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Board Characteristics and Performance of Quoted Consumer Goods Firms: Evidence from Nigeria

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Abstract

Corporate governance has become a worldwide concern over the year due to numerous corporate financial failures which has redirected the attention of policy makers to the significance of board characteristics. This study examined the relationship between board characteristics and performance of quoted Nigerian consumer goods firms. This study adopted historical research design and ten firms were selected from the population of twenty-seven Nigerian listed consumer goods firms, as at 2017, using simple random sampling technique. Secondary data over a period of seven years (2011-2017) was obtained from the annual reports of the selected firms. Analysis was performed on data collected adopting Auto Regressive Distributed Lag (ARDL) Regression and other post estimation techniques to determine the existence of relationship between the variables. The results of the study showed significant relationships between board independence, board diligence and performance of consumer goods firms ($p < 0.05$). However, there is insignificant

relationship between board size, board composition and performance of consumer goods firms ($p>0.05$). The study concluded that regular board meetings and board independence play significant roles in timely decision makings that affect the overall firm's objective. Hence, the study recommended a regular board meetings and board independence that will be efficient in taking vital decisions that affect the firm's overall performance.

Keywords: board independence; board size; board composition; board diligence and performance.

Introduction

The modern-day commercial environment is branded by risk and uncertainty which negatively affect forecast and control of perceptible and imperceptible elements that inhibit efficient firms' performance. It is note worth that increased demand for customers' satisfaction necessitates redirection of focus on managerial expertise and service delivery quality. In response to external pressures, firms recourse to different strategies to sustain competitive positions in the market. In a dynamic environment, board becomes very significant for effective operations as board is expected to perform diverse tasks to lessen agency costs (Roberts, McNulty and Stiles, 2005). Board has to initiate organizational revolution and ease processes that support the organizational mission (Bart and Bolton, 2008).

The impact of board on the success of organization is increasingly recognized globally, and corporate governance practices are embraced by different countries (Bathula, 2008). This attraction is in response to several corporate collapses that continue to take place over the world (Rebeiz, 2015). According to the World Bank Reports (2016), good corporate governance practice reduces borrowing costs, adds values to firm, and improves risk management, which eventually lead to sustainable growth and improved firm's performance.

The apposite criterion selected to assess firm's performance is a function of the nature of organization to be evaluated, and the purpose to be achieved. Can board of directors qualities influence firm's performance? An admissible answer to this question is provided by

examining previous empirical studies on the subject matter. However, corporate governance over the years has become a topical issue all over the world due to economic crisis, financial scandals and corporate failures (Benjamin, 2009; Fallatah and Dickins, 2012; Jones, Li and Cannella, Shahwan, 2014).

Previous studies show that good corporate governance improves firm's performance, others prove inverse relationship, while some fail to determine significant link between the variables (Ghabayen, 2012). The subject of firm's performance has received substantial attention from scholars in various areas of business endeavor. It is a major concern for business specialists since financial performance has repercussions on organization's survival. Better performance reflects efficient utilization of company's resources; hence improve the economy of the country (Roberts, McNulty and Stiles, 2005). Studies such as (Bathula, 2008) and (Ghabayen, 2012) on board attributes and firms' performance have produced varied results ranging from supporting to opposing a positive relationship leading to a conflicting empiric on board attributes and firm's performance. Hence, a problem of recognizing and clarifying the link between board characteristics and performance of Nigerian quoted consumer goods firms remains unresolved.

With respect to these divergent results, the study seeks to examine the relationship between board characteristics and performance of quoted Nigerian consumer goods firms. Specifically, the study sought to determine the relationship that exists between board independence and performance of Nigerian quoted consumer goods firms; evaluate the relationship between board size and performance of Nigerian quoted consumer goods firms; assess the relationship between board composition and performance of Nigerian quoted consumer goods firms and identify the relationship between board diligence and performance of Nigerian quoted consumer goods firms.

Methodology and Purpose of the Study

This study adopted secondary data and historical research design to determine the relationship between board characteristics and corporate performance of Nigerian quoted consumer goods firms. The purpose for adopting this research design was to evaluate and understand the past for intelligent prediction of the future. Assessing the relationship between board characteristics and firms' performance, the study gathered data on board characteristics and corporate performance

variables. Data for this research comprised data from 2011 to 2017 collected from the Annual Reports of the selected ten listed consumer goods firms.

