

# Examining the Link Between Company Governance and Monetary Outcome: A Review Study of Financial Service Providers in Nigeria

Olaitan Daniel Alabi<sup>1</sup>, Abiodun Johnson Aserere<sup>2</sup>, Abraham Omotayo Ogunniran<sup>3</sup>

<sup>1</sup>Department of Management Sciences, Dominion University Ibadan. Oyo State, Nigeria

<sup>2</sup>Department of Business Administration, Ajayi Crowder University Oyo, Oyo State, Nigeria

<sup>3</sup>Department of Business Administration, Igbajo Polytechnic, Igbajo Osun State, Nigeria

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Corresponding Author: Olaitan Daniel Alabi | E-Mail: [o.alabi@dominionuniversity.ed.ng](mailto:o.alabi@dominionuniversity.ed.ng)

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## ABSTRACT

The study investigates company governance's influence on the monetary results of five selected Financial Service Providers in Nigeria between 2019 and 2023. The source of data used was Secondary, which was taken out from the audited yearly reports publicly released by these Financial Service Providers. The study considers panel size, panel individuality, and gender multiplicity as main governance variables, while monetary results are measured by incomes per share and return on properties. The prime drive of this work was to appraise the impact of company governance on the monetary results of Financial Service Providers in Nigeria. Specifically, it aims to: analyze the effect of panel magnitude on monetary results, consider how panel individuality influences monetary results, and explore the bond between gender multiplicity and monetary results. This work employs a Causal-comparative research design, where five chosen financial service Providers were focused. Descriptive and panel regression techniques were used and the analysis found that panel size harmed financial results (ROP), while its relationship with IPS was positive but lacked statistical significance. The study further discovered that panel individuality was undesirably correlated with financial results (ROP) and had a helpful but irrelevant link with IPS. Gender multiplicity showed an irrelevant helpful association with ROP but an important helpful influence on IPS, demonstrating that higher gender multiplicity contributes to better financial results. Ultimately, the research work shows that company governance performs a crucial function in shaping the monetary results of Nigerian Financial Service Providers. It suggests that increasing gender multiplicity within bank panels could lead to better policy making and stronger financial results.

**Keywords:** Company governance, monetary results

## 1.0. Introduction

Corporation governance idea, which focuses on the governance structures used to manage a company and maximize its owners' wealth, has become increasingly important. Corporate governance primarily concerns how an organization's stakeholders use their influence to ensure that the management team (including managers, directors, etc.) directs the organization to ensure it reflects and balances the needs, concerns, and priorities of all investors involved. According to [1]. Corporation governance was founded on principles of impartiality, working simplicity, and strengthened exposures expected to protect all investors' interests. To enhance return on investment, investors place greater trust in the company due to robust company governance. Given the significance and uniqueness of banking organizations, company governance standards must be sound. These structures are expected to contribute to better firm results through effective policymaking [2]. As noted by [3] Company governance ensures different stakeholders' interests are achieved, which in turn boosts strong results and shareholder wealth. Governance, therefore, involves supervision, and managing the rules, activities, and conclusions of processes [4].

A key goal of any business is to make the best use of income while simultaneously increasing the wealth of all investors.

A business needs to generate income without endangering the interests of those involved. A corporation's gains are a crucial indicator of its overall success and result [5]. Well-managed businesses that generate sufficient cash flow cater to the interests of multiple investors, such as creditors, providers, residents people, investors, workers, users, and the government. Company governance accomplishes a vital part in determining long-term results and protecting shareholders' interests, which has attracted increasing global attention. The framework of governance in corporations defines how rights and responsibilities among participants are allocated, such as a panel of directors, executives, stakeholders, creditors, auditors, and regulators. Similarly, it summarizes the rules and procedures that management must follow when making decisions to achieve corporate goals [6]. Company governance enables the administration to embark on calculated risks as well as implement strategies to minimize potential sufferers. Corporate governance involves the exercise of authority over corporate entities. A stronger corporate governance structure offers businesses several benefits, including the increased privilege to capital, a lesser rate of money, enhanced monetary results, and fairer handling the stakeholders. Additionally, whenever conflicts arise amongst management and investors or among majority and non-controlling shareholders, company governance serves as a key yardstick to address these issues.

The Body for Economic Co-operation and Development [7] emphasizes that company governance is not merely an objective but a means to foster financial proficiency, long-term progress, and financial constancy. Therefore, it is now regarded as an indispensable tool for organizations. This is particularly important in the Nigerian banking sector, where past frauds, financial collapses, and unethical practices have severely damaged investor confidence. The role of company governance is extensively acknowledged as a vital feature in defining a company's success or failure [8].

The absence of clear business governance standards results in poor monetary results and risky funding practices, which can contribute to macroeconomic calamities. A well-structured governance system within a corporation ensures various stakeholders' interests are met, ultimately improving organization firm results and increasing investors' wealth [3]. Financial institutions, especially banks, are crucial to a country's economic development due to their essential roles in managing risk, reducing transaction and participation costs, providing liquidity, and facilitating payment systems. Ensuring the stability, security, and effective governance of these establishments is crucial given their significance. The banking sector's unique contractual structure requires company governance to incorporate the concerns of all key investors, such as depositors, stakeholders, and management. The failure to adhere to company governance standards has been a key factor in the financial crises experienced in Nigeria.

Since 2004, significant transformations have taken place in Nigeria's banking sector, including consolidation efforts and the development of company governance guidelines by the Apex Bank of Nigeria. These reforms aimed at addressing the undesirable effects of inadequate oversight and accountability, which had led to fraud, mismanagement, and financial instability, ultimately damaging investor confidence. While reforms have been made, trials continue, as the study finds that certain company governance variables, particularly panel size, still show inconsistent effects on financial performance indicators like ROA and EPS. In addition to the foundational 2003 company governance code, regulators have introduced numerous supplementary procedures to enhance oversight of Nigeria's financial system. Key regulatory bases comprise the 2006 company governance code for financial service providers, introduced by the Apex financial institution in Nigeria to address governance issues identified in the post-consolidation era, and the 2010 reviewed CBN provident dealings for licensed financial service providers that enhanced the provisions of the 2006 guide. In response, the Apex Bank in Nigeria (CBN) took proactive steps to restore stability and strengthen the banking industry by setting a N25 billion capital requirement for all banks in the country. As a result, 25 commercial banks emerged in Nigeria by December 31, 2005. In 2006, the CBN introduced a new corporate governance code to supplement the existing one, with the provisions of the new code considered essential for achieving sound and effective banking practices. As noted by [9]; [10]; [11], solid company governance is essential for the efficient use of organizational resources, especially within the banking sector, given its critical function in promoting and sustaining economic development. A lack of proper company governance structures can contribute to bank failures and pose serious risks to the public. Like other sectors, the banking industry has faced numerous failures and collapses, some of which have occurred in Nigeria.

