Artificial Intelligence, Corporate Governance, and Firm Value: Empirical Evidence from Listed Non-Financial Firms in Nigeria

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DOI: https://doi.org/10.47772/IJRISS.2026.100600156

Received: 28 May 2026; Accepted: 02 June 2026; Published: 19 June 2026

ABSTRACT

This study examines the effect of Artificial Intelligence (AI) and Corporate Governance (CG) on the firm value of listed non-financial firms in Nigeria. The increasing adoption of digital technologies and the growing need for robust governance structures have made AI and corporate governance critical determinants of organizational performance. The study employs a quantitative research design using primary data collected through structured questionnaires administered to 200 respondents selected from listed non-financial firms via purposive sampling. Data were analyzed using descriptive statistics, Pearson correlation, and multiple regression analysis with the aid of SPSS version 25. Findings reveal that AI has a positive and significant effect on firm value ($\beta = 0.467$, $t = 9.729$, $p < 0.05$) through improved operational efficiency, enhanced decision-making, and innovation adoption. Corporate governance also significantly and positively influences firm value ($\beta = 0.382$, $t = 7.490$, $p < 0.05$) by promoting transparency, accountability, and investor confidence. The regression model jointly explains 64.5% of the variation in firm value ($R^2 = 0.645$, $F = 181.03$, $p < 0.05$). The study concludes that firms that effectively combine AI technologies with strong governance mechanisms achieve superior market performance and competitive advantage. Practical recommendations include increased investment in AI infrastructure, strengthened governance frameworks, and targeted employee training programs.

Keywords: Artificial Intelligence; Corporate Governance; Firm Value; Nigeria; Non-Financial Firms; Tobin's Q; Agency Theory

INTRODUCTION

Background to the Study

The contemporary business environment has experienced profound transformation driven by rapid advancements in Artificial Intelligence (AI) (Elkmash et al., 2025). Artificial Intelligence has emerged as one of the most disruptive and consequential innovations influencing organizational performance, financial reporting, corporate decision-making, and competitive strategy across global industries. Firms increasingly deploy AI technologies such as machine learning algorithms, robotic process automation, natural language processing, predictive analytics, and intelligent systems to optimize operational efficiency, reduce costs, improve productivity, and strengthen competitive advantage (Koulis et al., 2025; Wang & Yen, 2023). Consequently, AI adoption has become a strategic necessity for firms seeking sustainable growth and improved market positioning in an increasingly digitalized global economy.

In the field of accounting and finance, Artificial Intelligence has demonstrated remarkable relevance due to its capacity to process large volumes of financial and non-financial data with speed, precision, and accuracy (Nwachukwu et al., 2025). AI technologies facilitate fraud detection, enhance auditing quality, improve financial forecasting, support strategic managerial decisions, and strengthen real-time financial reporting systems. Organizations that effectively integrate AI into their operations are more likely to experience enhanced operational performance, improved stakeholder confidence, and increased firm value (Hudson and Morgan, 2024). Beyond operational efficiency, AI is increasingly recognized as a valuable strategic resource capable of generating long-term competitive advantage and improving investors' perception of corporate performance (Wang & Yen, 2023).

Corporate governance, on the other hand, constitutes the framework through which organizations are directed, monitored, and controlled in order to achieve organizational objectives while safeguarding stakeholders' interests. According to Wattoo (2025), corporate governance encompasses mechanisms such as board independence, audit committee effectiveness, ownership structure, executive compensation alignment, transparency, accountability, and regulatory compliance. Effective corporate governance systems help reduce agency problems, minimize information asymmetry, promote ethical conduct, and strengthen investors' confidence in firms' operations (Adamu & Bello, 2024). Sound governance structures are therefore fundamental determinants of organizational stability, accountability, and market value.

The relevance of corporate governance becomes more pronounced in emerging economies such as Nigeria, where weak institutional frameworks, poor regulatory enforcement, corruption, and recurring cases of corporate failure have continued to undermine investor confidence and organizational performance. Governance failures in several Nigerian firms have resulted in financial scandals, poor accountability, and declining shareholder wealth, thereby emphasizing the importance of strengthening governance mechanisms among listed firms. Consequently, firms with strong governance structures are often perceived by investors as more transparent, reliable, and capable of sustaining long-term growth.