Study Variables and Data Analytical Technique

Return on Asset (ROA) was used to measure corporate performance, while board independence, board size, board composition and board diligence were surrogates for board characteristics. The study covered a period of seven years. Inferential statistics adopted econometrics models with a concentration on panel data using regression analysis to achieve the four specific objectives of the study. Analysis was performed on data collected. Descriptive analysis was performed with descriptive statistics. Normal distribution of data was tested with the confirmation of Skewness and Kurtosis. Also stationarity test analysis was done with Augmented Dickey Fuller (ADF) and Co-integration was performed to determine the long run relationship among the studied variables. Finally, Auto Regressive Distributed Lag (ARDL) Regression and other post estimations (Jarque-Bera test) were also performed to determine the existence of relationship between the variables.

Hypotheses

- H₀₁ There is no significant relationship between board independence and corporate performance of quoted consumer goods firms
- H₀₂ There is no significant relationship between board size and corporate performance of quoted consumer goods firms
- H₀₃ There is no significant relationship between board diligence and corporate performance of quoted consumer goods firms
- H₀₄ There is no significant relationship between board composition and corporate performance of quoted consumer goods firms

Model Specification

Y is corporate performance

X is board characteristics

Return on Asset (ROA) was used to measure corporate performance

Where board characteristic was measured by:

Board Independence (BI) is represented by x_1 ;

Board Size (BS) is represented by x_2 ;

Board Composition (BC) is represented by x_3 ; and

Board diligence (BD) is represented by x_4
 $X = (x_1, x_2, x_3, x_4)$
Hence, $Y = f(x_1, x_2, x_3, x_4)$1
 $RoA_{it} = \beta_0 + \beta_1 BI_{it} + \beta_2 BS_{it} + \beta_3 BC_{it} + \beta_4 BD_{it} + e_{it}$2
 β_0 = constant
 β_{1-4} = co-efficient of independent variable
 e = error term
 i = cross sectional script ($i=10$)
 t = time series variable script ($t=7$)

Variables measurement

Table no. 1 presents the way the variables used in the study were described and measured.

Table no. 1. Measurement of variables

Proxy	VARIABLE TYPE	MEASUREMENT
Board Characteristics	Dependent	ROA: Returns on Asset
Board Independence	Independent	Measured with the proportion of non-executive directors divided by total number of directors on the board of the company.
Board Size	Independent	Measured with the size of the board was measured with the total number of directors
Board Composition	Independent	Measured with the proportion of non-executive directors divided by total number of directors
Board Diligence	Independent	Measured with the number of board meetings.

Source: Various empirical literatures (2017)

Theoretical Framework

Stakeholder theory is adopted for this study. The stakeholder theory was developed by Harrison Freeman in 1999. The theory places premium on the importance of employees, shareholders, suppliers, business partners and their relationship with the company’s managers. The theory affirms that stakeholders are concerned with the accomplishment of a corporation where they have stake which implies

that stakeholders are affected by the firm's goals. Amba (2013) posited that stakeholders provide resources for firm since every corporation needs human and capital resources to survive and create value. The external providers are crucial to the success of any firm. Therefore, firm should recognize valuable contributions of stakeholders and promote their embedding in firm's long time plan (Ali and Nasir, 2014).

Jensen (2001) asserted that firm may not exploit survive within the business environment if the interest its stakeholders are not recognized. The reason is that stakeholders and business are inseparable and intertwine. The interest of stakeholders is to be balanced over time Freeman (2004). Boone (2007) submitted that the ethical standard is to give audience to outside stakeholders for thorough corporate governance practice. Corporate governance ensures judicious and proper allocation and utilization of scarce resources to attain business objective. The corporate governance mechanisms have to attain strategic point and align the interests of owners with that of other stakeholders. Therefore, the value addition to the enterprise is closely netted to that of stakeholders. Thus, business should be strategically positioned to fulfill the interest of several stakeholders in long-term (Freeman, 2004).

Conclusively, corporate governance assists board to note the demands and aspirations of various communities concerned (Khan and Javid, 2011). Board has a responsibility for well-adjusted remunerations of every actor in the firms. Therefore, board of directors is to identify critical capitals, viz., finance, technology, society, environment, and human, before creating the long-term corporate strategies.

