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**BOARD ATTRIBUTES AND FIRM PERFORMANCE OF NIGERIAN  
QUOTED BANKS WITH INTERNATIONAL AUTHORIZATION**

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**Abstract**

The study examines the effect of board attributes on firm performance of Nigerian quoted banks with international authorization. This study population was the entire quoted banks with international authorization and a sample of eight (8) banks was analyzed for a period spanning 2014-2018. From the results of the regression analysis, it was observed that all the explanatory variables had an insignificant effect on firm performance except for board meeting, which had a significant effect on firm performance. Our findings suggest that frequency of board meetings should be encouraged as this would create opportunity for more discuss on pertinent issues that affects the survival of the firm.

**Keywords:** Board Attributes, Corporate Governance, Firm Performance, Return on Assets and International Authorization

**1. Introduction**

In recent times, corporate governance has attracted interest among scholars. Due to the collapse of multinational companies that were regarded as too big to fail such as Enron, Dot-Com, Bubble, Tyco, Xerox, Ocean Bank, Parmalat, Cadbury and so on. This led to loss of investors confident in the capital market especially the banking industry. In order to restore stakeholders' confidence, there was need to introduce a code of corporate governance that would regulate the activities of the board of directors that have become so powerful. In the USA, the Sarbanes-Oxley Act was enacted in 2002 also known as the "Public Company Accounting Reform and Investor Protection Act" which regulates the public company boards, management and public accounting firms.

In Nigeria, there were sectoral corporate governance code such as code of Corporate Governance for the Telecommunication Industry 2016, code of Corporate Governance for Banks and Discount Houses in Nigeria 2014, code of Corporate Governance for Public Companies in Nigeria 2011, code of Good Corporate Governance for Insurance Industry in Nigeria 2009 and Code of Corporate for Licensed Fund Operators 2008. In 2018, the Nigeria Code of Corporate Governance was introduced to institutionalize corporate governance best practices in Nigeria companies as a key driver to corporate accountability and business prosperity.

According to Owolabi and Dada (2011) corporate governance is the set of processes, customs, policies, laws and regulations affecting the way a corporation or company is controlled. It is the system by which organisations are directed and control (Cadbury, 1992). It focuses on the associations among management, board of directors, controlling shareholders, minority shareholders and other stakeholders (Osundina, Olayinka&Chukwuma, 2016).

The board of directors are agents to the company. They are made up of persons who oversee the activities of a company. The primary purpose of the board is to monitor and advise the top management in the discharge of their responsibilities to the owners (Fama& Jensen, 1983; Hermalin&Weisbach, 2003). A board of directors is a group of people who jointly supervise the activities of an [organization](#), which can be either a for-profit [business](#), [nonprofit organization](#), or a [government agency](#). Such a board's powers, duties, and responsibilities are determined by government [regulations](#) (including the jurisdiction's [corporation's law](#)) and the organization's own [constitution](#) and [bylaws](#). These authorities may specify the number of members of the board, how they are to be chosen, and how often they are to meet.

The positive and negative consequences of the separation of ownership and control in modern public companies have rendered the concept of corporate governance in general and corporate board very critical. Incessant corporate scandals across the world have resulted in increased attention on the role which board of directors has to play towards the improvement of financial reporting disclosures for the purpose of reforming the global economy and rebuilding public trust and confidence to business reported information. Succinctly put, there has been increased awareness in the business environment and the public on the need for sound corporate reporting and governance system (Hawkamah, 2014).

Thus, the board of directors and managers find themselves in a vastly more complex environment, increasingly accountable to and influenced by multiple stakeholders and pressured from all sides for better reporting on corporate health and behaviours (Thiagarajan&Baul, 2014).

The ability of an organisation to be able to withstand economic challenges and perform well is believed to be dependent on the unique attributes of its board of directors. Previous crisis in the banking sector of Nigerian economy has been credited to the abuse of corporate governance practices especially in the area of impropriety of its board members. The financial health and performance of banks are important for the economic growth of Nigeria.

