

Corporate Governance Elements and Financial Performance of Nigeria's Deposit Money Banks

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Abstract

This study assesses the effect of corporate governance elements on the financial performance of Nigeria's deposit money banks listed on the floor of the Nigerian stock exchange for 10 years from 2012 - 2021. The defined population are (10) banks: five from Tier 1 banks - Zenith Bank, Guaranty Trust Bank, First Bank of Nigeria plc, Access Bank and United bank for Africa and five from Tier 2 banks - Sterling Bank, Unity Bank, Wema Bank, Stanbic IBTC and Keystone Bank out of the total population of 19 banks forming the entire universe. The choice of these banks was to strike a balance between the various tiers of the Nigerian banking sector. The finding of this study reveals no significant relationship between board of director composition and financial performance. However, significant positive relationship was observed between gender diversity and financial performance of the studied listed Nigerian Deposit Money Banks. It was finally observed that board size has no significant effect on the financial performance of the sampled Nigerian Deposit Money Banks. It's therefore recommended that, diversity in gender should be encouraged in Nigerian deposit money banks for effective governance. This study further recommends that board composition should be enhanced to improve performance through adequate board size that will ensure the protection of all stakeholders' interest. This study also suggests directions for future research.

Keywords: Board composition, board diversity, board size, deposit money banks, Nigeria

1.0 Introduction

Corporate Governance has become an issue of public discourse because of its immense contribution to the economic growth and development of nations. The absence of good corporate governance is a major cause of failure of many well performing companies during the financial and economic crisis of 2008. It has become a global dictum that the quality of corporate governance makes an important difference to the health or otherwise and of the banking sector. Broadly speaking, corporate governance refers to the extent to which companies are run in an open and honest manner (Oino & Itan, 2018), thus, effective corporate governance practice incorporates transparency, openness, accurate reporting and compliance with statutory regulations among others (El-Chaarani, Abraham & Skaf, 2022). Historically, antecedents indicate that financial crisis is a direct consequence of lack of good corporate governance in banks; invariably one of the sources of instability in the banking sector is lack or inadequate practice of corporate governance (Akhtaruzzaman, Boubaker & Umar, 2021).

The banking sector among other sectors has witnessed several cases of financial malfeasances in both developed and developing capital markets (Ene & Alem, 2016). Some Nigerian examples include the collapse of Savannah Bank Plc, Society Generale Bank Ltd and recently Oceanic Bank, Bank of the North, Afribank, Mainstream Bank. With the failure in Nigeria banks and the activities of some of the bank operators, there are concerns on the need to strengthen corporate governance in banks. This will boost public confidence and ensure efficient and effective functioning of the banking system (Soludo, 2004). In Nigeria, the issue of corporate governance has been given the front burner status by all sectors of the economy. This is in recognition of the failure of the critical role of corporate governance in the success or failure of companies (Ogbechie, 2006). Okonkwo and Azolibe (2020) explained that corporate governance is about building credibility, ensuring

transparency and accountability as well as maintaining an effective channel of information disclosure that will foster great corporate performance. To Abdulazeez, Ndibe and Mercy (2016), corporate governance can therefore be said to refer to the processes and structures by which the business and affairs of institutions are directed and managed in order to improve long term shareholders' value by enhancing corporate performance and accountability while taking into account the interest of other stakeholders.

1.1 Statement of the Problem

Corporate governance in the banking industry provides the platform that is used to attract investors both local and foreign with the trust that their investment will be safe and properly utilized in the best possible means of managing an investment (Fanta, Kemai and Waka, 2013; Mohammed and Farouk, 2014; Abdulazeez, Ndibe and Mercy, 2016). Dharmastuti and Wahyudi (2013) suggested that in an organization, especially a public corporation, functional specialization is required to achieve more efficient goals. Thus, an efficient governance structure must be effective in the alleviation of such a giant problem (the agency problem) and ultimately resulting in a better performance (Naushadi and Malik, 2015). Shareholders on their part demand high proficiency on the part of managers with the ultimate aim of delivering high returns given the inclement investment climate because certain factors influence shareholder value more than others including among others are impacted firm value and stock returns (Zadollah and Mohsen, 2015; Adekunle and Aghedo, 2014).

