Corporate Governance and Financial Performance: Evidence from Quoted Consumer Goods Firms in Nigeria.

Akinleye Gideon Tayo & Adenigba Bosede Esther

Department of Accounting, Ekiti State University, Ado Ekiti, Ekiti State, Nigeria.

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ABSTRACT

This study examined the effect of corporate governance on the financial performance of quoted consumer goods firms in Nigeria. The specific objectives of this study are to analyse the effect of board meetings on profits after tax for quoted consumer goods firms in Nigeria, examine the effect of board size on profits after tax for quoted consumer goods firms in Nigeria, and examine the effect of audit committee independence on profit after tax for quoted consumer goods firms in Nigeria. These objectives were hypothesized in null form. Twenty-one (21) quoted consumer goods companies listed on the Nigerian Exchange Group (NGX) make up the study's total population. Ten (10) quoted consumer products companies were selected as the study's sample using the purposive sampling technique. The study's data were sourced from the annual audited financial reports and accounts of the chosen companies for ten consumer goods companies listed on the Nigerian Exchange Group for a period of five years spanning from 2019-2023. The Hausman test was conducted to choose the best panel estimation techniques. Result based on the most consistent random effect, then revealed that board meeting (BM) had no significant relationship with profit after tax (PAT) of quoted consumer goods firms in Nigeria with a p-value of 0.9728, which is higher than the 5% (P>0.05) level of significance and a negative coefficient (-0.0202). The result also shows that board size (BS) had no significant effect on the profit after tax (PAT) with an estimated p-value of 0.4833, which is higher than the 5% level of significance and a negative coefficient (-0.1571). The result also shows the audit committee independence (AC) had no significant effect on the profit after tax (PAT) with an estimated p-value of 0.1011, which is higher than the 5% criterion of significance and a negative coefficient (-1.1069). The study therefore concludes that there is no significant relationship between the financial performance of quoted manufacturing firms in Nigeria and board meeting (BM), board size (BS), or audit committee independence (AC). The study thereby recommends, among others, that before the composition of the board size, factors including the company's size, operational complexity, strategic needs, and specialized knowledge should always be taken into account. This will enable the manufacturing firms to have strong financial performance.

Keywords: Audit Committee Independence, Board Meeting, Board Size, Corporate Governance, Financial Performance, Profit after Tax.

INTRODUCTION

Corporate governance refers to the frameworks of rules, practices, and processes that guide the direction and control of a company. Akintoye (2010) defines corporate governance as the balancing of interests among a company's various stakeholders, including shareholders. It encompasses the systems of rules, practices, and processes through which a company is directed and controlled. Akintoye (2010) defines corporate governance as the balancing of interests among a company's various stakeholders, including shareholders. It encompasses the systems of rules, practices, and processes through which a company is directed and controlled. Akintoye (2010) states that corporate governance entails balancing the interests of various stakeholders, including shareholders. These practices are essential for managing constraints, including the reduction of risk for investors, the attraction of investment capital, and the enhancement of company performance. Corporate governance is not a new concept; however, it is rapidly gaining prominence in both academic and corporate spheres. Corporate governance has historically been a significant concept within the field of accounting. Despite criticisms of corporate governance from market regulators, employees, and standard setters, empirical studies indicate that accounting practices have become increasingly conservative over the past decade, particularly following the collapse of major firms due to negligence in corporate governance. This indicates that well-governed companies are more likely to report greater success.

This underpins that corporate governance deals with policies, methods, and structures being used by commercial enterprises to attain specific objectives.

Corporate governance represents the system of controls, processes, policies, rules, and proceedings put up by the board and management of a company to ensure its smooth operation, maximize shareholder wealth, and meet the interests of every stakeholder. Corporate governance is the set of practices, customs, rules, laws, and regulations affecting the way a corporation or organisation is directed, administered, or regulated (Owolabi & Dada, 2011). Corporate governance policies are believed to have a substantial impact on maximizing stakeholder wealth and the growth prospects of an economy. They are methods seen as crucial to the management of constraints, such as the issue of lowering risk for investors, attracting investment capital, and increasing the performance of companies. It deals with the relationships among management, the board of directors, controlling shareholders, minority shareholders, and other stakeholders. According to the Cadbury Committee Report (1992), corporate governance is the framework by which firms are directed and governed. In this sense, it is seen as the framework inside and by which rules, relationships, systems, and processes are regulated.