Savannah Bank Plc, Society Generale Bank Ltd, Oceanic Bank, Bank of the North, Afri Bank, and Mainstream Bank. were well-known financial service providers instances. In 2008, poor company governance and self-interested managerial decisions contributed to a widespread financial crisis affecting several banks the issuance of loans without adequate collateral, and directors lending to themselves, their families, and friends [12]. The collapse of several Nigerian banks and the misconduct of some bank executives have raised serious concerns about the requirement of strengthening company governance in the banking industry. Over time, numerous reforms have been implemented globally across various areas of the banking industry, such as operations, procedures, audit committee structure, and shareholding. To address these challenges, banks must reinforce their corporate governance frameworks, particularly in response to the increasing concentration of changes within the sector. The goals of company governance include fostering trust, promoting transparency and responsibility, and maintaining an efficient flow of data that strengthens business results.

Financial performance evaluates how effectively a business leverages its assets to generate revenue. This result can be compared to that of other businesses Operating in the same field. Organization results refer to how well or poorly a company performs over time [13]. One of the primary benefits of adopting sound company governance practices is the potential for improved economic results [5]. In this regard, the research work seeks to gain insight into how company governance impacts the monetary results of financial service providers. The work focuses on examining the roles of panel size, gender multiplicity, and panel individuality in shaping financial results, as measured by return on properties (ROP) and incomes per share (IPS).

Company governance agenda in Nigeria was recognized to control and coordinate the actions of managers, especially in light of the country's high incidence of fraud and bank failures. Numerous businesses and banks have collapsed due to neglecting or failing to understand corporate governance principles. Several authorities supported that a company's results suggestively advance when company governance is executed successfully. The link between company governance and financial results in Nigerian commercial banks has yet to deliver conclusive results. There is no scholarly consensus, as researchers present differing opinions on how company governance affects the financial outcomes of these institutions. Debates persist in the literature regarding how company governance affects the financial well-being of Nigerian banks. Moreover, a significant portion of banking sector research tends to overlook gender multiplicity as a vital element of company governance. This study contributes to the discourse by investigating the linkage between company governance and the monetary results of financial service providers in Nigeria.

### **1.1 Study Purpose**

The overarching goal of this work is to examine ways company governance touches on the monetary results of financial service providers in Nigeria. Specifically, it aims to:

- i.** ascertain how panel size affects the monetary results of financial service providers in Nigeria.
- ii.** Identify the role of panel individuality in shaping the monetary results of financial service providers in Nigeria.
- iii.** assess how gender multiplicity influences the monetary results of financial service providers in Nigeria.

## 1.2 Inquiry Questions

- i. How does panel magnitude impact the monetary results of financial service providers in Nigeria?
- ii. What impact does panel individuality have on the monetary results of financial service providers in Nigeria?
- iii. Does gender multiplicity contribute to the monetary results of financial service providers in Nigeria?

## 1.3 Investigation Hypothesis

Based on the outlined research objectives, this study will examine the following hypotheses:

**Ho1:** There is no significant relationship between panel magnitude and the financial results of commercial banks in Nigeria.

**Ho2:** There is no significant relationship between panel individuality and the financial results of commercial banks in Nigeria.

**Ho3:** There is no significant relationship between gender multiplicity and the financial results of commercial banks in Nigeria.

## 2.0. Examination of Relevant Literature

### Company Governance (CG)

The concept of company governance traces its roots to the Grecian expression "kybernan," translated to "steer, guide, and govern," as well as the Romance term "gubernare" the French expression equivalent of "governor." Company governance refers to the ethical and effective management of individuals responsible for a company's operations. It comprises the principles, guidelines, and frameworks that lead and regulate a company's decision-making and control processes. As stated by the 2006 Directive Issued by the Central Bank of Nigeria (CBN) company governance guide for financial service providers, company governance entails the supervision and administration of a corporation's affairs. The primary goal of any company is to maximize profits, which can be achieved by implementing effective corporate governance mechanisms. By adopting strong governance practices, businesses can earn the trust of all stakeholders, including paying fair dividends to shareholders, settling debts with creditors and government agencies promptly, protecting employee interests, and operating responsibly. Corporate governance reassures shareholders that their investment will generate returns.

Good governance practices involve management or controlling shareholders utilizing only a small portion of company assets, which leads to more efficient resource allocation and improved performance. This is because investors and lenders are more inclined to support companies with robust governance, leading to reduced capital costs and improved firm performance.

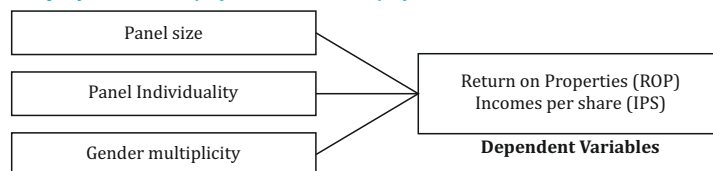
[14] argues that corporate governance should ensure that the frameworks within an organization are legitimate, allowing stakeholders to understand their rights and responsibilities to carry out their duties properly. Key principles of company governance include risk administration, accountability, transparency, and responsibility. The Company Governance Guide (CGG) serves as a benchmark for assessing the quality of governance practices. Company governance refers to the processes, practices, and instructions designed to administer or control a company entity, grounded in principles such as accountability, fairness, transparency, assurance, leadership, and stakeholder management [15].

According to [16], company governance is vital in the banking sector, as company management performs a prime role in determining the results of financial service providers.

They asserted a panel of executives bears the prime responsibility for overseeing internal company governance. An effective institution requires a robust, impartial, and engaged panel that actively oversees the bank's daily activities. Moreover, financial service provider directors must have the needed competencies, information, and skills to execute duties successfully, even if they lack specialized banking expertise. The board is responsible for reviewing and assessing proposals before approving them. Additionally, it supervises and reinforces management actions, making sure that effective mechanisms and safeguards are in place to identify and mitigate potential problems early on. As the financial service provider's highest governing authority, the panel of executives oversees risk management and strategic direction. It is elected by the company's shareholders. Ultimately, it oversees the overall operations of the bank, including the selection of senior management, the development of operational guidelines, and ensuring the institution's financial stability. The development of Company Governance in Nigeria mirrors global trends, as it has faced issues such as mismanagement and fraudulent practices by executives, auditors, and accountants through window dressing and creative accounting [17]. In response to the challenges within Nigeria's banking sector over the past decade, the government implemented various corporate governance regulations aimed at reducing bank failures and financial crises. Weak corporate governance structures have had a lasting impact on public trust, especially within the banking sector. To meet the unique requirements of the banking industry, In 2014, the Company Governance guide for financial institutions and Discount Houses was announced, replacing the 2006 CBN Guide. Likewise, the communications sector saw the execution of the 2016 Guide of Company Governance for Communications, which replaced the Nigerian Communications Commission Guide of 2014.