According to King and Levine (1993) cited in Ogbechie and Koufopoulos (2010), banks play three crucial roles to the development of any nation. Firstly, banks have an overwhelmingly dominant position in the financial systems of developing economies, and are extremely important engines of economic growth. Secondly, banks in these developing economies are typically one of the most important sources of finance for the majority of firms. Also, banks in developing countries are the main depository for the economy's savings and provide the means for payment. Therefore, the banking industry in Nigeria has a significant role to play in the development of the country's economy. The Central Bank of Nigeria (CBN) classified licensed banks in Nigeria into those with national authorization and international authorisation. The

operations of those with national authorization are restricted to Nigeria while those with international authorisation can operate outside the shores of the country.

Banks have been the main sources of financing in the Nigerian financial market and bank loans were the predominant sources of debt financing in the economy.

Board characteristics are particularly important in the Nigerian banking industry because they are likely to have impact on their financial performance. Several studies have observed a relationship between board attributes and financial performance of banks (Ogbechie, Koufopoulos&Argyropoulou, 2009; Akpan, 2015; Oyewale, Oloko&Olweny, 2016; Onyali, &Okerekeoti, 2018).

Most of the studies carried out in ascertaining the effect of board characteristics and firm performance are in developed economies (Baysinger, & Butler, 1985; Vafeas&Theodorou, 1998; Carola& Saks, 2010; Fernandez-Alonso & Rodriguez-Rodriguez, 2014) the few studies undertaken in Nigeria focused on non-financial institutions (Ogbechie, Koufopoulos&Argyropoulou, 2009; Akpan, 2015; Oyewale, Oloko&Olweny, 2016; and Onyali, &Okerekeoti, 2018 ). Due to the paucity of studies in this research area in developing economies like Nigeria and the fact that no study has focused on deposit money banks having international authorisation to the best of the researcher's knowledge. We therefore seek to investigate the effect of board attributes on the financial performance of listed deposit money banks in the Nigeria.

## **2. Literature review and hypotheses development**

### **2.1 Board Attributes**

#### **2.1.1 Board Gender Diversity**

Board gender diversity is the proportion of female directors to the total number of directors on the board. Over the years, there have been agitations for the inclusion of women in places of leadership. Traditionally, the boardrooms are dominated by males (Carter, Simkins& Simpson, 2003) thereby creating little or no opportunity for women to contribute their uniqueness to the firm. Women on board are believed to be strict than their male counterpart; they are perceived to be more effectiveness. (Edem& Noor, 2014). Due to their nature of being risk-averse, their involvement in board governance assist to avoid risk projects (Byrnes, Miller & Schafer, 1999).

In the view of Ibrahim and Angelidis (2011) women on board demonstrate greater responsibilities, more philanthropically incline and more likely to trade economic performance for corporate social responsibilities. Appointments of women on the board is expected to bring about diversity of opinions and perspective to board deliberations; especially when it relates to sustainability disclosure (Onyali&Okerekeoti, 2018). A board that lacks board gender diversity is more likely to give opinion and suggestions that may not put into consideration the sensitivity of the women into consideration.

Several empirical studies suggest that the presence of female director on the board has a significant impact on firm performance (Müller, 2014; Carter, Simkins& Simpson, 2003; Onyali&Okerekeoti, 2018; Oyedokun, 2019; Saleem, Rajesh, Najib& Sanjay, 2020; Kanakriyah, 2021; Sobhan, 2021). In a study by Emeka-Nwokeji and Agubata (2019) they observed that board gender diversity has a positive and significant effect firm performance.