Literature Review

The board of directors is an ultimate management unit in a firm (Chechet, Yancy and Akanet, 2013). Kakanda, Bello and Abba (2016) asserted that organization considers board of directors as a team that works towards achieving organizational goals and board is placed in a hierarchy above other managers in an organization because the board performs strategic roles of decision making. The composition and competencies of board are important organizational resources and such resources give competitive advantage to firms and help to achieve excellent performance (Hunt, 2000). Board structure and characteristics are vital to effective decision making and performance of firms.

Kakanda, Basariah and Sitraselvi (2016) suggested that the major responsibilities of a board include formulating policy, monitoring and implementing policy that support the firm to achieve goal. Kemp (2006) asserts that directors have a clear role to formulate business strategies and make strategic decisions. This study signposts the need for board's involvement in formulating and implementing strategic policy that assists the firm's goal. While it is obvious that board performs crucial roles towards achieving strategic goal, not every board equally participates in strategic decision making. Some boards are passive while some active in participating in strategic decision making process (Bhagat and Bolton, 2008).

Previous studies indicated that board qualities have relationship with performance (Kim, 2014; Kakanda, Bello and Abba, 2016). The board of directors plays vital and integral roles in organizational survival. They are saddled with responsibility of providing oversight functions monitor and where necessary discipline CEOs (Coles, 2008; Rebeiz, 2015). Prior research establishes that board is faced with dual responsibilities that compete with each other to serve as board's major area of focus. To be precise, firms elect board to provide regulation to the firm's management team and also serve as monitoring mechanism firm's operation (Boone, 2007; Kim, 2014).

A board is independent, when the numbers of independent non-executive directors that are not associated with top executives of the firm are more (Coles, 2008; Cicero, 2013; Kim, 2014). The board comprises executives and non-executives who are either independent or non-independent directors. The non-executive directors play a role of a watch dog for the actions of the Chief Executive Officer (CEO). Executive directors ensure that the shareholders' interests are well protected and add to the mixture of skills and expertise of the directors. The board size is viewed as an essential dimension of board characteristics and this is because there are contradictory beliefs in literature regarding board size. Many theorists support large board size, whereas other suggests small size, some argue for flexibility in size while other rigidity.

Hendry and Kiel (2004) posited that board size has influence on debates and decision making and should compose sufficient numbers of directors to implement various decisions. Ali and Nasir (2014) posited that board size depends on several outside factors such as industry, legal and regulatory framework, economic system and political institution.

Benjamin (2009) argued that board oversize may lead to inappropriate coordination, while board undersized may affect making rich decision. However, Boone (2007) and Kim (2014) concluded that the boards of directors should ensure that organizations operate within the law and uphold the fiscal integrity of operations.

Board composition is the number of independent non-executive directors on the board compared with the total number of directors. Various studies over the world revealed that non-executive directors are effective in monitoring managers and protecting the interest of shareholders which result in improved performance. Kim (2014) opines that the mix of executive and non-executive directors constituting a firm's board is very important for its performance. The proportion of directors to a large extent, determine the quality of decisions since fairness plays essential role in taking good decisions.

Board diligence is the frequency of time in which the board of directors meets to deliberate on important issues that affect firm and take judicious decisions on them. Yusoff (2012) asserted that the success of a board is dependent on the frequency of time the board members meet to discuss issues confronting a firm. A regular meeting of board enhances oversight functions that bring about improved performance. Furthermore, board diligence such as preparation before meetings, attentiveness, and participation during meetings and post-meeting follow-up (Kim, 2014). Dalton (2011) observed board meetings as an avenue to improve board's effectiveness. Shahwan (2015) submitted that it is when board meets regularly that it will be able to function diligently and protect the interests of shareholders. Board characteristic is the hard core of corporate financial performance; it has received significant attention from many researchers and continues to be a topical issue. Among the notable studies on board attributes discussed are the contributions of the researchers discussed below.

The independence non-executive directors are effective tool for controlling the activities of the managers (Amba, 2013). A high proportion of independent directors on the board enhances the monitoring of managerial opportunism and reduces information asymmetries (Ilaboya and Obaretin, 2015). However, a lot of issues like familiarity, threat of replacement of auditor and provision of management advisory service seem to harm board independence. There is need to strengthen the independence of board to constantly perform oversight functions (Johl, 2013). Yusoff (2012) examined the

relationship between corporate governance and firm performance of 813 listed companies in Malaysia from 2009 to 2011. He establishes that board size significantly influences performance in relation to firm earnings per share and Return on Equity (ROE). Boone *et. al* (2012) established that board composition was negatively and significantly related to performance of deposits money Banks in Nigeria.