Statement of the problem

Weak corporate governance will significantly contribute to systemic failures and corporate scandals and failures originating from fraud and other forms of misbehaviour; this, in the long run, will negatively affect the financial performance of any organisation. Lack of clarity between ownership and control of organisations has been highlighted to be a major reason for inadequate corporate governance in Nigeria. This leads to disputes between both parties; this is seen as agency conflict, which has a resultant loss (Olayiwola, 2018). The financial crisis of 2008 that involved marginal lending by banks generated degradation of stakeholders funds of banks, insurance companies, and manufacturing companies. The major cause of this trend has been connected to weak corporate governance (Bhimani, 2008.).

The contemporary economic and social crises affecting corporate governance standards have led to the extinction of organizations of significant importance, including those from Nigeria. The problem has continuously seen extraordinary collapses and loss-making due to poor governance structure among the listed manufacturing firms, forcing devastating system failures as well as scandals resulting from fraud and other unlawful conducts affecting the financial performance of most of the manufacturing firms (Sotonye et al., 2024). Experts have stated that the downfall of many great firms is to a considerable degree related to bad corporate governance practice. Examples that support this thesis were unsuccessful companies, as previously indicated. This posits that competently regulated enterprises have a premium on their price (Oyejide & Soyibo, 2001). As a result of corporate governance failures, many organisations around the world, even those flaunted as too large to fail, have encountered crises and scandals that led to their termination. Notable among such firm scandals and failures are Enron, WorldCom, Arthur Anderson, and Adelphia. Also in Nigeria, we have equally had incidents of scandals and failures: these were Oceanic Bank, Intercontinental Bank, Cadbury, and Lever Brothers (now Unilever), as observed by Stephen & Benjamin (2013).

Previous research on corporate governance (Yusuf et al. (2016), Weisbach & Hermalin (2002), Famogbiele (2012), Babatunde & Olaniran (2009), Houda et al. (2016), Mihai and Mihai (2018).) has looked at corporate governance with diverse dimensions. These studies produced a research gap both in terms of factors and time, which this current study seeks to fill. Accordingly, topics such as number of board meetings, board size, and audit committee independence are potential factors for company success (Kanakriyah, 2021). Thus, this work has included board meetings, board size, and audit committee independence as independent factors. The research employed profit after tax as a financial performance metric. Firm age was included in the research as a control variable to account for characteristics other than the listed independent variables that affect financial performance as well as to evaluate additional factors of financial performance. Hence, this study attempted to evaluate the relationship between corporate governance and firms performance with specific attention to the consumer goods industry listed on the Nigerian Exchange Group.

Research Objective

The specific objectives in this study are to:

1. Analyze the effect of board meetings on profits after tax for quoted consumer goods firms in Nigeria.
2. Examine the effect of board size on profits after tax for quoted consumer goods firms in Nigeria.
3. Examine the effect of audit committee independence on profit after tax for quoted consumer goods firms in Nigeria.

Research Hypotheses

In line with the research objectives, the following null hypotheses are formulated that

1. There is no significant relationship between board meetings and profits after tax for quoted consumer goods firms in Nigeria.
2. There is no significant relationship between board size and profit after tax among quoted consumer goods firms in Nigeria.
3. There is no significant relationship between audit committee independence and profit after tax for quoted consumer goods firms in Nigeria.

LITERATURE REVIEW

Conceptual Review

Corporate Governance

In the modern period, corporate governance is predicated on the notion that every company's goal is to optimise its value for the benefit of its shareholders (Ntim, 2017). Therefore, the company's goal is to maximize its value through well-established corporate governance systems that result in earnings and the transfer of any remaining profits to its owners following the settlement of liabilities. Managers whose primary responsibility is to increase shareholder wealth frequently put their personal objectives ahead of the company's (Ahmed, 2014). As a result, the manager may make financial decisions solely for their own gain without taking into account the interests of the company's stakeholders. In order to resolve agency disputes and protect the interests of the company's stakeholders, including its stockholders, sustainable corporate governance became necessary. The framework that controls the direction and administration of commercial enterprises is referred to as corporate governance by the Organisation for Economic Cooperation and Development (OECD, 2004). In addition to outlining the rights and obligations of important players like shareholders, managers, the board, and other stakeholders, this structure also creates guidelines and procedures for corporate decision-making. It also offers a framework for establishing organizational goals, outlining strategies to meet them, and tracking results. When businesses implement corporate governance, which is all about following established standards, laws, and regulations, stability and effective management can be attained. Good corporate governance boosts the confidence of all stakeholders and, rather than depressing a company's value on the capital market, raises its efficiency and worth. Accountability and transparency are improved by good corporate governance, which also guarantees the effective and efficient use of scarce resources, produces competitive and well-managed businesses, and draws and keeps investors (Arinze, 2013).