On the other hand, some studies found a negative and insignificant relationship between board gender diversity and financial performance (Somathilake, 2018; Anis, Chizema, Lui&Fakhreldin, 2017; Mofijul&Maksudur, 2019). Edem and Noor (2014) found a negative but significant relationship between board gender diversity and turnover. They conclude that the negative effect could be as a result of appointing women on board as window dressing. In order to be seen or perceived to have a good board gender diversity. Naseem, Xiaoming, Riaz and Rehman (2017) investigated the impact of board attributes on the financial performance of an emerging economy (Pakistan), using Tobin Q and earnings per share as a measure of performance. The empirical result showed that there is a negative association between board gender diversity and financial performance. The above literature has inconsistent findings on the relationship between board gender diversity and financial performance. Therefore, we hypothesized that; *H1 – Board gender diversity has a significant effect on financial performance.*

### **2.1.2 Board independence**

Board independence is the proportion of non-executive directors (NED) to the number of directors. NEDs are not employees of the firm. They advise management on strategy and operations based on their professional experience. Some studies define board independence as the proportion of independent non-executive directors to the number of directors on the board. This study adopts the latter as the meaning of board independence. The presence of independent non-executive directors on the board serve as a mediator between the directors and management. Independent directors are engaged to supervise the activities of the executive directors and top management (Fuji, Abdul Halim &Julizaerma, 2016). They ensure that the interest of the directors does not conflict with that of the owners (shareholders). In addition, they are expected not to have material interest in the company, because this might influence their independent stance. Shareholders react favourably to the appointment of outside directors (Rosenstein & Wyatt, 1990) and react negatively to the demise of outside directors (Nguyen & Nielsen, 2010).

Some studies reveal a significant relationship between board independence and firm performance (Emeka-Nwokeji&Agubata, 2019; Naseem, Xiaoming, Riaz&Rehman, 2017; Adebiyi, 2017; Salem, Metawe, Youssef & Mohamed, 2019; Kanakriyah, 2021; Bekiaris, 2021)

While other studies averred an insignificant relationship (Akpan&Amran, 2014; Abu, Okpoh&Okpe, 2016; Johl, Kaur & Cooper, 2013; Rashid, 2017; Rashid &Pervin, 2019; Rahman &Razali, 2019; Yassin, 2021). Based on these inconclusive findings. Hence, we hypothesize that; *H2 - Board independence has a significant effect on firm performance.*

### **2.1.3 Board meeting**

This accounts for the number of times board members meet in a year. Board meetings (BM) is one of the requirements of the corporate governance code. There are two schools of thoughts on

the frequency of board meetings. The first school of thought uphold that boards that meet frequently are seen to be diligent. In order for directors to meet up with the CG code requirement there is need for them to meet frequently to deliberate on issues that would probably have a positive impact on performance.

When boards meet frequently it could be a way of revealing that top level management are creating sufficient time to tackle issues and deliberate on opportunities that they anticipate might impact positively on performance.

When boards do not meet constantly or when necessary, directors are perceived to be rubber stamps of management suggestions and proposals instead of providing leadership and guidance for the organisation. In addition, they are supposed to be the powerhouse of the organisation due to their level of experience and exposure. The multiplicity of their experiences are of gargantuan importance to the firm's survival.

BM serves as a means for effective harmonization/unification of opinions in attaining firm goals (Eluyela, Akintimehin, Okere, Ozordi, Osuma, Ilogho&Oladipo, 2018). Some affirmed that a high frequency of meeting leads to a waste of valuation time resource, more sitting and accommodation allowance to directors. They assert that it is the quality of the board meetings that counts and not the high board meeting frequency (Oyerinde, 2014; Ntim&Osei, 2011). Several studies revealed a significant association between board meetings and firm performance (Lipton &Lorsch, 1992; Ilaboya&Obarentin, 2015; Johl, 2013; Oyedokun, 2019). Other studies found an insignificant effect of board meeting on firm performance (Araoye&Olatunji, 2019; Sobhan, 2021). Based on the above background, hence we hypothesize that; *H3- Board meeting has a significant effect on firm performance.*

#### **2.1.4 Board remuneration**

The need to regulate the compensation of directors has become a burning issue in academic discuss. The way and manner directors accrue to themselves huge remuneration and extravagant benefits at the expense of the organisation calls for great concern. Remuneration provides useful information in order to assess the behaviour of board of directors (Scholtz& Smit, 2012)