There have been conflicting views on the result of different studies done on corporate governance and bank performance. Some studies were done, in Nigeria, which include Muhammad and Fayrouk (2014), Onakoya, Ofoegu and Fasanya (2012). The studies discovered a positive relationship between corporate governance and bank performance. While some other studies which were carried out in Pakistan by Marcinkowska (2012) Poland by, Reskino (2015) in Indonesia indicates negative relationship between corporate governance and bank performance with similar time series characteristic of data. However, Kumar and Singh (2012) established that corporate governance has a significant effect on bank performance in India. Authors like Love and Rachinsky (2013) and Naushadi and Malik (2015) in Russia and Canada respectively discovered that studies have failed to establish a link between corporate governance and performance. It is against this backdrop that the current study examines the effects of corporate governance attributes on the financial performance of Nigerian Deposit Money Banks.

1.2 Research Objectives

This study examines the effect of corporate governance attributes on the financial performance of Nigerian Deposit Money Banks. Specifically, this study aims at:

- a. Examining the effect of board composition on the financial performance of Nigerian Deposit Money Banks.
- b. Evaluating the effect of gender diversity on the financial performance of Nigerian Deposit Money Banks.
- c. Examining the effect of board size on the financial performance of Nigerian Deposit Money Banks.

1.3 Research Questions

In a bid to address the above stated research problems, the following questions were put forward:

1. Does board composition affect the financial performance of Nigerian Deposit Money Banks?
2. Does gender diversity affect the financial performance of Nigerian Deposit Money Banks?
3. Does board size affect the financial performance of Nigerian Deposit Money Banks?

1.4 Research Hypotheses

In addressing the above stated research questions, the following research hypotheses were stated in their null forms:

H₀₁: Board composition does not significantly affect the financial performance of Nigerian Deposit Money Banks.

H₀₂: Gender diversity does not significantly affect the financial performance of Nigerian Deposit Money Banks.

H₀₃: Board size does not significantly affect the financial performance of Nigerian Deposit Money Banks.

Based on the above, this study focuses corporate governance elements on the financial performance of Nigerian Deposit Money Banks listed on the floor of the Nigeria Stock Exchange (NSE) for the period of 10 years (2012 to 2021). The reason for the choice of the banking industry is because of its crucial role in shaping any country's economic growth and its activeness on the stock exchange than other sectors.

This study gives more insight on the effect of corporate governance attributes on the financial performance of Nigerian Deposit Money Banks to both shareholders, to corporate managers and government regulators for tax and financial planning purposes and to all other interested stakeholders for research and as an addition to literature on banks financial performance in Nigeria.

2. Literature Review

This chapter presents the various concepts employed in this study and the underpinning theory. More so, the review of some related literatures are accommodated in this chapter.

2.1 Conceptual Discussion

This section presents corporate governance characteristics as a concept and the other various concepts employed in the study such as the concepts of board composition, gender diversity and board size.

2.2 Corporate Governance Attributes

Corporate governance has received attention in both practice and in academic research in the recent past. The term necessitates the processes and structures by which a firm and its affairs are focused and managed, in order to improve long term shareholders' value through corporate performance and accountability, while taking other stakeholders interest into account (Sadique, Ismail, Roudaki, Alias & Clark, 2019). To Karim and Faiz (2017) corporate governance is the combination of rules, processes or laws by which businesses are operated, regulated and controlled. The term encompasses the internal and external factors that affect the interests of a company's stakeholders, such as shareholders, customers, suppliers, government regulators and management (Georgantopoulos, Poutos & Eriotis, 2018).

Sadique, et. al. (2019) opines that, corporate governance is very important for corporate survival of any country as it is the system that directs and controls those companies. If a company fails to comply with corporate governance, there are different sort of penalties that may be imposed on them as punishment. Karim and Faiz (2017) highlighted that fraud and corruption remain pervasive in businesses. According to these authors, serious consequences of corporate fraud have prompted strong control and monitoring mechanisms to be enacted, with the goal of overseeing corporate and management activities. Akhtaruzzaman, Boubaker and Sensoy (2021) indicated that management's ability to override internal controls is another contributing factor to fraud. As concerns about fraud increases, companies are being urged to fortify their internal control systems by strengthening their corporate governance, thus, this study focuses on three attributes of corporate governance, which are board director composition, gender diversity and board size.