Figure 1: Conceptual Framework

Company Governance (CG) Financial Results (FR)



### Independent variables

Source: authors' conceptualization, 2024

#### Panel Size (PS)

A well-structured panel with the right mix of administrative and non-administrative managers is essential for active decision-making, as management is responsible for implementing panel resolutions. The panel consists of primary groups of directors: administrative and non-administrative, and self-governing. There are differing views on the ideal panel size, which is demarcated by the total figure of managers who have voting authority. One perspective argues that larger boards enhance oversight, facilitate better decision-making, and are less susceptible to CEO influence. However, recent trends suggest a preference for smaller boards [18]. By overseeing management activities and ensuring efficient operations, non-executive directors contribute significantly to preserving the company's reputation. As board size increases, coordination and management become more challenging, whereas smaller boards enhance leadership structure and minimize the risk of directors free-riding. Article 2 of the Nigerian Company Governance Guide grants companies the flexibility to determine



their panel size and composition based on factors such as operational scale and complexity, the need for sufficient committee members, quorum requirements, and the promotion of diversity [19].

- a. A bank or discount house panel must comprise at least five members and no more than twenty.
- b. Board members should be highly experienced individuals with proven integrity. In line with the CBN Guidelines on the Fit and Proper Persons Regime, they must have a solid understanding of business and monetary principles.
- c. The panel must include both administrative and non-administrative, with Non-Executive Directors forming the majority.
- d. As per the appointment of Independent Directors, bank panels, and financial institutions must have at minimum of two Independent non-administrative Directors, whereas discount house panels must appoint a minimum of one.

### Panel Individuality (PI)

The phrases "independent directors," "non-executive directors," as well as "outside directors" are often used interchangeably. However, not all non-administrative directors are truly independent. When non-executive or outside directors maintain independence from management, they have the potential to contribute significantly to the firm's monetary results.

According to the 2014 Code of Company Governance in Nigeria, Non-administrative Directors are required to outnumber Executive Directors and be responsible for key audit roles, including selecting the audit firm, to prevent conflicts of interest. Panel individuality extends beyond composition; it also requires independence from management. The role of self-governing executives is to ensure objective supervision of the management hierarchy without any conflicts of interest. The participation of non-executive directors in panel activities significantly impacts decision-making quality, as their objectivity is essential for effective oversight and management control. A panel is considered more independent when it comprises a larger number of non-administrative directors [20]. Inside directors, being part of the company, are often less impartial compared to independent non-executive directors who possess the necessary skills and have no business or personal connections that could impair their ability to make independent decisions in the shareholders' best interest. Administrative directors, being more acquainted with the group, are better placed to oversee the highest management, particularly when they see an opportunity to advance over underperforming executives.

### Gender Multiplicity (GM)

Gender goes beyond biological differences between males and females; it refers to the socially constructed roles, behaviors, and expectations that society associates with men and women. Female executives often lead in ways that differ from their male counterparts (e.g., [21]). While the value of diverse educational backgrounds and functional expertise is widely acknowledged, the advantages of gender diversity are often overlooked. As a result, further efforts are necessary to promote gender fairness in the workforce. Achieving gender multiplicity on boards can lead to positive outcomes, as female members often face unique challenges such as community perceptions, leadership approaches, and worker attitudes [22].

According to [23], gender multiplicity in boardrooms improves decision-making balance, as women often offer unique perspectives compared to men.

### Financial Results (FR)

The outcome of a firm reflects how efficiently it capitalizes on its key business functions and resources to generate increased revenue. The financial result indicates the effectiveness of managing equity, liabilities, revenue, expenses, and assets to maximize shareholder value and achieve profitability. It shows how well the company's financial management and operational efforts are functioning. A firm's financial status assesses the effectiveness and performance of its internal and external processes. It measures the company's financial well-being over a set duration and serves as a comparative tool for industry peers. While there is ongoing debate about the significance of financial versus non-financial indicators, financial performance metrics remain a fundamental component of performance management for all organizations.

Evaluating a business's monetary results allows decision-makers to evaluate business tactics and activities in monetary terms. Effective use of resources, whether financial or asset-based, signals strong financial performance [24]. On the other hand, ineffective resource management signifies weak financial performance. Firm's financial result is evident in its financial statements, which it formally reports. Generally, a higher profit reflects better performance. An organization's financial result is regularly evaluated concerning effectiveness growth, production capacity, daily sales increases, capital utilization, economic resources, and annual monetary reports. These factors help determine how well the business has performed and guide decisions regarding dividend distribution [25]; [26]. Other ways to measure financial performance include cash flow, which calculates the difference between the cash balance by comparing the cash balance at the start of a period with the cash balance at its conclusion. Growth measures a company's past capability to expand, and even at the same level of profitability, increased size typically leads to higher absolute profits and cash flow. The market value represents external expectations of a company's future performance, considering its historical profitability, growth, and potential market changes and competition. Firm performance, as noted by [27], [28], and [29] can be measured through key indicators like growth rate, market value, return on properties (ROP), and return on capital employed (ROCE). This study focuses on two primary accounting measures of business profitability pointers: return on properties (ROP) and income per share (IPS).

### Return on Properties (ROP)

ROP, or Return on Properties, serves as a profitability indicator within the broader Return on Investment (ROI) framework, measuring a firm's earnings against its total properties. This percentage shows how well a company performs by comparing its net income to the capital invested in its assets. Return on Properties (ROP) measures the effectiveness of a firm by assessing how well its management leverages total assets to drive earnings. A higher ROP shows that management is more productive and efficient in utilizing its resources. Investors can evaluate how effectively a company converts its assets into net income by looking at the ROP ratio. An increased ROP signifies that a company can achieve higher profitability with lower asset investment, demonstrating improved operational efficiency. This ratio measures the profitability derived from the corporation's assets [30].