Emeka-Nwokeji and Agubata (2019) examined board attributes and corporate performance of nonfinancial firms in Nigeria. The sample size was 93 listed firms out of a population size of 122 nonfinancial firms listed on the Nigeria Stock Exchange. It was observed that board remuneration had a negative significant effect on corporate performance. The study suggested that firms should be responsible and transparent in remunerating their BoD. Naseem, Riaz and Rehman (2017) reported a positive significant relationship between executive directors remuneration and firms financial performance. The results are consistent with Abdul-Wahab and Abdul-Rahman (2009); Basu and Weintrop (2007); Barontini and Bozzi, 2009; Miyienda, Oirere and Miyogo (2012); Yatim, 2013; Muller, 2014. In contrast, Doucouliagos, Askary and Haman (2006) averred no significant relationship between board remuneration and firm performance. From these studies, we therefore hypothesize that: *H4 - Board remuneration has a significant effect on firm performance.*

### **2.1.5 Board size**

This is the number of directors that make up the board. It is argued that large board creates room for diversity in skills that can positively impact on the performance of the firm. Large board have access to wide-ranging information that is of benefit to the firm. Through establishment of committees, they delegate workloads thereby achieving efficiency (Ilaboya&Obaretin, 2015). On the contrary, it is argued that large board size can mean high remunerations to board members, which could impact negatively on performance. (Ghabayen, 2012; Ibrahim &Salihu, 2015; Ogbeide&Akanyi, 2016). Decision making process is sluggish and valuable time is wasted for a large board size. When board size is beyond the acceptable level of five (5), directors are likely to dwell more on trivialities thereby prolonging decision-making. (Lipton &Lorch, 1992; Yermack, 1996). These studies suggest there is significant relationship between board size and firm performance (Akpan&Amran, 2014; Kakanda, Bawa& Abba, 2017; Onyali&Okerekeoti, 2018). While Rahman and Razali (2019), Saleem, et al (2020), Yassin (2021), Oyedokun (2019) and Nwanne and Okonkwo (2019) found an insignificant effect of board on performance. Due to the mixed results, we therefore hypothesize that; *H5- Board size has a significant effect on firm performance.*

### **3. Theoretical Framework**

The theoretical framework that underpins this study is the stakeholder's theory. The theory addresses the drawback of the shareholder's theory, which does not put into consideration board attributes dynamics. One of the famous contributors to this theory is Richard Edward Freeman. He posits that those that have interest in a firm is beyond the principal, agents and its customers. Freeman and Reed (1983) classified stakeholders into two groups: groups who ensure the existence and success of the organisation and individuals that have the capacity to affect and being affected by the organisation. In tandem to the stakeholder's theory expectation, directors have a duty of care to exercise reasonable judgement in directing the activities of the organisation (Ilaboya&Obaretin, 2015).

### **4. Methodology**

This study aims at investigating the effect of board characteristics on performance of banks with international authorization from 2014-2018. The research design adopted for the study is the longitudinal research design. This is the observation of a series of event over a period. The population of the study are the listed money deposit banks in Nigeria with international authorization. As at 2018 there were ten (10) approved banks by the Central Bank of Nigeria (CBN) to have international branches. The sample size consist of eight banks with international authorization due to the availability of board attributes data. The data was obtained from the annual reports of the selected companies. The multiple regression analysis was employed to examine the effect of the independent variables on the dependent.

#### **5.1 Operationalization of variables**

The variables for the study were classified into dependent variable and independent variables. The dependent variable is the firm performance measured as return on asset. While the independent variables are: board gender diversity, board independence, board meeting, board



remuneration and board size. The study has two control variables, which are: firm age and firm size.