Corporate governance, according to Ammar, Saeed, and Abid (2013), is a procedure that management uses to take the right decisions that protect the interests of stakeholders. According to Osundina et al. (2016), it also acts as a framework for controlling systems, relationships, procedures, and norms. In order to promote stability and efficient administration, corporate governance implementation entails abiding by accepted standards, laws, and guidelines. Instead of decreasing a company's efficiency and value in the capital market, positive corporate governance increases stakeholder confidence.

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Board Meeting

Eluyela et al. (2018) define a board meeting as an organised assembly of board directors to discuss and decide on important issues concerning their past experiences, present circumstances, and future worries in relation to the company's existence (going concern). All of the resolutions that were approved throughout the exercise were lawful and would be put into effect within the company. The number of meetings managers and directors hold throughout the year determines how frequently the board meets, and the exercise is a crucial tool for successfully coordinating opinions in order to accomplish the company's overarching goals or objectives (Australian Institute of Company Directors, 2019). Board meeting frequency refers to how often the board of an organization meets over the course of a year. Board meetings are essential because they give the board a forum for making crucial decisions that impact the company. To ensure excellent corporate governance, Nigerian companies should have board meetings at least four times a year (Eluyela et al., 2018).

Board Size

The total number of directors on the board, including both executive and non-executive directors, is known as the board size. Varying companies and nations may have varying numbers of directors. There is no cap in Nigeria, according to the Central Bank of Nigeria (CBN) code of 2014 and the Pension Commission (PENCOM) code of 2008; nevertheless, the NAICOM code of 2009 stipulates that there must be at least seven directors. A maximum of 20 was suggested by CBN (2014) (Ugwu et al., 2021). According to a study, board size has a positive and significant impact on financial performance (Igbinosa et al., 2024). In other words, a larger board is better for the company's financial results. This is due to the fact that when the board grows larger, monitoring would be more effective, better, and faster. The impact of board size on a company's financial performance, however, was the subject of conflicting research. For example, investigations by Ugwu et al. (2021) and Samaenye et al. (2022) revealed a negligible relationship, whereas Omotola et al. (2021), Lestari et al. (2023), and Yilma (2018) reported a negative relationship.

Audit Committee Independence

Audit Committee The audit committee oversees the external auditing process and monitors internal control in their capacity as the shareholders' representatives. There have been numerous calls for increased audit committee effectiveness as a result of accounting scandals and worries about the accuracy of financial accounts. Audit committees are regarded as one of the main pillars of corporate governance, according to Jrairah (2014).

They play a significant role in ensuring the accuracy of financial statements, improving the efficiency of internal control systems and internal audit responsibilities, and bolstering the independence and effectiveness of the external auditor, all of which contribute to the public's regaining trust in businesses. According to Aldamen (2012), a company's performance is positively correlated with an audit committee made up of directors that have prior executive or financial experience.

The number of directors on the committee ranges from two to five, but Thuraisingam (2013) noted that this has little bearing on performance. Similarly, a weak but positive correlation was discovered by Osundina et al. (2016). Narwal and Jindal (2015) discovered that audit committee members had a detrimental effect on profitability, while Kajola (2008) found little correlation between audit committee performance and other factors.

Financial Performance

Financial performance according to Edwards (2014), financial performance measures are related to organizational effectiveness and profits. Financial ratios such as return on assets (ROA), return on investment (ROI), Profit after tax (Pat) and return on equity are some examples. A company's financial performance over a certain time period can be viewed as a general measure of its overall financial health (Bamidele et al., 2024). Profits and stock prices are two other common financial measures. Such metrics help to answer the critical question, "How do we appear to investors?" Senior investors and management have long been interested in such metrics. Financial performance measures are frequently articulated and emphasized in annual reports to shareholders. Financial performance is the effective use of resources by an organization to achieve its objectives, which leads to an increase in sales, share price, market share, net present value, sustainable profitability, income, risk-taking, cash flow, and leverage (Mohammed, 2015). It is "a measure of an organization's earnings, profits, appreciations in value as evidenced by the rise in the entity's share price" (Mwangi & Murigu, 2015).