Gosh (2007) established a statistically significant impact of board diligence on firm performance, observing that 10% increase in diligence increases the performance of the organization by 1%. Johl (2013) adopted financial and non-financial data from companies listed on the Malaysian Stock Exchange market in 2009. The study reported a negative relationship between board diligence and corporate performance. This negative relationship is in line with Johl (2013). However, others believe that infrequent board meetings result to insignificant influence on management operations (Chechet, Yancy and Akanet, 2013).

Results

Pre- estimation

Below is the descriptive statistics and graphical analysis of the time series employed in the study. The essence was to give a cursory review of the statistical properties and trends of the variables employed.

Descriptive Analysis

The information in Table no. 2 presents the descriptive statistics for the proxies included in the dependent and independent variables. The table presents the mean, maximum, minimum, standard deviation, Skewness, Kurtosis and other descriptive results.

Table no. 2. Descriptive Statistics

	ROA	BI	BZ	BD	BC
Mean	0.1567	0.6711	10.200	5.3285	0.6289
Median	0.1300	0.6700	10.000	5.0000	0.6700
Maximum	0.9900	0.9200	16.000	11.000	0.9200
Minimum	0.0100	0.5000	7.0000	3.0000	0.0100
Std. Dev.	0.1344	0.1099	2.0962	1.4518	0.1963
Skewness	3.8010	0.1420	0.6500	1.2150	-1.5210
Kurtosis	2.4580	-0.8450	-0.2500	2.2260	2.2420

Jarque-Bera	7.3199	15.3249	115.0039	219.6502	730.287
Probability	0.0002	0.0006	0.0000	0.0000	0.0000
Sum	8.9101	10.9102	62.2322	78.1265	4.2686
Sum Sq.					
Dev.	0.0214	0.3245	3.6533	4.2094	1.5445

Source: E-Views Outputs

Table no. 2 presents the descriptive analysis of the studied variables. The mean value for corporate performance (return on assets) of the sampled consumer goods firms was 15.67%, with a standard deviation of 0.1344. The value is in a range between 0.01 (minimum) and 0.99 (maximum). This implies that for every N100 unit of asset employed by the sampled firms N15.67 was earned as return on asset. Return on assets also had positive Skewness as shown by Skewness value of 3.8010, and Kurtosis value of 2.458, this showed the normality of the data analyzed.

Board independence was measured with the proportion of non-executive directors divided by total number of directors on the board of the company. The application of board independence in the board characteristics of sampled companies was in a range between 0.50 and 0.92, and its mean value was 0.6711. Board independence had positive Skewness value of 0.142, and a negative Kurtosis value of -0.845, this showed the data for board independence data was not normally distributed. Meanwhile, the size of the board was measured with the total number of directors on board. The mean for board size was 10.2. The value of board size was in a range between 7 and 16. Board size had positive Skewness as shown by Skewness value of 0.650, and a negative Kurtosis value of -0.25, these values implied that the data for the board size was not normally distributed.

Table no. 2 also revealed that the mean value of board diligence was 5.33, while maximum and minimum values 11 and 3 respectively. The table also revealed positive Skewness for board diligence indicating that the degree of departure from symmetry of a distribution was positive, and also Kurtosis value of 2.226 which shows the degrees of Peakedness of the variable. The table also revealed the mean value of board composition as 62.89%, while maximum and minimum board composition during the study period stood at 92% and 1% respectively. It was also revealed that board composition had a negative Skewness of

-1.521 indicating negative degree of departure from symmetry of a distribution, and also Kurtosis value of 2.242 which showed the degrees of Peakedness of the variable.

In conclusion, Jarque-Bera statistics was used to further clarify the normality of the data for the variables, a critical appraisal of the Jarque-Bera statistics revealed that all the observed variables are normally distributed, with all probability values within the significance levels.

Correlation Analysis

The Pearson correlation for the dependent and independent variables are presented in Table no. 3. The table presents board independence, board size, board, board composition and board diligence as proxies for independent variable, and return on asset to measure dependent variable.