**Table 1: The operationalization of the study variables**

| <b>Variable</b>              | <b>Definition</b>   | <b>Authors</b>   |
|------------------------------|---|--|
| <i>Dependent variable</i>    |   |  |
| Return on assets             | Profit after tax divided by total assets                                    | Johl, S. K., Kaur, S., & Cooper, B. J. (2015)  |
| <i>Independent variables</i> |   |  |
| Board Gender Diversity       | This is the proportion of female directors to the total number of directors | Emeka-Nwokeji, N.A., &Agubata S.N. (2019)  |
| Board independence           | The ratio of independent non-executive director to total directors          | Ilaboya, O. J., &Obaretin O. (2015)  |
| Board meeting                | Number of times board members meet in a year.                               | Akpan, E. O. (2015);<br>Johl, S. K., Kaur, S., & Cooper, B. J. (2015)                            |
| Board remuneration           | Natural log of the total emolument/remuneration paid to a director          | Razak, N. H. A. (2014);<br>Ruparelia, R. &Njuguna, A. (2016)                                     |
| Board size                   | Total number of directors on the board                                      | Emeka-Nwokeji, N.A., &Agubata S.N. (2019); Akpan, E. O. &Amran, N. A.(2014)<br>Rashid, A. (2017) |
| <i>Control variables</i>     |   |  |
| Firm size                    | Natural log of total assets   |  |
| Firm age                     | Natural log of the number years since the company was incorporated          |  |

Source: Authors' compilation.

**5.2 Firm performance measure**

The firm measure for performance is the return of assets. This is a form of accounting measure for firm performance that have been adopted by various researchers.

**5.3 Model**

The model for this study is stated below:

$$ROA_{it} = \beta_0 + \beta_1BGEN_{it} + \beta_2BIND_{it} + \beta_3BMEG_{it} + \beta_4BREM_{it} + \beta_5BSIZ_{it} + \beta_6FSIZ_{it} + \beta_7FAGE_{it} + \epsilon_{it}$$

Where:

ROA<sub>it</sub>= Return on Assets

BGEN = Board Gender Diversity

BIND = Board Independence

BEXP = Board Meeting

BREM = Board Remuneration

BSIZ = Board Size

FSIZ = Firm Size

FAGE = Firm Age

## 6. Empirical results

### 6.1 Descriptive statistics/analysis

**Table 2: Descriptive Statistics**

|              | BGED      | BIND     | BMEG     | BREM     | BSIZ     | ROA      |
|--------------|-----------|----------|----------|----------|----------|----------|
| Mean         | 19.18057  | 11.70457 | 6.485714 | 776802.3 | 14.31429 | 2.296473 |
| Median       | 21.05000  | 13.33000 | 6.000000 | 775704.0 | 15.00000 | 2.015238 |
| Maximum      | 35.29000  | 30.77000 | 12.00000 | 1588000. | 19.00000 | 6.153675 |
| Minimum      | 0.000000  | 0.000000 | 3.000000 | 184120.0 | 10.00000 | 0.000000 |
| Std. Dev.    | 9.483790  | 9.712235 | 2.356111 | 392782.6 | 2.719985 | 1.488146 |
| Skewness     | -0.462995 | 0.159945 | 1.003796 | 0.314963 | 0.018899 | 0.797814 |
| Kurtosis     | 2.488148  | 1.872053 | 3.203987 | 2.256675 | 1.974507 | 3.344582 |
|              |           |          |          |          |          |          |
| Jarque-Bera  | 1.632533  | 2.004616 | 5.938386 | 1.384452 | 1.535719 | 3.886120 |
| Probability  | 0.442079  | 0.367031 | 0.051345 | 0.500461 | 0.464005 | 0.143265 |
|              |           |          |          |          |          |          |
| Sum          | 671.3200  | 409.6600 | 227.0000 | 27188079 | 501.0000 | 80.37654 |
| Sum Sq. Dev. | 3058.038  | 3207.135 | 188.7429 | 5.25E+12 | 251.5429 | 75.29568 |
|              |           |          |          |          |          |          |
| Observations | 35        | 35       | 35       | 35       | 35       | 35       |

Source: Authors' compilation.

From the descriptive statistics table of the variable as shown in table 2 above, it is observed that ROA has a mean value of 2.296473 with a maximum and minimum value of 6.153675 and 0.000000 respectively. The standard deviation measuring the spread of distribution stood at 1.488146 suggesting a considerable cluster in values around ROA. BGED has a mean of 19.18057, median of 21.05000, a maximum and minimum values of 35.29000 and 0.000000, suggesting not more than 35% of the directors are female directors, while some banks in the observed samples do not have any female director as a member of the board. The standard deviation of 9.483790 suggests a dispersion of board gender from the mean.