Empirical Review

The study conducted by Ayeni-Agbaje (2024) on corporate governance and performance of listed firms in Nigerian exchange group found that board size had a positive significant effect on return on assets, while the number of non-executive directors had a negative significant effect on return on assets. The overall results demonstrated that corporate governance had a significant effect on the firm performance. The study adopted an ex-post facto research design, extracting secondary data from the annual reports of 153 companies listed on the Nigerian Exchange Group (NGX) that made up the study's population. Using a purposive sampling approach, 10 firms were chosen across different industries as the sample size. The scope spanned from 2013 to 2021, a period of nine years, and data underwent descriptive and inferential statistical analyses.

In a study to investigate the effect of board meeting frequency on deposit money bank performance in Nigeria, Eluyela et al. (2018) discovered a positive correlation between board meeting frequency and business performance. Examining the effect of board meeting frequency on deposit money bank performance in Nigeria was the study's main goal. The annual reports of the deposit money banks that are listed on the Nigerian Stock Exchange (NSE) provided the data for the study. The fifteen (15) deposit money banks that are registered with the Nigerian Stock Exchange comprise the study's population. The study made use of secondary data. The annual reports and individual accounts of selected deposit money institutions provided the data set. The years 2011–2016 comprised the study period. To look at the link between the study variables, panel regression was used. The main empirical conclusion is that board meeting frequency and business performance are positively correlated. Bank management has to think about increasing the number of board meetings to a minimum of four (4) annually, as suggested by the study.

The "relationship between the number of board meetings and the performance of commercial banks in Kenya for the year 2016" was examined by Adhiambo and Lisiolo (2018). A sample of 28 commercial banks' 2016 audited annual reports and the banks' published annual reports were used to gather secondary data. One important performance metric, net profit, was used to assess the bank's performance since it shows the amount of earnings distributed to shareholders, making it one of the most important measures of a bank's financial health. The data was assessed using a multivariate regression model and statistical tools for the social sciences. The results showed that bank performance was negatively impacted by board meetings. According to the survey, Kenyan commercial banks should concentrate on other factors if they wish to increase their profitability. It is appropriate to use profitability measurements to assess bank performance, and the current study incorporates these metrics as one of its performance variables.

Munyradadzi and Nirupa (2016) investigate how the size and makeup of boards affect the financial performance of South African companies listed on the Johannesburg Stock Exchange. The findings indicate that there is no significant correlation between board size and Tobin's Q and ROE (performance metrics). Board size, on the other hand, is positively correlated with ROA, another performance metric.

Using data from 2002–2012, Topal and Dogan (2014) examine the effect of board size on the financial performance of 136 Turkish manufacturing companies. For analysis, the robust estimator created by Beck-Katz (1995) was employed. The findings of the analysis indicate that the Z Altman score, return on assets, and board size are positively correlated. However, another finding indicates that Tobin's Q and return on equity are unaffected by board size.

Bebeji, Mohammed, and Tanko (2015) examine how the size and makeup of the board affected the nine-year performance of five Nigerian banks. The results of the study, which used multivariate regression analysis, show that the size of the board significantly affects how well Nigerian banks perform.

Isik and Ince (2016) examine how the composition and size of the boards affected the performance of 30 Turkish commercial banks between 2008 and 2012. The findings of panel fixed effects regression indicate that board size significantly improves bank performance (operating return on asset, OROA, and return on asset, ROA) after adjusting for bank size, credit risk, liquidity risk, net interest margin, and non-interest income.

Theoretical Review

There are various theories concerning corporate governance. They include the following: stewardship theory, resource dependence theory, stakeholder theory, and agency theory.

This study is underpinned by agency theory.

Agency Theory:

One of the theories that currently supports governance is the agency theory, which was developed by Jensen and Meckling in 1976. Since agency theory emphasises the link between corporate owners and managers, it was chosen as the most appropriate theory for the study. When the principal assigns tasks to the agent, this is known as an agency relationship. However, the division of ownership and control leads to a conflict between the interests of owners and managers, which is the root cause of agency issues. These disputes arose between shareholders and company officials. Resolving problems that arise in agency relationships is the aim of agency theory. This study's foundation is agency theory, which suggests that good corporate governance practices help settle disputes between managers and shareholders of publicly traded healthcare organizations.