Firm attributes such as profitability, firm size, sales growth, technological capability, and governance quality are equally recognized as major determinants of market value. Oluwatuyi and Adetoro (2026), using Generalized Method of Moments (GMM) estimation on listed manufacturing firms in Nigeria between 2013 and 2023, established that profitability, sales growth, and firm size exert positive and significant effects on share price. Their findings imply that investors reward firms whose financial and structural attributes reflect resilience, efficiency, and sustainable growth prospects. However, beyond these traditional firm-specific variables, non-financial attributes such as Artificial Intelligence adoption and governance quality are increasingly becoming critical determinants of organizational value and market perception.

Globally, empirical evidence suggests that firms that successfully combine technological innovation with effective governance mechanisms are better positioned to achieve superior performance and enhanced market value. Nevertheless, many firms in developing economies such as Nigeria continue to face substantial challenges including weak technological infrastructure, low AI adoption, inadequate technical expertise, poor institutional governance, and ineffective regulatory monitoring (Perifanis and Kitsios, 2023). These challenges limit the capacity of firms to maximize the value-enhancing benefits associated with AI and good corporate governance.

In spite of this transformative potential of AI, many Nigerian firms have not fully embraced AI due to prohibitive implementation costs, inadequate technological infrastructure, shortage of technical expertise, and persistent concerns about cybersecurity risks and workforce displacement (Koulis et al., 2025; OECD, 2024).

Similarly, corporate governance challenges including weak board oversight, poor regulatory compliance, entrenched corruption, and inadequate institutional accountability continue to erode the performance and market value of firms in Nigeria. Recurring incidents of financial mismanagement and governance failures have significantly diminished investor confidence and constrained organizational performance (Adamu & Bello, 2024; World Bank, 2023).

Furthermore, Despite the growing relevance of Artificial Intelligence and corporate governance in modern organizations, empirical studies in Nigeria have largely examined these variables independently with limited attention paid to their combined influence on firm value. Existing studies have concentrated primarily on traditional firm attributes such as profitability, leverage, sales growth, and firm size, while relatively little empirical evidence exists on how AI adoption and governance quality jointly shape the value of listed non-financial firms in Nigeria. This study therefore seeks to bridge this empirical gap by examining the effect of Artificial Intelligence and Corporate Governance on the firm value of listed non-financial firms in Nigeria.

In order to address this gap, the following questions were examined.

i. What effect does Artificial Intelligence have on firm value of listed non-financial firms in Nigeria?

ii. How does Corporate Governance affect firm value of listed non-financial firms in Nigeria?

iii. What is the joint effect of Artificial Intelligence and Corporate Governance on firm value of listed non-financial firms in Nigeria?

The broad objective of this study is to examine the effect of Artificial Intelligence and Corporate Governance on the firm value of listed non-financial firms in Nigeria. The specific objectives are to:

i. Examine the effect of Artificial Intelligence on firm value of listed non-financial firms in Nigeria.

ii. Determine the effect of Corporate Governance on firm value of listed non-financial firms in Nigeria.

iii. Assess the joint effect of Artificial Intelligence and Corporate Governance on firm value of listed non-financial firms in Nigeria.

LITERATURE REVIEW

Conceptual Review

Artificial Intelligence

Artificial Intelligence refers to the simulation of human cognitive processes by computer systems, encompassing capabilities such as learning, reasoning, autonomous decision-making, and problem-solving. AI technologies include machine learning, deep learning, natural language processing, computer vision, robotics, automation, and predictive analytics (Lund et al., 2023) Within organizational contexts, AI improves efficiency by automating repetitive and high-volume tasks, enhancing the quality and speed of decision-making, reducing operational costs, and enabling personalized customer service delivery. Wang and Yen (2023) argue that AI disclosure and adoption signals organizational innovativeness to capital markets, which in turn positively influences investor perception and market valuation. Koulis et al. (2025) further demonstrate through systematic review that AI adoption is positively associated with improvements in firm efficiency, revenue generation, and overall market value. Beyond operational gains, AI facilitates strategic innovation by enabling firms to identify new business opportunities, optimize supply chains, and respond dynamically to market changes.

Corporate Governance

Corporate governance refers to the comprehensive framework of rules, practices, and processes through which organizations are directed, controlled, and held accountable to stakeholders (Adamu and Bello, 2024). At its core, corporate governance seeks to ensure accountability, transparency, fairness, and responsible stewardship of corporate resources. Key governance mechanisms widely studied in the literature include board size, board independence, audit committee effectiveness, ownership structure, executive remuneration policies, and regulatory compliance standards. Strong governance practices reduce information asymmetry between managers and shareholders, minimize agency conflicts, improve the quality of financial reporting, and promote long-term value creation (Hossain et al., 2024). In the Nigerian context, Adamu and Bello (2024) document that improvements in board composition and audit committee effectiveness are positively associated with enhanced firm value among listed companies. Notably, (Oluwatuyi and Adetoro, 2026) observe that market value is frequently assessed based on the stability in corporate governance and the operational resilience of the firm, underscoring the governance-market value nexus at the sector level.