BIND has a mean of 11.70457, median of 13.33000, a maximum and minimum values of 30.77000 and 0.000000, suggesting not more than 31% of the directors are independent directors, while some banks in the observed samples do not have an independent director. The standard deviation of 9.712235 suggests a dispersion of board independence from the mean. BMEG has a mean value of 6.485714, media of 6, maximum and minimum values of 12 and 3 respectively. Maximum value of 12 indicates that directors of the sampled banks do not meet more than 12 times in a year and a minimum of 3 meetings in a year. The Standard deviation stood at 2.356111 which indicates a dispersion from the mean.



BREM has a mean of 776802.3, which explains the average board remuneration of the sampled banks. The maximum and minimum values are 1588000 and 184120.0 respectively from the table 1 above. This suggests that the board with the highest remuneration receives about N775704 million annually from the sampled bank. The Standard deviation of 392782.6 shows that a moderate dispersion from the mean.

BSIZ has a mean of 14.31429, which explains the average board size of the sampled banks. The maximum and minimum values are 19 and 10 respectively from the table 1. This suggests that the largest board size of the sampled bank is 19 while the minimum is 10. The Standard deviation of 2.719985 shows that a considerate dispersion from the mean.

**Table 3: Pearson Correlation result**

|      | BGED    | BIND    | BMEG    | BREM    | BSIZ    | ROA     |
|------|---------|---------|---------|---------|---------|---------|
| BGED | 1       | 0.1002  | 0.3716  | 0.6318  | 0.5584  | -0.1384 |
| BIND | 0.1002  | 1       | -0.1268 | -0.0568 | -0.2048 | 0.3681  |
| BMEG | 0.3716  | -0.1268 | 1       | 0.0727  | 0.1223  | -0.4897 |
| BREM | 0.6318  | -0.0568 | 0.0727  | 1       | 0.6643  | -0.0429 |
| BSIZ | 0.5584  | -0.2048 | 0.1223  | 0.6643  | 1       | -0.3169 |
| ROA  | -0.1384 | 0.3681  | -0.4897 | -0.0429 | -0.3169 | 1       |

Source: Authors' analysis.

Table 3 presents the Pearson correlation coefficient results for the variables under consideration. It is observed that ROA and BGED are negatively correlated or associated as shown by the correlation coefficient of -0.1384. BMEG is negatively correlated with ROA with a correlation coefficient of -0.4897 and also with BIND at 0.3681.

It is observed that ROA and BIND are positively correlated or associated as shown by the correlation coefficient of 0.35. BREM is negatively correlated with ROA with a correlation coefficient of -0.0429 and BSIZ is negatively correlated with ROA with a coefficient of -0.3169.

BGED is positively correlated with BIND (0.1002), BMEG (0.3716), BREM (0.6318) and BSIZ (0.5584). BIND is negatively correlated with BMEG (-0.1268), BREM (-0.0568), and BSIZ (-0.2048). BMEG is positively correlated with BREM (0.0727) and BSIZ (0.1223). BREM is positively correlated with BSIZ (0.6643). The correlation coefficient results show that none of the variables are strongly correlated and this indicates that the problem of multicollinearity is unlikely and hence the variables are suitable for conducting regression analysis.