Research Methods

Ex post facto research design was used in the study. This is due to the fact that the study's data came from secondary sources, specifically the annual reports of the selected companies. Twenty-one (21) quoted consumer goods companies listed on the Nigerian Exchange Group (NGX) make up the study's total population. Ten (10) quoted consumer products companies were selected as the study's sample using the purposive sampling technique. The selection criteria for the sampled firms are based on their year of establishment, data availability, and annual report accessibility. The study's data were sourced from the annual audited financial reports and accounts of the chosen companies for ten consumer goods companies listed on the Nigerian Exchange Group for a period of five-year spanning from 2019–2023. The availability of pertinent data influences the study period selection. The Nigerian Stock Exchange's Fact Books provided the enterprises' performance-related data, while the websites and annual reports of the chosen companies provided the board variables-related data.

Model Specifications

This study adapted the model used by Obilikwu, J. A. and Kassah, V. (2023) on the effect of board meeting frequency on the financial performance of quoted healthcare companies in Nigeria in which financial performance is expressed as a function of board meetings and firm age. The model is thus specified as

$ROE_{it} = \beta_{0it} + \beta_1 BM_{it} + \beta_2 FA_{it} + \varepsilon_{it}$……………………………………………………..………………3.1

Where ROE represents the return on equity.

BM represents Board Meetings.

FA represents firm age.

Nevertheless, this study modified the model by using profit after tax as a stand-in for financial performance. Board meetings (BM) were kept the same, but board size (BS) and audit committee independence (AC) were included as further corporate governance metrics. The necessity of accounting for the control variable FA was not acknowledged in this study. Therefore, the following is the model for this study:

$PAT = f(BM, BS, AC)$……………………………………………………………….………….3.2

$PAT_{it} = \beta_{0it} + \beta_1 BM_{it} + \beta_2 BS_{it} + \beta_3 AC_{it} + \varepsilon_{it}$ ……………………….…………………………………3.3

Where;

PAT represents profit after tax.

BM represents Board Meeting.

BS represents board size.

AC represents Audit Committee Independence.

DATA ANALYSIS METHOD

This study used both descriptive and inferential analysis methods. The Jarque-Bera, mean, standard deviation, and minimum and maximum values are displayed in the descriptive analysis. Pearson's correlation analysis and panel regression estimates, which used pooled OLS, fixed effect estimates, and random effects, are examples of inferential analysis.

Descriptive analysis

Table 4.1 Descriptive Statistics Result for the variables

	PAT	BM	BS	AC
Mean	12.25160	5.460000	11.12000	5.320000
Median	10.10000	6.000000	11.00000	6.000000
Maximum	27.08000	7.000000	16.00000	6.000000
Minimum	4.340000	4.000000	6.000000	4.000000
Std. Dev.	6.440107	0.908239	2.544622	0.793854
Skewness	0.638610	-0.210401	0.329928	-0.629772
Kurtosis	2.244819	2.188593	2.262917	1.891071
Jarque-Bera	4.586641	1.740534	2.038960	5.867031
Probability	0.100931	0.418840	0.360783	0.053210
Sum	612.5800	273.0000	556.0000	266.0000
Sum Sq. Dev.	2032.274	40.42000	317.2800	30.88000
Observations	50	50	50	50

Source: Author’s Computation (2024)

The mean, median, maximum, minimum, standard deviation, skewness, kurtosis, and Jarque-Bera of the observations gathered from the chosen firms (2018–2022) are presented in Table 4.1 above. The sampled firms showed positive performance throughout the time under review, with an average value of 12.25, a median value of 10.10, and maximum and minimum values of 27.08 and 4.34, respectively. PAT has a standard deviation of 6.44, which further suggests that the variable is distributed, according to the results. The skewness and kurtosis coefficients of 0.64 and 2.24, respectively, further demonstrate that PAT is platykurtic and skewed to the right. Board meetings had a positive average value of 5.46, a median value of 10.10, and maximum and minimum values of 7.00 and 4.00, respectively, according to the results. Additionally, the data suggests that BM is distributed, with a standard deviation of 0.91. Board size has a positive average value of 11.12, a median value of 11.00, and maximum and minimum values of 16.00 and 6.00, respectively, according to the results. Additionally, BS's standard deviation of 2.54 is displayed in the result, indicating that the variable is distributed. The audit committee's average value is 5.32, with a median of 6.00 and a maximum and minimum of 6.00 and 4.00, respectively, according to the results. Additionally, the data suggests that AC is a scattered variable, with a standard deviation of 0.79.