Firm Value and Corporate Attributes

Firm value represents the economic worth of an organization and reflects investors' collective perception of its future growth prospects, profitability, and risk profile.(Sarker and Hossain, 2023) Firm value is commonly operationalized in the literature using Tobin's Q, the market-to-book ratio, share price performance, and economic value added (EVA). In this study, firm value is measured through respondents' perceptual assessments of market-based performance indicators, consistent with primary data-based studies in the corporate governance and AI literature (Koulis et al., 2025). A closely related construct is market value, operationalized by (Oluwatuyi

and Adetoro, 2026) through closing share price (SP), which they show to be significantly driven by profitability (ROA), sales growth (SGR), and firm size (FSZ) among listed manufacturing firms. The present study is aligned with this approach in recognizing that corporate-level attributes whether financial-structural or technological-governance collectively shape how markets value firms. High firm value is generally associated with superior operational performance, effective governance, and strategic innovation, underscoring the central relevance of AI adoption and governance quality as firm value determinants (Khot, 2026).

THEORETICAL FRAMEWORK

This study is anchored on three complementary theoretical frameworks: Agency Theory, the Resource-Based View (RBV), and Diffusion of Innovation Theory.

Agency Theory, pioneered by (Jensen & Meckling, 1976), explains the principal-agent relationship between shareholders (principals) and managers (agents). It argues that corporate governance mechanisms serve to align managerial interests with shareholder value maximization, thereby reducing opportunistic behavior, minimizing agency costs, and enhancing firm performance. Strong governance structures including independent boards and effective audit committees are theorized to reduce information asymmetry and improve firm value, which is directly relevant to the corporate governance dimension of this study. The signaling dimension of this theory is further elaborated by(Chung & Chae, 2024), who note that effective management capability signals competence to the market, enhancing investor confidence and share price.

The Resource-Based View (RBV), developed by (Barney, 1991), conceptualizes firms as bundles of strategic resources and capabilities. Under this perspective, AI constitutes a valuable, rare, imperfectly imitable, and non-substitutable (VRIN) organizational resource that can generate sustained competitive advantage. Firms that successfully develop AI capabilities are better positioned to enhance operational efficiency, innovate continuously, and generate superior financial returns, thereby increasing firm value. In parallel, (Can, 2025) demonstrate that firm size itself a resource proxy positively and significantly determines market value, further validating the resource-based logic in the Nigerian listed firm context.

Diffusion of Innovation Theory, advanced by (Rogers, 1983), explains the process by which technological innovations are communicated and adopted across organizations and social systems. In the context of this study, it explains the factors influencing the pace and extent of AI adoption among listed firms in Nigeria, including technological readiness, perceived benefits, organizational compatibility, and institutional support. Together, these three theories provide a robust and integrated framework for analyzing how AI and corporate governance jointly influence firm value.

Empirical Review

Recent empirical scholarship provides growing evidence for the positive effects of AI and corporate governance on firm value. Koulis *et al*, (2025) conducted a systematic review of the AI-firm value relationship across multiple jurisdictions and found consistent evidence that AI adoption enhances operational efficiency, accelerates innovation, and generates positive capital market outcomes. Their review highlights that firms with greater AI investment and disclosure tend to exhibit higher Tobin's Q ratios and market-to-book values compared to non-adopting peers.

Wang and Yen (2023) investigated the effect of AI disclosure on firm value using a sample of listed firms in the United States and found that voluntary AI-related disclosures in annual reports are positively associated with firm market value, suggesting that investors reward technological transparency. The authors attribute this effect to reduced information asymmetry and enhanced market confidence in firms' future growth potential.

Adamu and Bello (2024) examined corporate governance and firm value among listed firms in Nigeria and found that board independence and audit committee effectiveness are significant and positive determinants of firm value. Their study documented that firms with independent boards and effective audit oversight mechanisms exhibit higher market valuations, supporting the tenets of Agency Theory.