Table no. 3. Correlations Analysis

	Return on Asset	Board Independence	Board Size	Board Meeting	Board Composition
Return on Asset	1				
Prob	--				
Board Independence	0.094**	1			
Prob	0.001				
Board Size	-0.135	-0.202*	1		
Prob	0.265	0.093			
Board diligence	-0.167	0.331***	-0.131	1	
Prob	0.866	0.005	0.278		
Board Composition	0.113	0.773***	-0.536**	0.274**	1
Prob	0.350	0.000	0.000	0.022	

Note: *, ** and *** indicate significant at 10%, 5% and 1% level respectively

Source: Author's computation with the aid of E-Views Output

Table no. 3 showed the correlation relationship between the studied variables. The table indicated that board independence was positively correlated with Return on Asset (ROA). This positive relationship implied that, the degree of board independence had positive relationship on the firm Return on Asset. The relationship between Return on Asset and board independence was significant at 5% level. It was also revealed that Return on Asset (ROA) had a positive correlation with board composition. This positive relationship implies that, the level of board composition would have positive relationship on the firm Return on Asset. The relationship between Return on Asset and board composition was not significant as the probability value is greater than the acceptable significance levels. Meanwhile, the results of the analyzed data indicated that board size has a negative correlation with corporate performance. The relationship between board size and corporate performance is not significant as the probability value is greater than the acceptable significance levels. Similarly, the correlation test indicated that board diligence has a negative correlation with corporate performance. The relationship between board diligence and corporate performance is not significant as the probability value is greater than the acceptable significance levels.

Stationarity Test Analysis

Testing for stationarity among the variables was to determine the long run relationship among the studied variables. A good technique that was used for the stationarity test is Augmented Dickey Fuller (ADF).

Table no. 4. Stationarity Analysis

Vari ables	ADF 1% Test	Critical 5% Value	Critical 10% Value	Critical Value	Order of Statio- nary	Remarks
ROA	-5.2324	-4.5653	-3.0987	-3.6655	1(1)	Stationarity
BI	-9.5658	-4.7641	-3.0881	-3.1134	1(1)	Stationarity
BZ	-2.9098	-4.6753	-3.9889	-3.9871	1(1)	Non- stationarity
BC	-5.0987	-4.0987	-3.7654	-3.8752	1(1)	Stationarity
BD	-3.4547	-4.6909	-3.6729	-3.9241	1(1)	Non- stationarity

Source: E-View outputs

The null hypothesis of the stationarity states that there is unit root among the studied variables, meaning that variables under study are not stationary, while the alternative hypothesis states that there is no unit root, that is, the variables are stationary. The results showed that there is stationarity for return on assets, board composition and board independence at first difference. This is possible since the absolute terms of Augmented Dickey Fuller for these variables are higher than their critical values. Therefore, the null hypothesis is accepted, and we rejected alternative hypothesis. Thus, conclude that the variables (return on assets, board composition and board independence) are stationary and integrated of order one. Since the stationarity was found for return on assets, board independence and board composition at first difference, this leads to the acceptance of the long-run relationship among the estimation parameters. However, the results also showed that there is no stationarity for board size and board diligence. This is obtained as the absolute terms of Augmented Dickey Fuller for these two variables are less than their critical values. Therefore, we fail to reject the null hypothesis, and we reject alternative hypothesis. Thus, conclude that the variables (board size and board diligence) are not stationary. This leads to the rejection of acceptance of the long-run relationship among the estimating parameters.

Co-integration Analysis

Co-integration was tested to determine the long run relationship among the variables. The purpose of co-integration analysis is to determine whether there is co-integration between the variables, or there is not. The summary of the result of the co-integration test is presented in Table no. 5.

Table no. 5. Co-integration Test

Hypothesized		Trace	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Probability
None *	0.767663	351.4633	225.8823	0.0023
At most 1 *	0.776921	268.6021	105.3827	0.0002
At most 2 *	0.993582	208.9545	79.82653	0.0011
At most 3 *	0.982246	81.50585	57.89902	0.0001

At most 4 *	0.218552	60.36244	49.70922	0.0021
At most 5 *	0.982371	32.85904	25.47864	0.0062

Source: E-Views Outputs

To determine the level of co-integration in the study variables, the values of Trace Statistic is compared with critical values. As revealed in table no. 5 Trace Statistic test are greater than the critical values, and all the variables are significant at 1% level. As a result, we reject that there is no co-integration in the variables. We therefore conclude that all the explanatory variables are co-integrated with dependent variables. This further clarified a position of long-run relationship between the dependent and independent variables.

Regression Analysis

Regression analysis between board characteristics and corporate performance for listed consumer goods firms in Nigeria are presented in the Table no. 6. which showed the regression results between dependent variable (corporate performance) and independent variable (board independent, board size, board meeting and board composition).