2.3 Board Director Composition as Corporate Governance Attribute

Sustainable Development Goals (SDGs) are setting a new global target on sustainability, for which corporations are expected to play an important role through sustainable practices. One of the approaches to engaging corporate to sustainable practices focuses on the board composition. Thus, Muchemwa, Padia and Callaghan (2016) explained that the composition of a board of directors' influences firms' sustainability and financial performance. Board composition according to Oliver and Grace (2017) refers to the executive, non-executive and independent directors expressed as a proportion to the total board membership. Atty, Moustafasoliman, and Youssef (2018) states that, board composition reflects a mix of director skills, independence, diversity, and tenure, each of which has its own complexities. Individual personalities and how the directors interact with each other and with management are also critical components of board composition but are difficult to measure or to objectively assess.

Ibrahim and Al-Harasees (2019) explained that it is very important that the Board's structure and composition is carefully considered if it is to fulfil its role and live up to shareholders' expectations. To obtain the best results, Ibrahim and Al-Harasees (2019) advised that the board composition should be chosen from a group of diverse and experienced individuals who are not involved in the management of the organization. Zraiq and Fadzil (2018), argues that the Board should be of the correct size and have the best mix of skills to ensure optimum effectiveness. These scholars maintained further that there should be a clear distinction between the roles of the Chairman and the Chief Executive Officer (CEO).

2.4 Gender Diversity as Corporate Governance Attribute

The issue of gender diversity has become a challenging one to most business owners and managers in today's corporate world. For many, having to choose to express yourself as male or female is constraining. Simionescu, Gherghina, Tawil and Sheikha (2021) defines gender diversity as an umbrella term that is used to describe gender identities that demonstrates multiplicity of expression beyond the binary framework. To Jaber (2020), gender diversity in the workplace refers to an equal ratio of men and women working together. To have a productive working environment, an equal ratio of men, women, and other genders is required as gender diversity signifies that men and women are hired at a balanced rate, both equally paid and appreciated.

Dankwano and Hassan (2018) explained that as the benefits of gender diversity become ever more apparent, companies globally are working to close the gender parity gap within the organization and trying to gain benefits of gender equality across their organizations. It is also true that, gender equality in the workplace is an important issue for policymakers in governance. Ranasinghe (2019) noted the need for a diverse gender in workplace because a good gender balance improves stock values and greater profitability. To Ranasinghe (2019), mixed-gender boards perform extremely well and that generates more value for the firm as gender-biased firms cannot utilize all the talents available for the establishment to benefit in all terms. Moreover, Jaber (2020) explained that businesses could be enriched with multiple perspectives as every person irrespective of their gender has a different view point of contribution. They all have gained different life experiences and knowledge. Hence, a well-positioned establishment can benefit from these different points of views and experiences the employees have. For creative thoughts and ideas, there is the need to maintain gender diversity at workplace as managers of establishment could find innovation and creativity at their peak while working with a diverse team.

2.5 Board Size as Corporate Governance Attribute

The foremost function of the board of directors is to supervise managers and provide advice to maximize shareholders wealth. To improve the efficiency of the board of directors, it is important to note the association between the size of the board and corporate performance. Cao, Yang and Liang (2021) clarified that the reason for adequate board size is that a larger board of directors can ensure that more non-executive directors better supervise managers. A larger board of directors will include more professionals from different fields hence, high-quality boards from different backgrounds can make better decisions for the board.

Ahmad, Said and Arsad (2017) advised that for an active and functional system, the board should be large enough to carry out the board's fiduciary and other duties effectively and efficiently. Dang, Li, and Yang (2018)

on the other hand explained that with bylaws, the number of board members could be formed based on how the board is elected by the shareholders at annual general meeting and how often the board meets. While there is no set number of members for a corporate board, many pursuing diversity as well as cohesion settle on a range of 8 to 12 directors. Oliver and Grace (2017) opines that the law requires that every company must have at least three directors in the case of public limited companies, minimum of two directors in the case of private limited companies and a minimum one director in the case of one-person companies. However, it's also ideal for a company to have a maximum of 15 directors.

2.6 Theoretical Framework

This study was anchored on the Agency Theory principle by Jensen and Meckling (1976). The Agency theory posits that in the presence of information asymmetry, the agent is most likely to pursue interests that may hurt the principal, or shareholder (Ross, 1973; Fama, 1980). Initially, this theory was postulated on the relationship between managers and equity holders with no explicit recognition of other parties interested in the well-being of the firm. Subsequent research efforts widened the scope to include not just the equity holders but all other stakeholders, including employees, creditors, government, etc. The theory suggests how the governance of a company is based on the conflicts of interest between the company's shareholders, its managers and the major providers of debt finance (Abdeljawad & Masri, 2020).