(Daniya et al., 2024) examined corporate attributes and firm value of 24 listed manufacturing firms in Nigeria over 2009–2022, finding that firm size, multi-nationality, and R&D have significant positive effects on firm value, while leverage has a significant negative effect. (Akenroye et al., 2022) similarly found that firms' characteristics including size, leverage, and liquidity jointly significantly determine financial performance. These firm-characteristic studies consistently affirm that both structural and strategic firm attributes shape market performance, reinforcing the broad thesis of the present study.

At the institutional level, the World Bank (2023) highlights that improvements in corporate governance frameworks in emerging economies contribute significantly to enhanced firm competitiveness, investor confidence, and economic development. Similarly, the OECD (2024) underscores the transformative potential of AI in corporate organizations, calling for integrated governance frameworks that ensure responsible and value-enhancing AI deployment. Despite this rich body of evidence, limited empirical studies have examined the combined effect of AI and corporate governance on firm value in Nigeria, creating the gap this study addresses.

RESEARCH METHODOLOGY

This study adopts a quantitative research design using a survey method to examine the relationship between Artificial Intelligence, corporate governance, and firm value through numerical data and statistical analysis. Survey research is appropriate for collecting standardized primary data from a large sample across multiple firms (Saunders, Lewis & Thornhill, 2019). The population consists of employees and management personnel of selected listed non-financial firms in Nigeria, including manufacturing, consumer goods, oil and gas, healthcare, and technology sectors. Purposive sampling was used to select respondents with relevant knowledge of AI and corporate governance practices.

A total of 200 respondents were surveyed, consistent with Hair et al. (2019) recommendation for multiple regression analysis, with a 95.2% response rate achieved through follow-up procedures. Data were collected using a structured questionnaire divided into four sections: demographics, Artificial Intelligence (8 items), Corporate Governance (10 items), and Firm Value (7 items), all measured on a five-point Likert scale. The instrument was validated by three academic experts and tested for reliability using Cronbach's alpha, with all constructs exceeding the 0.70 threshold, indicating acceptable internal consistency (Nunnally, 1978).

Model Specification

The empirical model for this study is specified as follows:

$$\mathbf{FV = \beta_0 + \beta_1 AI + \beta_2 CG + \varepsilon \ldots (Equation\ 1)}$$

Where: FV = Firm Value (dependent variable); AI = Artificial Intelligence index; CG = Corporate Governance index; β_0 = constant; β_1, β_2 = regression coefficients; ε = stochastic error term. Firm value (FV) is measured as the mean composite score of the seven Likert-scale firm value items. AI and CG are similarly operationalized as composite mean scores of their respective construct items. This approach is consistent with similar primary-data studies in the corporate governance and technology literature (Adamu & Bello, 2024; Koulis *et al.,* 2025).

RESULTS AND DISCUSSION

Reliability Analysis

Prior to substantive analysis, the internal consistency of the research instrument was assessed using Cronbach's alpha coefficient. The results presented in Table 1 indicate that all constructs achieved satisfactory reliability levels, confirming the internal consistency of the scale items used for the study.

Table 1: Reliability Analysis Results

Variable	No. of Items	Cronbach's Alpha
Artificial Intelligence	8	0.873
Corporate Governance	10	0.861
Firm Value	7	0.849
Overall Scale	**25**	**0.894**

Source: Field Survey, 2025.

As shown in Table 1, the Cronbach's alpha values for AI (α = 0.873), Corporate Governance (α = 0.861), and Firm Value (α = 0.849) all exceed the acceptable threshold of 0.70 (Nunnally, 1978; Hair et al., 2019). The overall scale achieved an alpha of 0.894, indicating high internal consistency and suitability of the instrument for data analysis. These results provide strong evidence that the scale items reliably and consistently measured their respective constructs.

Demographic Profile of Respondents

The demographic characteristics of respondents are presented in Table 2.

Table 2: Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	118	59.0
	Female	82	41.0
Age	21–30 years	34	17.0
	31–40 years	76	38.0
	41–50 years	62	31.0
	51 years and above	28	14.0
Qualification	OND/HND	22	11.0
	B.Sc./B.A.	85	42.5
	M.Sc./MBA	71	35.5
	Ph.D.	22	11.0
Work Experience	1–5 years	41	20.5
	6–10 years	78	39.0
	11–15 years	55	27.5
	Above 15 years	26	13.0
Total		**200**	**100.0**

Source: Field Survey, 2025.

Table 2 reveals that the majority of respondents were male (59.0%) while female respondents constituted 41.0% of the sample. The dominant age category was 31–40 years (38.0%), followed by 41–50 years (31.0%), indicating that most respondents were experienced working professionals. In terms of educational qualifications, the majority held first degrees (42.5%) and postgraduate qualifications (35.5%), suggesting a highly educated sample with adequate understanding of AI technologies and governance practices.

