. E. (2005). *Multivariate data analysis*. (6thed.), Prentice-Hall.
- Hermalin, B. E., & Weisbach, M. S. (2003). Board of directors as an endogenously determined institution: A survey of the economic literature, *Economic Policy Review*, 9 (1), 7-26.
- Ilaboya, J. O., & Lodikero, O. (2017). Board independence and financial statement fraud: A moderating effect of female gender diversity. *Accounting and Taxation Review*, 1(1), 196-221.

- Jensen, M. C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *Journal of Finance*, 48(3), 831-880.
- Jensen M. C., & Meckling, W. J. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure, *Journal of Financial Economics*, 3(4), 305-360.
- Kazmi, A. (2008). Strategic management and business policy, (3rd edition), Tata McGraw-Hill.
- Kwanbo, M. L., & Andul-Qadir, A. B. (2013). Board composition, executive duality and performance of banks in the post-consolidation era in Nigeria. *International Journal of Academic Research in Economics and Management Sciences*, 2(1), 1-17.
- Lipton, M., & Lorch, J. W. (1992). A modest proposal for improved corporate governance. *The Business Lawyer*, 48(1), 59-77.
- Mullins, J. (1999). *Management and organizational behavior* (5th ed.), Prentice Hall.
- Odudu, A. S., James, O. A., & James, O. U. (2016). Board characteristics and financial performance of deposit money banks in Nigeria. *International Journal of Business and Social Science* 7(9), 159-173.
- Ogbechie, C. (2006). Corporate governance: A challenge for Nigerian Banks. www.businessdayonline.com
- Oladejo, M. O. & Oladipo, A. U. (2011). Capital regulation and the performance of the Nigerian banks: Need for review. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)*, 2(3), 215-224.
- Omolehin, M. E., Obaje, F. O., & Ogirima, A. (2020). Board composition and financial performance of listed deposit money banks in Nigeria. *Malete Journal of Accounting and Finance (MAJAF)*, 1(1), 164-177.
- Ongore, V. O., K'Obonyo, P.O., Ogutu, M., & Bosire, E.M. (2015). Board composition and financial performance: Empirical analysis of companies listed on the Nairobi Securities Exchange. *International Journal of Economics and Financial Issues*, 5 (1), 23-43.
- Organization for Economic Cooperation and Development (2004). *Principles of Corporate Governance*. France: OECD Publications Service.
- Organization for Economic Cooperation and Development (OECD) (1999). *OECD Principles of Corporate Governance*. Ad-Hoc Task Force on Corporate Governance, OECD.
- Oyedokun, G. O. (2019). Board characteristics and financial performance of commercial banks in Nigeria. *Accounting and Taxation Review*, 3(2), 31-48.
- Oyerogba, E. O., Membba, F., & Riro, G. K. (2016). Impact of board size and firm characteristics on the profitability of listed companies in Nigeria. *Research Journal of Finance and Accounting*, 7(4), 143-151.
- Panasia, C., Prevost, A. K., & Bhabra, H. S. (2003). Board composition and firm performance: The case of the day report and publicly listed Canadian firms.
- Ramly, Z., Chan, S. G., Mustapha, M. Z. & Sapiel, N. S. (2015). Gender diversity, board monitoring and bank efficiency in ASEANS. *South East Asia Journal of Contemporary Business, Economics and Law*, 7(1), 9-21.
- Sharifah, F. S. F., Syahrina, A. A. H. & Julizaerma, M. K. (2015). Board independence and firm performance. *Procedia Economics and Finance*, 37, 460-465. Doi 101016/S2212-5671(16)30152-6.
- Sener, I., & Karaye, A. B. (2014). Board composition and gender diversity: Comparison of Turkish and Nigerian listed companies. *Procedia: Social and Behavioral Sciences*, 150, 1002-1011.
- Srinidhi, B. N., Gul, F. A., & Tsui, J. (2011). Female directors and earnings quality. *Contemporary Accounting Research*, 28, 1610-1644.

- Terjnen, S., Sealy, R., & Singh, V. (2009). Women directors on corporate boards: A review and research agenda. *Corporate Governance: An International Review*, 17(3), 320-337.
- Uadiale, O. M. (2010). The impact of board structure on corporate financial performance in Nigeria. *International Journal of Business and Management*, 5(10), 155–166.
- Uadiale, O.M. & Fagbemi, T. O. (2011). Corporate social responsibility and financial performance in developing economies: The Nigerian experience. The 2011 New Orleans international Academy conference. UK evidence from disaggregate measures, *Financial Management*, 35, 97-116.
- Usman, A. B., & Amran, N. A. (2015). Corporate social responsibility practices and corporate financial performance: Evidence from Nigeria companies. *Social Responsibility Journal*, 11 (4), 749-763.
- Uwugbe, O. R., & Fakile, A. S. (2012). The effects of board size on financial performance of banks: A study of listed banks in Nigeria. *International Journal of Economics and Finance*, 4(2), 260-267.
- Yermack, D. (1996). Higher market valuation of companies with a small board of directors. *Journal Financial Economics* 40(2), 185-211.