The suggestion then was, and still appears to be that effective mechanisms be identified and put in place to ensure that firm managers take all possible measures that would enhance firm value to their owners. As earlier said, Berle and Means (1932) appeared to be the first to argue that managers of a firm are likely to pursue their own interest rather than the interest of the shareholders. According to Van Slyke, (2007), the agency theory is used in organizational economics and management literature as a theoretical framework for structuring and managing contract dealings. It is further used in explaining the behavior of principals and agents. The theory postulates a different perspective in the nature of agents seeking self-interest rather than an altruistic goal and as such cannot be trusted (Sabo, 2018). A basic assumption of the agency theory is that managers would act opportunistically to further their own personal interest before shareholders. The conclusion is that the value of the firm cannot be maximized because managers possess discretions which allow them to expropriate values to themselves (Zraiq & Fadzil, 2018).

The agency problems may arise when management decisions or actions flow from trivial maximizing strategies (Dockery, Herbert & Taylor, 2000). For example, managers may seek to increase the size of the firm for the sole purpose of empire building (Marris, 1964), or they may seek to diversify the firms' portfolio in order to increase their own job security (Abdeljawad & Masri, 2020). Furthermore, the managerial entrenchment hypothesis suggests that the separation of ownership and control offers managers an array of discretionary behaviors. This behaviours include shirking and taking of fewer investment risks (Jensen & Meckling, 1976). Shirking portends a situation where the agent attempts to avoid the contracted work in favour of something of higher personal utility. An important objective of corporate governance is securing accountability of corporate managers as agents to shareholders' that are provided with authority and incentives to promote wealth-creating strategies (Dockery, Herbert and Taylor, 2000).

Managers as agents are to be constantly monitored to ensure that it does not pursue policies that are inimical to the prosperity of the enterprise. This monitoring task rests squarely with the board that is expected to be appointed through a democratic process at the company's annual general meeting (AGM). Gehya (2019) argued that monitoring intensity can serve to ensure alignment of goals but can also be perceived as distrust that may lead agents to reduce their work efforts.

3. Research Methodology

As an important segment of every research study, research methodology discusses the research methods and procedures that could be engaged to properly ensure that the research objectives and hypotheses as specified and defined in the initial stage of this study are well addressed.

3.1 Research Design

This study adopts the ex-post facto research design as it is intended to examine the relationship between financial inclusion and performance of the banking industry using data obtained from various secondary sources for the period from 2012 to 2021.

3.2 Types and Sources of Data

This study examines the effect of corporate governance attributes on the financial performance of the Nigerian Deposit Money Banks. In conducting this research, secondary data were used as a means of eliciting the required information needed for this research. In this, the data were sourced from annual reports of the selected banks in the official daily lists of the Nigerian Stock Exchange (NSE) market making up the Nigerian banking sector.

3.3 Population of the Study

The population for this study is all the nineteen (19) banks currently quoted in the official daily lists of the Nigerian Stock Exchange (NSE) market making up the Tier 1 and Tier 2 banks. The choice for this selection was due to the focus of this study on the Nigerian banking industry.

3.4 Sample Size

From the defined population, ten (10) banks, namely five (5) Tier 1 banks - Zenith Bank, Guaranty Trust Bank, First Bank of Nigeria plc, Access Bank and United bank for Africa while five (5) Tier 2 banks - Sterling Bank, Unity Bank, Wema Bank, Stanbic IBTC and Keystone Bank were chosen as a sample for the study. The choice of these banks was to strike a balance between the various tiers of the Nigerian banking industry.

3.5 Method of Data Collection

The data gathered for this research were exclusively secondary sourced. These are mainly obtained from the annual reports of the selected banks in the official daily lists of the Nigerian Stock Exchange (NSE). Other secondary sourced materials such as textbooks, journals, articles and the internet. The data cover a span of eleven years (2012 to 2021).

3.6 Model Specification

This study utilized an econometric regression model to test the relationship between the dependent variable and the independent variables. The functional OLS model for this study is specified thus:

$$\text{Financial Performance} = f(\text{Corporate Governance Attributes}) \dots\dots\dots (1)$$

This function is linearly expressed further as follows:

$$\text{Financial Performance} = \beta_0 + \beta_1 \text{BComp} + \beta_2 \text{GenDiv} + \beta_3 \text{BSiz} + e_i \dots\dots\dots (2)$$

Where;

Financial Performance is the dependent variable and the proxy for Financial Performance of listed Nigerian Deposit Money Banks. In this study, Return on Assets was chosen as the profitability ratio for financial performance while, Board Composition, Gender Diversity and Board Size represents the Corporate Governance Attributes which serve as the independent variables.