The calculation of ROP is based on the following formula.:

$$\text{ROP} = \frac{\text{Net Profit}}{\text{Sum of Assets}}$$

### Incomes per Share (IPS)

Incomes per Share (IPS) is an essential financial indicator that helps investors assess a company's profitability. It represents the portion of net income assigned to each outstanding common stock share, enabling investors to evaluate growth potential and financial stability. As a widely used measure of corporate value, IPS reflects how much profit a company earns per share of its stock. The net income divided by the sum of outstanding common shares equates IPS. A higher IPS indicates greater profitability. Comparing IPS across competitors, businesses in the same industry, or over different periods provides valuable financial insights. IPS enhances the ability to compare performance across companies in the same period and within a company over time.

### Company Governance and Financial Results

As noted by (Jenkinson & Majer, 2012, as cited in [31]) company governance ensures that an organization's operations and decisions align with its core objectives. Well-structured governance outlines are frequently tied to economic prosperity, enabling companies to maximize shareholder value. Through the adoption of company governance (CG) structures and ethical standards, organizations can set clear objectives, formulate strategies, and track their progress effectively. Several studies have examined the linking between monetary results metrics, such as return on properties (ROP) and incomes per share (IPS), as well as company governance factors like panel size, composition, and gender multiplicity. The prime purpose of company governance is to regulate board activities, acting as a control and oversight mechanism to ensure management decisions align with maximizing shareholder value [32]. Improved policies and regulatory frameworks have been recognized as essential drivers of better financial performance. It is generally believed that smaller boards make more effective decisions, as their members can communicate and collaborate more efficiently. However, boards that are too small may lack the diversity of perspectives and experience necessary for well-rounded decision-making. In addition, overly large boards have been shown to negatively impact bank performance [33]. According to [34], larger boards bring a wealth of logical knowledge that supports decision-making and can improve firm results. Evidence suggests that a greater presence of independent directors on a panel is linked with enhanced monetary results. Panel individuality helps ensure that decisions prioritize shareholders' interests while reducing conflicts of interest. Organizations worldwide are placing greater emphasis on panel gender multiplicity, acknowledging its importance as a key aspect of company governance. One major obstacle is the limited presence of women in top executive roles. To address this, several countries have implemented minimum quotas for female board members where their presence is deemed insufficient. Women on boards are often more attuned to factors such as community engagement, leadership approaches, and employee perceptions [22]. The implementation of strong corporate governance procedures leads to a more stable, robust, and healthy financial system. Corporate governance also enables management to take calculated risks while establishing plans to mitigate potential losses. [35]

argued that effective corporate governance practices are a key mechanism for improving equity market performance. According to [36] Weak oversight, poor monitoring structures, and insufficient transparency from the panel of directors have contributed to governance shortcomings and organizational failures. [37] looked into the influence of company governance on the performance of insurance companies, revealing that panel size has a positive impression.

### 2.2 Theoretical Review

Several theories in accounting and finance attempt to create a link between company governance characteristics and firm results such as stewardship, stakeholder, and agency theories. However, this study specifically adopts the stewardship theory after a comprehensive review.

#### Stewardship Theory

It describes a steward as an individual who safeguards and enhances shareholder wealth by improving the firm's results, ultimately aligning with their interests. Stewards, such as executives and managers, work on behalf of investors, hoping to protect their interests and generate profits. While the agency model undertakes that administrators prioritize their interests, the stewardship model depicts them as dedicated leaders who act in the best interests of the organization. This model asserts that directors should focus on lasting value formation for shareholders and promotes a leadership structure in which a single executive holds both the Chairman and CEO positions. According to stewardship theory, a board should primarily consist of employees who are highly committed to the organization's success and well-versed in its operations. The theory advocates for combining the duties of the panel chairman and chief executive officer to improve and serve shareholders' interests. Stewardship theory operates on the premise that managers and owners share common interests, eliminating any fundamental conflict between them [38]. The theory's core premise is that since principals cannot always monitor agents' actions, agents have access to superior information. Stewards are driven by intrinsic benefits, including belief, enhanced acumen, mutuality, self-sufficiency, responsibility, work fulfillment, firmness, tenure, and goal arrangement. Unlike agency theory, stewardship theory posits that managers and internal directors act in the best interests of shareholders [37]. Inside directors, with their deep knowledge of the company, have better access to information, allowing them to make informed decisions. In contrast, companies with few inside directors on the board may lack the context needed to make wise decisions and rely solely on management-provided information. This theory highlights the strong, cooperative relationship between shareholders and management, which is essential for effective company governance. The central emphasis is understanding how managers can be motivated to help achieve business objectives.

### 2.3 Empirical Reviews

In their study, [39] assessed financial data from 15 listed financial service providers accepting deposits and listed on the Nigerian Stock Exchange, with data covering 2006 to 2012. Their research revealed that larger panels had a more significant effect on monetary results than smaller panels since the presence of more directors reduced the likelihood of CEO dominance in decision-making.

[40] analyzed data extracted was on the annual reports of listed financial service providers. spanning years 2015 to 2020. Using purposive sampling, the work selected only two from the six dedicated development finance institutions in Ibadan Southwest Local government, Oyo State, Nigeria. The analysis employed t-test, regression, and descriptive statistics. The t-test analysis for the first objective demonstrated that ethnic multiplicity had a potent impact on the Profitability Ratio Based on Equity of the quoted financial service providers in Nigeria (derived value of 4.702345 is higher than the benchmark of 2.131). This finding suggests that a mix of ethnic perspectives fosters enhanced expertise, leading to higher ROE. The regression analysis for the second objective yielded a coefficient of 0.001883 (59.156%) in the positive direction, achieving significance at the 1% threshold. The finding suggests a potent correlation between panel size and capital adequacy (CAPADE).

[41] explored how company governance affects the monetary results of listed financial service providers in Nigeria. The research examined five financial service providers from 2011 to 2020, relying on historical data obtained from the bank's annual financial statements released by the Nigerian Exchange Group. The work applied a cross-segment-based research approach and utilized panel multiple regression for data analysis. Based on the findings, panel individuality played a crucial role in monetary results (measured by return on properties), despite the negative correlation. Similarly, panel size was found to have a potent yet inverse connection with monetary results. Additionally, study highlighted that each analyzed organization had at least two female board members. While gender diversity on boards showed a positive connection to financial performance, its statistical significance was minimal. Despite some variables yielding insignificant results, the work concluded that panel individuality, panel size, and female panel representation were essential elements of company governance that contribute to achieving both financial and organizational objectives.