The Jarque-Bera statistics' p-values for PAT, BM, BS, and AC, which are 0.100, 0.419, 0.361, and 0.053, respectively, are higher than the 5% level of significance. This indicates that the variables are appropriate for this study and have the potential to significantly impact the listed companies' financial performance.

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Correlation Analysis

The correlation analysis illustrates how independent and dependent variables are related. To test these relationships, Pearson correlation analysis is used. Table 4.2 displays the results of the Pearson correlation analysis conducted for this investigation.

Table 4.2. Pearson correlation matrix

	PAT	BM	BS	AC
PAT	1.000000	0.043555	0.104522	-0.224682
BM	0.043555	1.000000	0.134575	-0.151715
BS	0.104522	0.134575	1.000000	-0.221452
AC	-0.224682	-0.151715	-0.221452	1.000000

Source: Author's Computation (2024)

Profit after tax (PAT) and board meeting have a positive correlation (estimated value of 0.0435 and 0.1045), while audit committee independence (AC) and PAT have a negative correlation (estimated value of -0.2246), according to the results of the correlation matrix in table 4.2. The analysis also reveals that board meetings (BM) are negatively associated with audit committees (AC), with an estimated -0.1517, and positively associated with board size (BS), with an estimated value of 0.1346. The results also show that, with an estimate of -0.2215, board size (BS) and audit committee (AC) have a negative connection.

Hausman Test

Table 4.3. Hausman Test Result

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.033314	3	0.3865

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
BM	-0.023920	-0.020212	0.003058	0.9465
BS	-0.187041	-0.157138	0.000819	0.2960
AC	-1.055773	-1.106912	0.001212	0.1419

Source: Author's Computation (2024)

The Hausman test result calculated for the research parameters is shown in Table 4.3. According to the results, the cross-section random effect test's p-value of 3.0333 for the Chi-square statistics was higher than the crucial value of 5%. This suggests that accepting the null hypothesis is appropriate, which means using a random effect model to analyze the study's objectives.

Regression analysis

The section presents the results of the random effects tests since the Hausman test indicates that it's the most consistent and efficient estimation result for discussion and inference.

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Table 4.4. Random Effect Estimation Technique

Dependent Variable: PAT
Method: Panel EGLS (Cross-section random effects)
Date: 12/03/24 Time: 17:33
Sample: 2018 2022
Periods included: 5
Cross-sections included: 10
Total panel (balanced) observations: 50
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	19.99810	5.969030	3.350310	0.0016
BM	-0.020212	0.589583	-0.034282	0.9728
BS	-0.157138	0.222348	-0.706718	0.4833
AC	-1.106912	0.661680	-1.672881	0.1011
Effects Specification				
			S.D.	Rho
Cross-section random			5.595410	0.7191
Idiosyncratic random			3.497173	0.2809
Weighted Statistics				
R-squared	0.060710	Mean dependent var		3.298057
Adjusted R-squared	-0.000548	S.D. dependent var		3.497482
S.E. of regression	3.498439	Sum squared resid		562.9976
F-statistic	0.991062	Durbin-Watson stat		1.668204
Prob(F-statistic)	0.405405			
Unweighted Statistics				
R-squared	0.029428	Mean dependent var		12.25160
Sum squared resid	1972.467	Durbin-Watson stat		0.476152

Source: Author's Computation (2024)

According to Table 4.4, the audit committee independence (AC), board meeting (BM), and board size (BS) have coefficients of -0.02, -0.16, and -1.11, respectively, and are not statistically significant at the 0.05 ($p < 0.05$) level of significance, with estimates of 0.97, 0.48, and 0.10 for each. Accordingly, the p-value of the variables is higher than the 5% level of significance, indicating that board meetings (BM), board size (BS), and audit committee independence (AC) have a negative and negligible impact on financial performance at the 5% level of significance.

Test of Hypothesis

Hypothesis One.

There is no significant relationship between board meetings and profits after tax for quoted consumer goods firms in Nigeria.