β_0 , β_1 , β_2 , and β_3 are the correlation coefficients; and e_i is the random variable (i.e. an error term that accounts for the variability in the dependent variable which cannot be explained by the linear effect of the independent variables).

3.7 Method of Data Analysis

This study employs the Panel Regression Analysis. The Panel Data Regression Analysis helps in estimating the relationships among the studied variables. It further help to understand how the typical value of the dependent variable changes when any one of the Independent variables is varied, while the other independent variables are

held constant. Descriptive statistics will be used to define the salient features of the data. The investigation was carried out with the aid of E-VIEWS 10.0 statistical package.

4. Data Presentation and Analysis

In this study, the data collected from the model specified in the methodology were presented, analyzed and discussed. This study employed the descriptive and the Ordinary Least Square method of Regression analysis in its presentation. As already pointed out in the methodology, the statistical estimation was carried out with the aid of Econometric-Views (E-VIEWS) version 10.0.

4.1 Presentation and Analysis of Data

Table 4.1: Table Showing the Presented Data for Analysis

	ROA	Gender Diversity	Board Composition	Board Size
2012	31.700	0.362	0.636	0.075
2013	29.523	0.370	0.530	0.129
2014	28.551	0.393	0.488	0.110
2015	22.144	0.292	0.506	0.103
2016	22.073	0.004	0.422	0.079
2017	20.062	0.003	0.441	0.138
2018	20.102	0.003	0.520	0.078
2019	20.104	0.002	0.567	0.082
2020	20.263	0.038	3.430	0.104
2021	20.482	0.038	3.440	0.107

Source: Annual Reports of Selected Deposit Money Banks

Table 4.1 above shows the data of the studied variables as specified. The table shows the aggregated data of Return on Assets (ROA), Gender Diversity (GenDiv), Board Composition (BComp), and Board Size (BSiz) from 2012 to 2021.

4.1.1 Descriptive Analysis

Table 4.2: Descriptive Analysis of the Variables Employed

	ROA	GENDERDIVERSITY	BOARDCOMPOSITION	BOARDSIZE
Mean	23.498	0.148	1.098	0.100
Std. Dev.	4.564	0.177	1.233	0.022
Skewness	0.879	0.450	1.491	0.380
Jarque-Bera	1.687	1.547	3.729	0.688
Probability	0.430	0.461	0.155	0.709

Source: Extracted from EViews result

From the table above, the mean column shows that the mean values of all the variables have positive return. In terms of their performances, the table shows a better performance of the Return on Assets as indicated by the mean score of 23.498. On consistency in performance, table 4.2 above shows that Board Size was more consistent in performance than other variables employed in this study. This was proved by the low Standard Deviation values of 0.022 with respect to their mean values of 0.100. From the result obtained on Jarque-Bera analysis in Table 4.2, none of the variables employed in this study were normally distributed as shown by the various Jarque-Bera probability values.

4.2 Regression Analysis

This section presents the empirical findings from the regression model used in this study and the results of the regression analysis.

Table 4.3: Regression Analysis

Dependent Variable: ROA

Method: Least Squares

Date: 21/07/22 Time: 11:15

Sample: 2012 2021

Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	26.859	2.648	10.144	0.000
GENDERDIVERSITY	79.551	18.228	4.364	0.007
BOARDCOMPOSITION	1.365	0.653	2.093	0.091
BOARDSIZE	-40.046	23.766	-1.685	0.153
R-squared	0.940	Mean dependent var		23.498
Adjusted R-squared	0.892	S.D. dependent var		4.564
S.E. of regression	1.501	Akaike info criterion		3.957
Sum squared resid	11.260	Schwarz criterion		4.108
Log likelihood	-14.783	Hannan-Quinn criter.		3.791
F-statistic	19.563	Durbin-Watson stat		1.406
Prob(F-statistic)	0.003			

Source: From EVIEWS OLS regressions result**4.3 Coefficient of Determination (R-Squared)**

From the results in Table one above, the R^2 value of 0.940 shows the goodness of Fit of the regression model. This figure explains that 94% of the performance in Return on Assets of Nigerian Deposit Money Banks within the period under study are attributed to the contributions of the employed independent variables (Gender Diversity, Board Composition and Board Size respectively). This means that the remaining 6% of the performance of Return on Assets of Nigerian Deposit Money Banks within the period under study would be accounted by other variables that were not included in the model and which the error term has taken care of. Thus, this shows a strong determination of the model.