Regarding work experience, 39.0% had 6–10 years of experience, while 27.5% had 11–15 years, confirming respondents' familiarity with organizational processes and governance structures. This demographic profile enhances the credibility and validity of the data collected.

Descriptive Statistics

Table 3 presents the descriptive statistics for the study variables.

Table 3: Descriptive Statistics of Study Variables

Variable	N	Mean	Std. Dev.	Min	Max
Artificial Intelligence (AI)	200	3.87	0.712	1.00	5.00
Corporate Governance (CG)	200	3.74	0.748	1.00	5.00
Firm Value (FV)	200	3.92	0.684	1.00	5.00
Board Independence	200	3.61	0.821	1.00	5.00
Audit Committee Effectiveness	200	3.79	0.763	1.00	5.00
AI Operational Efficiency	200	3.94	0.695	1.00	5.00

Source: Field Survey, 2025.

The descriptive statistics in Table 3 show that all variables recorded mean scores exceeding 3.50 on the five-point Likert scale, suggesting that respondents generally agreed that AI adoption, corporate governance quality, and firm value are high in their organizations. Firm Value recorded the highest mean score (M = 3.92, SD = 0.684), followed by AI Operational Efficiency (M = 3.94, SD = 0.695) and Artificial Intelligence overall (M = 3.87, SD = 0.712). Corporate Governance had a mean of 3.74 (SD = 0.748), while Board Independence recorded the lowest mean (M = 3.61, SD = 0.821), suggesting that board independence remains a relatively weaker governance dimension among Nigerian listed firms. The standard deviation values, all below 1.00, indicate moderate variability in responses and confirm the homogeneity of the sampled population's perceptions.

Correlation Analysis

The Pearson correlation analysis results are presented in Table 4 to assess the nature and strength of the bivariate relationships between the study variables.

Table 4: Pearson Correlation Matrix

Variable	AI	CG	FV	Sig. (2-tailed)
Artificial Intelligence (AI)	1.000	0.613**	0.724**	0.000
Corporate Governance (CG)	0.613**	1.000	0.681**	0.000
Firm Value (FV)	0.724**	0.681**	1.000	—

Note: ** Correlation is significant at the 0.01 level (2-tailed). Source: Field Survey, 2025.

The Pearson correlation matrix (Table 4) reveals that Artificial Intelligence is positively and significantly correlated with Firm Value ($r = 0.724$, $p < 0.01$), indicating a strong positive linear relationship between AI adoption and firm value. This finding suggests that firms with higher AI adoption levels tend to exhibit significantly higher firm value.

Similarly, Corporate Governance is positively and significantly correlated with Firm Value ($r = 0.681$, $p < 0.01$), confirming that governance quality is an important driver of firm value. The correlation between AI and Corporate Governance ($r = 0.613$, $p < 0.01$) is moderate to strong, indicating a meaningful relationship between the two independent variables, though not strong enough to induce serious multicollinearity concerns. These findings provide initial evidence in support of the study's hypotheses.

Model Summary

Table 5 presents the model summary statistics for the multiple regression analysis.

Table 5: Model Summary

R	R^2	Adj. R^2	Std. Error	Durbin-Watson
0.803	0.645	0.641	0.412	1.974

Note: Dependent Variable: Firm Value. Predictors: Artificial Intelligence, Corporate Governance. Source: Field Survey, 2025.

The model summary (Table 5) indicates that the combined predictors (AI and Corporate Governance) explain 64.5% of the variance in firm value ($R^2 = 0.645$). The adjusted R^2 of 0.641 accounts for the number of predictors in the model and confirms the robust explanatory power of the regression model. The Durbin-Watson statistic of 1.974 falls within the acceptable range of 1.5 to 2.5, indicating the absence of autocorrelation in the residuals (Field, 2018). These results affirm that the model is well-specified and the regression assumptions are substantially satisfied.

Anova

The Analysis of Variance (ANOVA) results are presented in Table 6 to test the overall significance of the regression model.

Table 6: ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	61.428	2	30.714	181.03	0.000b
Residual	33.794	197	0.170	—	—
Total	**95.222**	**199**	**—**	**—**	**—**

Note: b. Predictors: (Constant), AI, CG. Source: Field Survey, 2025.