[42] applied classical regression, which presumes uniform regression coefficients across the entire population. Despite its usefulness, this technique does not consider variations at different conditional quantiles of the dependent variable, thereby limiting insights into the complete distribution. To address this, the study utilized quantile regression (QR), which provides a more detailed analysis by estimating conditional relationships at different points within the distribution. This study utilized secondary data from 60 non-financial service companies publicly traded on the Nigerian Stock Exchange, ensuring that only firms with regularly audited financial reports from 2013 to 2019 were included. Descriptive statistics, correlation analysis, and quantile regression approaches were applied to analyze the data. The findings demonstrated that panel size significantly influenced outcomes at both the 25th and 75th percentiles, while panel independence had a negative effect at the 50th percentile. Moreover, firm performance at the median percentile was positively affected by CEO ownership. Given these findings, the study suggested that publicly listed companies in Nigeria should sustain and, where necessary, increase their board size to improve corporate performance.

[43] investigated the connection between company governance structures and monetary outcomes in Nigerian publicly traded companies through a content analysis approach. Data was collected from company websites and data from the Securities and Exchange Commission's website, including 33 firms operating in the manufacturing, banking, and oil and gas industries.

The results showed that corporate governance disclosure was most prevalent in the banking sector, driven by strict regulatory requirements. The research concluded that company governance strength had no notable impact on differentiating monetary results between well-governed and poorly governed firms.

[44] examined the impact of company governance on the monetary results of Nigerian deposit money banks listed on the stock exchange from 2007 to 2016. They considered panel size, audit committee, panel individuality, gender multiplicity, and firm size as company governance variables, measuring monetary results through Return on Properties (ROP). Eight financial service providers were randomly chosen from the Nigerian Stock Exchange, and their annual reports were examined for analysis during the study period. The researchers applied pooled ordinary least squares (OLS) regression was employed for data analysis. The study found that panel size, audit committee, and firm size had a significantly adverse effect on ROP. Conversely, while panel individuality demonstrated a positive association with ROP, this relationship was not statistically significant.

[45] analyzed the effect of corporate governance practices on the financial performance of Nigerian microfinance banks (MFBs). By applying descriptive statistics and regression techniques, they examined how governance structures influence monetary outcomes. The findings indicated a significant impact, with a correlation coefficient of 0.777 between corporate governance and return on properties (ROP). The study advised MFBs to improve board effectiveness by focusing on relevant expertise and industry knowledge instead of solely considering academic achievements.

### 3.0 Analytical Method

The study utilized a retrospective research approach. The study focused on Nigeria's 26 commercial banks as of March 2023 and covered five years from 2019 to 2023. Through simple random sampling, five commercial banks were chosen from the 26 financial service providers in Nigeria. The selection of Guaranty Trust Bank Plc, First Bank of Nigeria Plc, Zenith Bank Plc, Access Bank Plc, and United Bank for Africa was based on the accessibility of their annual reports, which formed the key source of secondary data. To explore the link between company governance and monetary results, the study applied the model as illustrated below.

$$FR = f(PS, PI, GD) \dots\dots\dots (1)$$

Due to the inclusion of multiple financial results measures, the model was modified to provide a more precise representation of the company governance–financial results connections. The updated econometric specification is outlined as follows:

$$ROP = \beta_0 + \beta_1 PS_{it} + \beta_2 PI_{it} + \beta_3 GD_{it} + \mu_{it} \dots\dots\dots (2)$$

$$IPS = \beta_0 + \beta_1 BS_{it} + \beta_2 BI_{it} + \beta_3 GD_{it} + \mu_{it} \dots\dots\dots (3)$$

Where;

$\beta_0$  = Constant

$\beta_1, \beta_2, \beta_3$  = denote the coefficients that measure the influence of the independent variables.

PS = Panel Size

PI = Panel Individuality

GD = Gender Multiplicity

FR = Financial performance indicators, including return on assets and earnings per share  $\mu$  = Residual term

i = Specific bank in the dataset

t = Observational timeframe (years)

ROP = Return on Properties



IPS = Incomes per share (dependent variable)

The work looked into the influence of company governance on monetary outcomes by employing both descriptive and inferential statistical techniques via E-View 12. To examine data normality, descriptive statistics were applied. Moreover, a Hausman test was conducted to determine the optimal model for hypothesis evaluation. while panel regression analysis was utilized to draw inferences.

### Evaluation of Elements

The study focused on two primary variables, namely the dependent variable and the independent variable.

**Table 1: Definition and Measurement of Variables**

Elements	Evaluation	Type	Calculation	Authors
Property Yield (PY)	Financial Metric	Dependent	Net Income/ Total Assets	[46]
Incomes Per Share (IPS)	Financial Metric	Dependent	IPS	[46]
Panel Size	Count of directors	Independent	The complete number of panel members	[47]
Panel Individuality	The share of non-executive directors compared to the full panel composition.	Independent	The percentage of non-executive directors with the total panel size.	As noted by [48]
Gender Multiplicity	Share of panel positions held by women	Independent	(Whole female directors ÷ Overall panel composition) × 100	[49]

Information sourced from the verified financial reports of financial service providers served as a primary data source for this study. Data was collected over five years (2019–2023) and Sourced from the official online platforms of the five chosen financial service providers.

## 4.0 Results and Interpretation

**Table 2: Summary of Key Statistical Measures**

Statistic	ROA	EPS	BS	BI	GD
Mean	0.076400	4.806400	14.1600	0.592800	0.274000
Median	0.030000	3.130000	14.0000	0.570000	0.290000
Maximum	0.650000	18.97000	22.0000	0.730000	0.570000
Minimum	-0.010000	0.150000	8.00000	0.430000	0.070000
Std. Dev.	0.158111	5.193448	5.533496	0.077815	0.112583
Skewness	3.068488	1.572584	-0.234942	2.174815	0.258554
Kurtosis	10.73916	4.613971	2.365058	2.272887	2.924158
Jarque-Bera	101.6215	13.03588	0.855768	6.770988	0.284533
Probability	0.000000	0.001477	0.720442	0.217284	0.867390
Sum	1.910000	120.1600	354.0000	14.82000	6.850000
Sum Sq. Dev.	0.599976	647.3356	493.3600	0.148074	0.304020
Observations	25	25	25	25	25

### Source: Researcher's Analysis (E-VIEWS 12)

An overview of the descriptive statistics for the study's variables is provided in Table 2, utilizing 25 data points collected derived from the annual financial statements of the banks between 2019 and 2023. The analysis reveals that ROA averages 0.076, with a median of 0.030 and a standard deviation of 0.158, suggesting a high degree of dispersion from the mean. The minimum ROA recorded is 0.010, while the maximum is 0.65, suggesting inconsistency in the data, as the mean does not fall within this range. The skewness value of 3.068 for ROA indicates a right-tailed distribution. Additionally, ROP exhibits leptokurtic properties, meaning the kurtosis value of 10.739, surpassing the normal distribution benchmark of 3, suggests a distribution that is more peaked and exhibits less spread. With a Jarque-Bera statistic of 101.62 and a p-value of 0.00, the results indicate that the dataset deviates from normality, as the p-value is below the 0.05 threshold.