4.4 F-test

The F statistic calculated value of 19.562 at a degree of freedom of $4/5$ is greater than its tabulated value of 3.520 (i.e. $19.562 > 3.520$). With this, the null hypothesis is rejected. It is therefore confirmed based on the result that, the independent variables employed in this study are statistically significant in explaining the growth of Return on Assets of Nigerian Deposit Money Banks within the period under study. This also explains that the contributions of the various independent variables were significant to the performance of the dependent variable.

4.5 Evaluation Based on Economic Criterion

From the estimates in the regressions model in Table 4.3 above, the result shows a positive relationship existing between Gender Diversity, Board Composition and Return on Assets of Nigerian Deposit Money Banks but a negative relationship with Board Size.

4.6 Test of Hypotheses

H_{01} : Board composition does not significantly affect the financial performance of Nigerian Deposit Money Banks.

From the regressions table above, the t-test value of 2.093 and its corresponding probability value of 0.091 shows that the probability value of 0.091 is greater than the 5% Level of Significance, as such, the null hypothesis is accepted and the alternative rejected.

This made the researcher to conclude that board composition does not significantly affect the financial performance of Nigerian Deposit Money Banks.

H₀₂: Gender diversity does not significantly affect the financial performance of Nigerian Deposit Money Banks.

Based on the above regressions table, the t-test value of 4.364 and its corresponding probability value of 0.007 shows that the probability value of 0.007 is less than the 5% Level of Significance, as such, the null hypothesis is rejected and the alternative accepted.

This made the researcher to conclude that gender diversity significantly affects the financial performance of Nigerian Deposit Money Banks.

H₀₃: Board size does not significantly affect the financial performance of Nigerian Deposit Money Banks.

From Table 4.3, the t-test value of 1.685 and its corresponding probability value of 0.153 shows that the probability value of 0.153 greater than the 5% Level of Significance, as such, the null hypothesis is accepted and the alternative rejected. This result made the researcher to conclude that board size does not significantly affect the financial performance of Nigerian Deposit Money Banks.

5. Summary and Conclusion

This study examines the effect of corporate governance attributes on the financial performance of Nigerian deposit Money Banks. The study is anchored on the Agency Theory by Jensen and Meckling (1976). This theory suggests how the governance of a company is based on the conflicts of interest between the company's owners (shareholders), its managers and the major providers of debt finance. As an ex-post facto research design, this study examines the relationship between corporate governance attributes and financial performance of Deposit Money Banks in Nigeria using data obtained from various secondary sources for the period from 2012 to 2021. The study employs descriptive statistics and Ordinary Least square method of Regression analysis and the following conclusions were made:

- a. Board composition does not significantly affect the financial performance of Nigerian Deposit Money Banks
- b. Gender diversity significantly affects the financial performance of Nigerian Deposit Money Banks.
- c. Board size does not significantly affect the financial performance of Nigerian Deposit Money Banks.

5.1 Recommendations

In line with the objectives, analysis and findings of the study, the following recommendations have been made by the researcher:

- a. The study found an insignificant relationship existing between board composition and financial performance of Nigerian Deposit Money Banks. This study saw the need to balance conformance and therefore recommends the enhancement on the composition of the board so as to improve the performance of the organization through strategy formulation and policy making.
- b. Diversity in gender should be encouraged as boards must be aware of their own strengths and weaknesses for effective governance. From improvements to be achieved from board of directors during evaluation, it should include areas such as diversity in gender processes. It may further be critical that any agreed actions that come out of an evaluation are implemented and monitored.
- c. To ensure good performance of the board size in the banking sector, adequate mix of skills, talents and knowledge should be encouraged for effective and efficient governance and ensure the protection of the interest of all stakeholders.

5.3 Suggestions for Further Studies

This study examined the effect of corporate governance attributes on the financial performance of Nigerian deposit Money Banks listed on the floor of the Nigerian Stock Exchange using secondary data. Further

studies should focus on other sectors or incorporate all other financial institutions other than deposit money banks in Nigeria.

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