**Table 4: Multiple Regression Results**

| Variable           | Coefficient | Std. Error            | t-Statistic | Prob.  |
|--------------------|-------------|-----------------------|-------------|--------|
| C                  | -5.220658   | 7.792891              | -0.669926   | 0.5086 |
| BGED               | -0.011430   | 0.035950              | -0.317932   | 0.7530 |
| BIND               | 0.018299    | 0.028325              | 0.646044    | 0.5237 |
| BMEG               | -0.272849   | 0.096519              | -2.826889   | 0.0087 |
| BSIZ               | -0.165088   | 0.125986              | -1.310363   | 0.2011 |
| LOG_BREM           | 1.135314    | 0.656521              | 1.729289    | 0.0952 |
| FAGE               | -0.023216   | 0.010237              | -2.267767   | 0.0316 |
| LOG_FSIZ           | -0.121628   | 0.319522              | -0.380657   | 0.7064 |
| R-squared          | 0.519460    | Mean dependent var    | 2.296473    |        |
| Adjusted R-squared | 0.394876    | S.D. dependent var    | 1.488146    |        |
| S.E. of regression | 1.157625    | Akaike info criterion | 3.328250    |        |
| Sum squared resid  | 36.18258    | Schwarz criterion     | 3.683758    |        |
| Log likelihood     | -50.24437   | Hannan-Quinn criter.  | 3.450971    |        |
| F-statistic        | 4.169544    | Durbin-Watson stat    | 1.291514    |        |
| Prob(F-statistic)  | 0.003144    |                       |             |        |

Source: Authors' analysis.

Table 4 above shows the ordinary least squares regression result conducted using Eviews 9.0 statistical package. The R-square of 0.519 (52%) implies that the explanatory variables explain 52% of the dependent variable while 48% is unaccounted. It is observed that the Adjusted R-square is 0.39 (39%) which also means that the independent variables explains 39% of the likely variation in the dependent variable (ROA). A diagnostic test on the model show F-statistics of 4.169544 with a p-value of 0.003144 which is highly significant, it explains the suitability of the model used in the regression analysis.

The effect of board gender diversity (BGED) on performance (ROA) appears to be negative and insignificant at 5% ( $t=-0.317932$ ,  $p=0.7530>0.05$ ). This result is in tandem with the studies by Somathilake, (2018), Anis, Chizema, Lui and Fakhreldin (2017) but contrary with the findings of Müller (2014), Carter, Simkins and Simpson (2003), Onyali and Okerekeoti (2018).

The effect of board independence (BIND) on performance (ROA) appears to be positive but insignificant at 5% ( $t=0.646044$ ,  $p=0.5237>0.05$ ). This finding is in line with the studies of Akpan and Amran (2014), Abu, Okpeh and Okpe (2016) and Johl, Kaur and Cooper (2013) and Rashid (2017) but not in tandem with the findings of Emeka-Nwokeji and Agubata (2019) Naseem, Xiaoming, Riaz and Rehman, (2017) and Adebisi (2017) that document a significant effect of board independence on performance.

The effect of board meeting on performance appears to be negative but significant at 5% ( $t=2.826889$ ,  $p=0.0087$ ). This reveals that too many board meeting is a drainer to the resources of an organisation. The results are consistent with Abdul-Wahab and Abdul-Rahman (2009), Basu and Weintrop (2007), Barontini and Bozzi, 2009, Miyienda, Oirere and Miyogo (2012), Yatim, (2013), Muller (2014). In contrast with the document of Doucouliagos, Askary and Haman (2006) that averred no significant relationship between board remuneration and firm performance

The effect of Board Remuneration on performance appears to be positive and significant at 5% ( $t=1.729289$ ,  $p=0.0952<0.05$ ). This result is consistent with Abdul-Wahab and Abdul-Rahman (2009), Basu and Weintrop (2007), Barontini and Bozzi, (2009), Miyienda, Oirere and Miyogo (2012), Yatim, (2013), Muller (2014). In contrast, Doucouliagos, Askary and Haman (2006) averred no significant relationship between board remuneration and firm performance.

Finally, the effect of Board Size on performance has a negative and insignificant impact at 5% ( $t=-1.310363$ ,  $p=0.2011>0.05$ ). This finding is not in line Akpan and Amran (2014), Kakanda, Bawa and Abba (2017) and Onyali and Okerekeoti (2018). On the contrary the work of Ghabayen, (2012), Ibrahim and Salihu (2015), Ogbeide and Akanyi (2016) document a negative and significant effect of board size on performance.

### **6.3 Hypotheses Testing**

The following hypotheses have been specified to guide the direction of the research:

**H<sub>1</sub>:** Board gender diversity has no significant effect on financial performance of listed deposit money banks in Nigeria.