The mean value of Incomes per Share (IPS) is 4.806, with a median of 3.130 and a standard deviation of 5.193, highlighting significant variability in the data. The IPS spanned from a floor of 0.15 to a ceiling of 18.97. while the mean value falls within this range, indicating some level of consistency. EPS has a positive skewness of 1.572, implying a long right tail.

It is also leptokurtic, with a kurtosis value of 4.619, suggesting a more peaked distribution than a normal one. The Jarque-Bera statistic of 13.035 and the IPS is not normally distributed, as evidenced by a p-value of 0.001 ( $p < 0.05$ ).

Panel Size (PS) has an average of 14.16, a median value of 14, and a standard deviation of 4.533 indicating variability around the central tendency. suggesting moderate variability. The lowest recorded value is 6, while the highest is 22. These findings suggest that banks do not fully comply with corporate governance regulations, which recommend a board size between 7 and 20. BS exhibits a negative skewness of -0.234, indicating a left-tailed distribution, and is platykurtic, with a kurtosis value of 2.36, meaning its distribution is flatter than normal. Since the Jarque-Bera statistic is 0.655 and the p-value is 0.720, the results support the assumption of normality, given that the p-value is greater than 0.05.

Panel Individuality (PI), which measures the proportion of non-executive directors on the board, A calculated mean of 0.592 suggests that non-executive directors constitute 59% of the board, aligning with the regulatory mandate for their majority over executive directors. The median is 0.57, and the standard deviation is 0.078. BI has a positive skewness of 0.174, indicating a right-tailed distribution, and is platykurtic,

with a kurtosis value of 2.272. The computed Jarque-Bera value of 0.677, with a p-value of 0.712, confirms that the series exhibits normal distribution characteristics ( $p > 0.05$ ).

The mean Gender Multiplicity (GM) is 0.274, with a median of 0.29 and a standard deviation of 0.112, reflecting relatively stable values with little fluctuation. The dataset spans from a minimum of 0.07 to a peak value of 0.53, with the mean falling within this range, suggesting consistency. GD has a negative skewness of -0.258, indicating a long left tail, and is platykurtic, with a kurtosis value of 2.924, meaning it has a flatter distribution than normal. With a Jarque-Bera statistic of 0.284 and a p-value of 0.867, the results indicate that the dataset is normally distributed ( $p > 0.05$ ).

#### 4.1 Correlation Matrix

To assess multicollinearity among independent variables, a correlation analysis is carried out. A high correlation between independent variables indicates the presence of multicollinearity, which can distort regression results [50]. This occurs when two or more independent variables in a multiple regression model are highly correlated. A zero-correlation coefficient suggests that the dependent and independent variables are not associated in any way.

Table 3: Link Between Variables ROA BS BI and GD

	ROA	BS	BI	GD
ROA	1.000000	-0.606553	0.342329	0.160949
BS	-0.606553	1.000000	-0.727492	0.085219
BI	0.342329	-0.727492	1.000000	0.040529
GD	0.160949	0.085219	0.040529	1.000000

Source: Researchers computation (E-VIEWS 12)

The correlation matrix in Table 3 demonstrates a meaningful connection between ROA and the explanatory variables BI and GD. More specifically, BS has a strong negative correlation with ROA, with an approximate coefficient of -0.61.

The second column indicates that BI has a strong negative correlation (-0.73 approximately) with BS while GD has a positive correlation (0.09 approximately) with BS. The third column indicates that GD has a positive correlation (0.04) with BI. Specifically, the result shows evidence of weak correlation which suggests that each pair of the variables is not perfectly correlated. As such the assumption of multicollinearity is refuted.

Table 1: Correlation matrix on EPS BS BI and GD

	EPS	BS	BI	GD
EPS	1.000000	0.170624	-0.340235	0.283647
BS	0.170624	1.000000	-0.727492	0.085219
BI	-0.340235	-0.727492	1.000000	0.040529
GD	0.283647	0.085219	0.040529	1.000000

Source: Researchers computation (E-VIEWS 12)

As presented in Table 4, the correlation matrix reveals that EPS demonstrates a positive association with the independent variables BS and GD. However, The correlation coefficient of -0.34 suggests an inverse association between BI and EPS. The outcome of the second column indicates that BI has a strong negative correlation (-0.73 approximately) with BS while GD has a positive correlation (0.09 approximately) with BS. Also, the third column indicates that GD has a positive correlation (0.04) with BI. Specifically, the result shows evidence of weak correlation which invariably suggests that each pair of variables is not perfectly correlated. As such the assumption of multicollinearity is refuted.

#### 4.1.1 Multivariate Analyses

To decide between the fixed effects and random effects approaches, the study employed the Hausman test.

#### 4.1.2 Findings of the Hausman Test

Table 2: Fixed and Random test- Hausman on ROA

**Cross-Section Random Effects Test – Hausman Method**  
**Model Equation: Untitled Assessing Correlated Random Effects**

Overview of Test Findings $\chi^2$ Statistic $\chi^2$ d.f. Possibility				
Random Effects (Cross-Sectional) 5.608904 3 0.1323				
CAUTION: No variation was detected in the estimated cross-section random effects variable.				
Evaluation of Cross-Section Random Effects Test Outcomes:				
Element Static Chance Element( Diff.) Possibility				
PS	-0.025179	-0.028534	0.000100	0.7374
PI	0.465549	-0.527710	0.346600	0.0916
GD	-0.064335	0.338917	0.065854	0.1161

Source: Researcher's Estimations derived from E-Views 12 calculations.

The findings of the fixed and random effects models are summarized in Table 5. Since the Hausman test produced a probability value of 0.1323, which exceeds 0.05, the random effects model was identified as the most appropriate for this analysis.

Table3: Fixed and Random test- Hausman on EPS

**Cross-Section Random Effects Test – Hausman Method**  
**Model Equation: Untitled Assessing Correlated Random Effects**

Overview of Test Findings $\chi^2$ Statistic $\chi^2$ d.f. Possibility				
Random Effects (Cross-Sectional) 10.487710 3 0.0148				
Evaluation of Cross-Section Random Effects Test Outcomes:				
Element Static Chance Element( Diff.) Possibility				
PS	0.182682	-0.138069	0.053624	0.1660
PI	1.067093	-20.834602	179.795887	0.1024
GD	41.490319	27.013517	34.595299	0.0138

Source: Researcher's Estimations derived from E-Views 12 calculations.