Table no. 6. Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.247	0.148	1.664	0.101
BI	2.061	0.340	5.767	0.000
BZ	-0.009	0.010	-0.950	0.346
BC	-0.017	0.163	-1.107	0.915
BD	-0.022	0.012	-1.834	0.007
R-squared	62.5%			
Adjusted R-squared	52.1%			
F-statistic	1.241	**		
Prob(F-statistic)	0.0030			
Durbin-Watson	1.877			

Note: *, ** and *** indicate significant at 10%, 5% and 1% level respectively

Source: E-View Output

The results showed that board independence had positive and significant relationship with corporate performance of consumer goods firms. This result is supported by the t-statistic of 5.767 at a p-value of 0.000 which was lower than the acceptable significance levels. The regression result between board size and corporate performance also indicated negative and insignificant relationship. This relationship is supported by the t-statistic of -0.950 at a p-value of 0.346 which is greater than the acceptable significance levels. In addition, it was shown that board composition had negative and insignificant relationship with corporate performance of consumer goods companies used in the study. This result is supported by the t-statistic of -0.107 at a p-value of 0.915 which is greater than the acceptable significance levels.

On the other hand, the regression results also revealed that board diligence has negative and significant relationship with the dependent variable. This negative and significant relationship has been supported by t-statistic value of -1.834 at a p-value of 0.007 which is less than the 5% significance level. Therefore, the relationship between board diligence and corporate performance is significant at 5% significance level.

The value of R-square is the coefficient of determination in the study which measures the goodness fit of the model. R-square indicates that 62.5% of the variations observed in the corporate performance were explained by variations in the independent variable. The reported Adjusted R-square was 52.1%, meaning that 52.1% of explanatory variables explained the dependent variable (board characteristics) of the selected consumer goods firms used for the study. The Durbin Watson statistics test was conducted to measure the power of the residual, in order to ascertain the presence or otherwise of autocorrelation in the model. The Durbin Watson (D.W) statistics for the studied variables was found to be 1.877. This indicates that there is no presence of autocorrelation in the model, and consequently the model does not have any element of bias. F-statistics results indicated that regression model used in this study is good for prediction purposes. F-statistic of 1.241+ and supported by the P-value of 0.0030 indicated that the overall model applied statistically predicted the dependent variable. Since the probability is less than the specified 5% level of significance, the overall determinant of the explanatory variables on the board characteristics is statistically significance. Hence, the null hypothesis that the overall effect is not significant is rejected and the alternative hypothesis is accepted.

Discussions

The empirical evidence of this study provided an insight to Nigerian listed consumer goods firms with regard to board characteristics and financial performance. The study revealed the correlation between board characteristics and performance of Nigerian listed consumer goods firms with the anticipation of grasping the attention of business community, the regulators and other stakeholders. It directed the attention of firms to the need of taking into consideration the independence, size, composition and diligence of board to build effective management team. The results that revealed a significant relationship between board independence and performance was in line with the studies of Ilaboya and Obaretin (2015) who submitted that a high proportion of independent directors on the board enhances the monitoring of managerial opportunism and reduces information asymmetric. However, issues like familiarity threat, threat of replacing auditor and provision of management advisory service seem to harm board independence.

Also, Board diligence has a positive and significant relationship with financial performance. Board diligence implies the frequency of board meetings, was discovered to be positive and significant with Return on Asset of Nigerian listed consumer goods firms. According to Yusoff (2012), the success of a board is dependent on the frequency of time the board members meet to discuss issues confronting a firm. However, Johl (2013) established a negative relationship between board diligence and corporate performance. Shahwan (2015) submitted that it is when board meets regularly that it will be able to function diligently and protect the interests of shareholders. The study revealed that the more the number of board meetings, the better for a firm, because boards have more and better chances to make good decisions that galvanize the performance of business. In summary this study alludes to the fact that a regular board meetings and board diligence enhance oversight functions that bring about improved performance.

Conclusion

Regular board meetings serve as an avenue for effective decision making. Board of directors holds meetings to discuss issues of past, present and future potential opportunities that may situate the firm at a competitive advantage and quickly pass resolutions about them during the meetings. Also, board independence is crucial to the success of

firms as it directs the attention of business to the importance of taking into consideration effective building of management team. Therefore, the study concluded that there should be regular board meetings as stipulated by the company' laws as such could positively affect the corporate performance of listed consumer goods firms in Nigeria. Also, the board independence should be strengthening so that it can constantly perform oversight functions.

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