The effect of board gender diversity (BGED) on performance (ROA) appears to be negative and insignificant at 5% ( $t=-0.317932$ ,  $p=0.7530>0.05$ ). Therefore, the null hypothesis that Board gender diversity has no significant effect on financial performance of listed deposit money banks in Nigeria is accepted.

**H<sub>2</sub>:** Board independence has no significant impact on financial performance of listed deposit money banks in Nigeria.

The effect of board independence (BIND) on performance (ROA) appears to be positive but insignificant at 5% ( $t=0.646044$ ,  $p=0.5237>0.05$ ). Therefore, the null hypothesis that board independence has no significant impact on financial performance of listed deposit money banks in Nigeria is accepted.

**H<sub>3</sub>:** Board meeting has no significant impact on financial performance of listed deposit money banks in Nigeria.

The effect of board meeting on performance appears to be negative but significant at 5% ( $t=2.826889$ ,  $p=0.0087$ ). Consequently, the null hypothesis Board meeting has no significant impact on financial performance of listed deposit money banks in Nigeria is rejected.

**H<sub>4</sub>:** Board size has no significant effect on financial performance of listed deposit money banks in Nigeria.

The effect of Board Size on performance has a negative and insignificant impact at 5% ( $t=-1.310363$ ,  $p=0.2011>0.05$ ). Hence, the null hypothesis that board size has no significant effect on financial performance of listed deposit money banks in Nigeria is accepted.

**H<sub>5</sub>:** Board remuneration has no significant effect on financial performance of listed deposit money banks in Nigeria.

The effect of board remuneration on firm performance of banks in Nigeria revealed a positive and significant at 5% ( $t=1.729289$ ,  $p=0.0952>0.05$ ). Therefore, the hypothesis that Board remuneration has no significant effect on financial performance of listed deposit money banks in Nigeria is accepted.

## **7. Conclusion**

This research work, board attributes and firm performance of banks with international authorization in Nigeria focused on five board attributes: board gender, board independence, board meetings, board size and board remuneration with two control values (firm size and firm age). Return on assets was used as a proxy for firm performance. Board gender has an insignificant impact on performance of the banks from the findings. This means that recruiting more females on the board does not necessarily impact on profit.

Board independence had a positive insignificant relationship on performance. The higher the proportion of independent non-executive directors on the board the more likely the increase in performance of the firm.

Board meeting had a negative significant relationship on firms, suggesting that fewer meetings would lead to an increase in performance due to cost savings from organising a board meeting and reductions in sitting allowances and other perquisite being paid to directors for attendance. Board size had a negative insignificant relationship on performance while board remuneration was found to have a significant effect on firm performance, this effect was positive, hence directors should be well-remunerated so as to boost their morale and make them more committed to the company.

In line with the findings of this study, the following recommendations were made:

- i. Firms should not be distracted by the craze of having more women on board thereby lowering the qualifications or requirements of a board member. Capable and experienced hands should be the focus and not gender.
- ii. Quoted commercial banks should endeavour to stick to the Corporate Governance Code of having independent directors on the board that are free from bias. Having a sizeable number of them on the board increases stakeholders and shareholders confidence.
- iii. Frequency of board meeting affords the board the opportunity and sufficient time to brainstorm and deliberate on issues that would be of benefit to the organisation. Therefore, firms should ensure that gaps between meetings are so long before they are held.

- iv. Given the negative effect of the size of board director on bank performance, there is the need to encourage a relative smaller board size. Firms cannot improve their financial performance by increasing the directors on its board as increase board size means increased financial commitment on the part of the company. Companies have to make large payments to retiring board members and other financial benefits like sitting allowance, travelling expenses, hotel accommodation and entertainment during meetings. In order to reduce this huge cost, banks should maintain a moderate board size.
- v. Board of directors should be well-remunerated and compensated so as to boost their morale and make them more committed to the company. They should not be given outrageous pay that can impact negatively on the profit of the firm.

Finally, we recommend that future studies can extend the study period and in addition examine another sector of the financial industry like the microfinance banks in order to investigate the effect of board attributes on firm performance

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