Findings from the fixed and random effects estimations effects models are summarized in Table 6. With a Hausman test probability of 0.0148 ( $p < 0.05$ ), the fixed effects model is deemed suitable for interpretation, while the random effects model is excluded from consideration [51].

#### 4.2 Testing of Hypotheses

The regression results presented in the tables below were utilized to evaluate the three hypotheses formulated in this work. By applying Random OLS Panel Regression Analysis for ROA and Fixed OLS Regression Analysis for IPS, this study assesses the relationship between company governance practices and the monetary results of financial service providers in Nigeria. The hypotheses will be assessed using the following decision rule:

Decision Criterion: When the p-value falls below 0.05, the null hypothesis ( $H_0$ ) is dismissed; however, if it exceeds this threshold, it remains accepted.

Table 4: Random OLS Regression Analysis Result on ROA

**Dependent Element: ROA**  
**Methodology: Panel EGLS Model Incorporating Cross-Section Random Effects**  
**Date: 07/07/24 Time: 17:10**  
**Dataset Range: 2019 to 2023**  
**Study Duration: 5 Periods**  
**Number of Cross-Sections Covered: 5**  
**Complete Balanced Panel Data Observations: 25**  
**Component Variance Estimation Using the Swamy and Arora Method**



Elements	Estimated Parameter	Std. Error	t-Ratio	P-Value
C	0.700409	0.363040	1.929287	0.0673
PS	-0.028534	0.008076	-3.533397	0.0020
PI	-0.527710	0.463842	-1.137693	0.2681
GD	0.338917	0.223322	1.517616	0.1440
Effect Configuration				
S.D. Rho				
Stochastic Cross-Section Analysis 0.000000 0.0000				
Individual-Specific Random Effect 0.121336 1.0000				
Weighted Statistics.				
R <sup>2</sup> Value 0.445213 Expected Value of the Dependent Factor 0.076400				
Refined R-squared Value 0.365958 Deviation Measure of the Dependent Element 0.158111				
S.E. of the Estimated Model 0.125898 Total Squared Error 0.332859				
F-Ratio 5.617466 Durbin-Watson Value 1.413287				
P-value of F-statistic) 0.005465				
Non-Weighted Metrics				
R <sup>2</sup> Value 0.445213 Expected Value of the Dependent Factor 0.076400				
Aggregate Squared Errors 0.332859 Durbin-Watson Value 1.413287				

Source: Researcher's Estimations derived from E-Views 12 calculations  
AT 5% SIGNIFICANT LEVEL

### Testing of Hypothesis One

H<sub>01</sub>: There is no significant association between board size and the return on assets of Nigerian banks.

As presented in Table 7, the first hypothesis was tested using the coefficient magnitude of the variable Board Size (BS), which demonstrated a significant negative effect on the financial performance of banks in Nigeria. This is indicated by a coefficient of -0.028534 and a p-value of 0.0020, which is below the 5% significance level. Since the p-value is less than 0.05, the null hypothesis, which states that board size has no significant effect on the return on assets of banks in Nigeria, is rejected. Consequently, the alternative hypothesis, which asserts that board size significantly affects the return on assets of banks in Nigeria, is accepted.

### Testing of Hypothesis Two

H<sub>02</sub>: Board independence has no significant relationship with the return on assets of banks in Nigeria.

The results indicate that board independence has a negative but insignificant impact on the return on assets of banks in Nigeria, as reflected by a coefficient of -0.527710 and a p-value of 0.2681, which exceeds the 5% significance threshold. This suggests that an increase in the number of independent directors on the board is associated with a decline in the return on assets of banks in Nigeria. Since the p-value is greater than 0.05, the null hypothesis, which states that board independence has no significant effect on the return on assets of banks in Nigeria, is upheld.

### Testing of Hypothesis Three

H<sub>03</sub>: The presence of gender variation on panels does not significantly influence the return on properties of financial service providers of Nigeria.

Table 7's regression results reveal that while gender multiplicity exhibits a positive correlation with the return on assets of Nigerian financial service providers, the relationship lacks statistical significance. The coefficient of 0.338917 and a p-value of 0.1440 confirm that the effect does not meet the 5% significance requirement.

This finding means that although greater female representation on boards may contribute to higher returns on assets, the influence is present but lacks the strength required for statistical significance. Thus, the null hypothesis indicating that gender multiplicity has no meaningful impact on the return on assets of Nigerian financial service providers holds true.

Table 5: Fixed OLS Regression Analysis Result on EPS

**Dependent Element: EPS**

**Methodology: Panel EGLS Model Incorporating Cross-Section Random Effects**

**Date: 07/07/24 Time: 17:14**

**Dataset Range: 2019 to 2023**

**Study Duration: 5 Periods**

**Number of Cross-Sections Covered: 5**

**Complete Balanced Panel Data Observations: 25**

Elements	Estimated Parameter	Std. Error	t-Ratio	P-Value
C	-9.781304	16.59805	-0.589304	0.5634
PS	0.182682	0.377534	0.483884	0.6346
PI	1.067093	22.00791	0.048487	0.9619
GD	41.49032	9.989077	4.153569	0.0007
Effect Configuration				
Cross - section fixed (dummy Element)				
R <sup>2</sup> Value 0.666641 Expected Value of the Dependent Factor 0.076400				
Refined R-squared Value 0.529375 Deviation Measure of the Dependent Element 0.158111				
S.E. of the Estimated Model 3.562842 Total Squared Error 0.332859				
Total squared residuals 215.7953 Bayesian Information Criterion (BIC) 6.023372				
Log Probability Function -62.41665 Hannan-Quinn criterion 5.741512				
F-Ratio 4.856575 Durbin-Watson Value 1.652130				
P-value of F-statistic) 0.003671				

Source: Researcher's Estimations derived from E-Views 12 calculations  
AT 5% SIGNIFICANT LEVEL

### Test of Hypothesis One

H<sub>01</sub>: Panel size does not exhibit a statistically significant impact on the earnings per share of Nigerian financial service providers. According to Table 8, the first hypothesis was evaluated using the coefficient of the panel size (PS) variable, the results suggest a favorable but non-significant influence on the earnings per share of Nigerian financial service providers. With a coefficient of 0.182682 and a p-value of 0.6346, which exceeds the 5% significance threshold, the null hypothesis stating that panel size does not significantly affect Nigerian financial service providers' earnings per share is upheld.

### Testing of Hypothesis Two

H<sub>02</sub>: Panel individuality does not exhibit a statistically significant correlation with the earnings per share of Nigerian financial service providers.