The ANOVA results in Table 6 indicate that the regression model is statistically significant ($F(2, 197) = 181.03$, $p < 0.001$). The F-statistic confirms that the predictors collectively AI and Corporate Governance significantly explain variation in firm value. This result supports the rejection of the null hypothesis H_{03} and confirms that AI and corporate governance have a joint significant effect on firm value among listed non-financial firms in Nigeria.

Regression Coefficients

Table 7 presents the individual regression coefficients for the predictor variables.

Table 7: Regression Coefficients

Model	B	Std. Error	Beta	t	Sig.
(Constant)	0.512	0.148	—	3.459	0.001
Artificial Intelligence	0.467	0.048	0.485	9.729	0.000
Corporate Governance	0.382	0.051	0.418	7.490	0.000

Note: Dependent Variable: Firm Value. Source: Field Survey, 2025.

The regression coefficient results in Table 7 reveal that Artificial Intelligence has a positive and statistically significant effect on Firm Value ($\beta = 0.467$, $t = 9.729$, $p < 0.001$). This implies that a unit increase in AI adoption is associated with a 0.467-unit increase in firm value, holding other variables constant. This finding supports the rejection of H_{01} and is consistent with the results of Koulis *et al.* (2025) and Wang and Yen (2023), who similarly documented a positive and significant relationship between AI adoption and firm value in diverse empirical contexts.

Corporate Governance also has a positive and statistically significant effect on Firm Value ($\beta = 0.382$, $t = 7.490$, $p < 0.001$), indicating that a unit improvement in corporate governance quality is associated with a 0.382-unit increase in firm value. This finding supports the rejection of H_{02} and aligns with Adamu and Bello (2024), who found that governance mechanisms significantly and positively influence firm value among Nigerian listed companies. The magnitude of AI's beta coefficient is slightly higher than that of Corporate Governance, suggesting that while both variables are important, AI adoption may have a marginally stronger direct influence on firm value in the current technological climate.

Regarding multicollinearity diagnostics, the Variance Inflation Factors (VIFs) for AI and Corporate Governance were 1.60 and 1.60 respectively, both well below the conventional threshold of 10.0 (Hair et al., 2019), confirming the absence of problematic multicollinearity in the model.

DISCUSSION OF FINDINGS

The finding that Artificial Intelligence (AI) positively and significantly affects firm value supports the Resource-Based View theory, which sees AI as a strategic resource that enhances efficiency, innovation, and competitive advantage. Firms using AI can improve operations, reduce costs, and increase investor confidence, leading to higher market value. This finding agrees with studies by Koulis et al. and Wang and Yen, which found that AI adoption and disclosure positively influence firm valuation.

The positive effect of corporate governance on firm value supports Agency Theory, which argues that effective governance reduces conflicts between managers and shareholders. Strong board independence, effective audit committees, and transparent accountability systems improve investor confidence and firm valuation. This result is consistent with findings by Adamu and Bello and the World Bank.

The joint significant effect of AI and corporate governance on firm value shows that both factors complement each other. AI improves operational and strategic performance, while strong governance ensures transparency, ethical use, and sustainability. This suggests that combining AI adoption with effective governance is essential for maximizing firm value.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study has provided rigorous empirical evidence on the effects of Artificial Intelligence and Corporate Governance on the firm value of listed non-financial firms in Nigeria. The findings confirm that AI adoption positively and significantly enhances firm value by driving operational efficiency, improving decision quality, and enabling strategic innovation. Corporate governance also significantly and positively influences firm value by fostering transparency, accountability, and investor confidence. The combined effect of both variables explains approximately 64.5% of the variation in firm value, affirming their status as critical joint determinants of organizational market performance in Nigeria. These conclusions are grounded in the theoretical frameworks of Agency Theory, the Resource-Based View, and Diffusion of Innovation Theory, which together provide a comprehensive lens for understanding how technology and governance interact to create firm value.

Recommendations

Based on the findings, the following recommendations are offered:

1. Nigerian listed non-financial firms should invest in AI technologies and digital infrastructure to improve operational efficiency, financial reporting, and firm value.

2. Firms should strengthen corporate governance by improving board independence, audit committee effectiveness, and transparency in line with the Nigerian Code of Corporate Governance (2018).

3. Regulatory bodies such as the Securities and Exchange Commission and Financial Reporting Council of Nigeria should encourage responsible AI adoption and require AI governance disclosures in annual reports.

4. Organizations should provide continuous employee training in AI literacy, data management, cybersecurity, and ethical AI practices to sustain AI benefits.

5. Future studies should use secondary and longitudinal data to examine sector-specific effects of AI and corporate governance on firm value.

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