Results reveal that panel individuality exhibits a positive but non-significant relationship with the earnings per share of Nigerian financial service providers, as evidenced by a coefficient of 1.067093 and a p-value of 0.9619. This means that although independent directors might enhance EPS, their influence is not statistically confirmed. Consequently, Since the results do not provide sufficient evidence of a significant impact, the null hypothesis, which posits that board individuality does not influence earnings per share, is upheld.

### Hypothesis Testing Three

H<sub>03</sub>: The percentage of female panel members does not significantly influence the earnings per share of Nigerian financial service providers.

According to the regression results in Table 8, gender multiplicity positively and significantly affects incomes per share in Nigerian banks. With a coefficient of 41.49032 and a p-value of 0.0007 (p < 0.05), the findings indicate that a higher proportion of female directors positively impacts earnings per share. Consequently, the null hypothesis is rejected in favor of the alternative hypothesis, which affirms a significant effect of gender diversity on earnings per share.

### 4.3 Analysis and Interpretation of Findings

The research aimed to evaluate the role of company governance mechanisms in shaping financial results.

The study measured company governance using panel size, panel individuality, and gender multiplicity, while financial results were assessed through ROP and IPS. Hypothesis testing revealed that gender multiplicity had a positive but statistically insignificant impact on ROP, while the effect of panel individuality was negative but not statistically significant, and panel size demonstrated a significant adverse influence on ROP. In terms of IPS, the results revealed that panel size and panel individuality had a favorable but insignificant impact, whereas gender diversity played a crucial role in boosting IPS in Nigerian banks.

### **Influence of Panel Size on Financial Result**

With a coefficient of -0.028538 and a p-value of 0.0020, Table 7 highlights that board size has a statistically significant effect at the 5% confidence level. The regression analysis of board size (BS) against Return on Properties (ROP) demonstrates a significant negative relationship. With a negative coefficient of -0.028534, the results suggest that a larger board size is associated with lower returns on assets and weaker financial performance. With a probability value of 0.0027, which is under the 5% significance level, this effect is confirmed as statistically significant. The negative result suggests that expanding the board size may not be beneficial, as appointing more shareholders to the board could lead to conflicts of interest, disputes, and other counterproductive behaviors that hinder operations. This outcome supports the principles of agency theory, which propose that larger boards may suffer from slower decision-making, higher coordination costs, and difficulty in reaching consensus, ultimately reducing their effectiveness. These challenges may make it harder for the board to address agency conflicts and properly oversee management. This outcome corresponds with the conclusions drawn by [52].

In Table 8, board size (BS) displayed an insignificant positive relationship when regressed against earnings per share (EPS). The coefficient for BS is 0.182682, Signifying that an expansion in panel size could positively impact incomes per share, thereby strengthening the bank's financial results. The p-value of 0.6346 surpasses the 5% significance benchmark, confirming that the relationship does not hold statistical significance. This study's outcomes support the work of [53], [54] but diverge from the findings of [55], [56], and [57], who identified a strong positive relationship between governance and performance. Moreover, the study's findings are consistent with earlier research that found no substantial association between board size and financial performance [16] and [58].

### **Consequence of Panel Individuality on Financial Results**

Table 7, demonstrates that Panel individuality has an insignificant negative relationship when regressed against financial result (ROP). With a coefficient of -0.527710, the results suggest that a rise in board independence, measured by the proportion of non-executive directors, leads to a decline in return on properties, negatively impacting the bank's financial performance. Additionally, since the probability value of 0.2681 surpasses 5%, the relationship is considered statistically insignificant. The study's outcome corresponds with the conclusions drawn by [59], [60], and [61], but contradicts the results of [62] and [63], who create a helpful influence of panel individuality on the financial result (ROP). In Table 8, panel individuality (BI) exhibited an insignificant positive relationship when regressed against financial performance (EPS).

The coefficient for BI is 1.667093, indicating that an increase in board independence would increase earnings per share, thereby improving the bank's financial performance. However, Since the probability value is 0.9619, surpassing the 5% benchmark ( $0.9619 > 0.05$ ), the relationship is statistically insignificant. Similar results were observed by [64] and [65], whereas [66] and [67] found contradictory evidence, indicating that board independence negatively or significantly affects financial performance (EPS).

### **Gender Multiplicity effect on financial result**

As shown in Table 7, gender multiplicity (GD) positively correlates with monetary results (ROA), though the relationship is not statistically significant. The coefficient of 0.338917 suggests that increased female representation on boards may enhance bank performance, but given the p-value of 0.1440 exceeding the 5% significance level, the effect remains inconclusive. This finding aligns with studies by [68], [69], and [70], but contrasts with the conclusions of [71], who identified a negative or significant effect of gender diversity on financial performance (ROA).

As shown in Table 8, gender multiplicity (GD) demonstrates a potent and significant connection with monetary results (IPS). With a coefficient of 41.49032, the study indicates that a rise in the number of female executives contributes to higher incomes per share, thereby enhancing financial service providers' results. With a probability value of 0.0007, which is below the 5% threshold ( $0.0007 < 0.05$ ), these findings align with studies by [72] and [73], which highlight the positive role of female board members. However, this opposes the findings of [61] and [65], which reported a negative or unimportant effect of gender multiplicity on IPS.

### **5.0. Overall Findings and Implications**

The findings reinforced the impact of company governance on shaping a company's financial outcomes of financial service providers. It serves as a key driver in managing internal structures, fostering innovative thinking, and strengthening corporate competitiveness. The research findings pointed to a positive yet statistically insignificant relationship between the dependent and independent variables. The results show that company governance components influence ROA and EPS differently—panel individuality and gender multiplicity have negative and positive but insignificant effects on ROA, respectively, while panel size negatively affects ROA in a statistically significant manner. Likewise, panel size and panel individuality exhibit a positive but insignificant impact on EPS, indicating that overly large boards and a predominance of non-executive directors may impede efficiency and governance. However, gender multiplicity was identified as having a significant and strong effect on EPS.

### **Suggestions for Improvement**

In respect to the results of the findings the following recommendations are suggested:

1. To enhance decision-making efficiency, banks should optimize their panel sizes. A more streamlined panel structure may improve communication and facilitate quicker decision-making, ultimately boosting EPS.
2. The work identifies a significant positive impact of gender multiplicity (GM) on monetary results. Therefore, financial service providers should actively promote female representation on panels and ensure women are placed in leadership positions where they can contribute meaningfully to strategic decisions.

3. Given the observed benefits of panel individuality, it is recommended that banks appoint more non-executive directors. Their oversight role can enhance governance, introduce better accountability mechanisms, and improve overall financial results.

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