Table 4.5. Coefficient significance T-test Result for Hypothesis One

Null Hypothesis	Coefficient	T-test Result	Probability	Decision
Coefficient is not statistically significant	-0.0202	-0.0343	0.9728	H_0 is accepted

Source: Author's Computation (2024)

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Table 4.5 indicates that there is statistical evidence to accept the null hypothesis that the board meeting (BM) had no significant relationship with profit after tax (PAT) of quoted consumer goods firms in Nigeria. This is because, with a p-value of 0.9728, which is higher than the 5% level of significance, the results showed an insignificant connection and a negative coefficient (-0.0202). The null hypothesis, which states that there is no significant relationship between board meetings and profit after tax of quoted consumer goods firms in Nigeria.

Hypothesis Two

There is no significant relationship between board size and profit after tax for quoted consumer goods firms in Nigeria.

Table 4.6. Coefficient significance T-test Result for Hypothesis Two

Null Hypothesis	Coefficient	T-test Result	Probability	Decision
Coefficient is not statistically significant	-0.1571	-0.7067	0.4833	H_0 is accepted

Source: Author's Computation (2024)

Table 4.6 indicates that there is statistical evidence to accept the null hypothesis that the board size (BS) had no significant effect on the profit after tax (PAT) of quoted consumer goods firms in Nigeria. This is because the results showed an insignificant connection with a p-value of 0.4833, which is higher than the 5% level of significance and a negative coefficient (-0.1571). As a result, the null hypothesis is accepted, showing that the financial performance of quoted consumer products companies in Nigeria was not significantly impacted by the board size (BS).

Hypothesis Three

There is no significant relationship between audit committee independence and profit after tax for quoted consumer goods firms in Nigeria.

Table 4.6. Coefficient significance T-test Result for Hypothesis Three

Null Hypothesis	Coefficient	T-test Result	Probability	Decision
Coefficient is not statistically significant	-1.1069	-1.6729	0.1011	H_0 is accepted

Source: Author's Computation (2024)

Table 4.6 indicates that there is statistical evidence to accept the null hypothesis that the audit committee (AC) had no significant effect on the profit after tax (PAT) of quoted consumer goods firms in Nigeria. This is because the p-value of 0.1011 which is higher than the 5% criterion of significance showed an insignificant connection and a negative coefficient (-1.1069). As a result, the null hypothesis is accepted, suggesting that the financial performance of quoted consumer goods companies in Nigeria was not significantly impacted by the independence of the audit committee (AC).

DISCUSSION OF FINDINGS

The study's findings show a weak and negative correlation between board meetings (BM) and the profit after taxes of Nigerian consumer goods companies that are quoted. This depends on the fact that the board meeting had a p-value of 0.9728, which is higher than the 5% level of significance and a negative coefficient (-0.0202). This is consistent with the findings of Adhiambo and Lisiolo's (2018) study, which similarly found a substantial negative correlation between board meetings and business performance. According to the survey, if businesses want to boost their bottom line, they should focus on other factors. This outcome runs counter to the research conducted by Ntim and Osei (2011), who discovered that corporate board meetings significantly and favourably affect company performance.

The profit after tax of the mentioned consumer goods companies in Nigeria is negatively and negligibly correlated with the board size (BS). As can be seen, the p-value of 0.4833, t-statistics of -0.7067, and regression coefficient of -0.1571 are all over the 5% level of significance. The outcome is consistent with research by Jerry (2019), which revealed no meaningful correlation between the financial performance of Nigerian manufacturing companies and the membership of their boards.

Regression analysis results further show that the profit after tax of quoted consumer goods companies in Nigeria is negatively and negligibly correlated with audit committee independence (AC). As can be seen, the p-value of 0.1011, t-statistics of -1.6729, and regression coefficient of -1.1069 are all over the 5% level of significance. The outcome supports the conclusions of Narwal and Jindal (2015), who found no connection between the financial performance of Nigerian manufacturing companies and the independence of the audit committee (AC).

CONCLUSION

The study concludes that although these aspects of corporate governance form a very relevant determinant of the financial performance of manufacturing firms in Nigeria, there is no significant relationship between the financial performance of quoted manufacturing firms in Nigeria and board meeting (BM), board size (BS), or audit committee independence (AC). This is because the combined effect of the proxies of corporate governance practices considered during this study is negative and insignificant. The agency theory, which maintains that corporate board meetings, board size composition, and audit committee independence have a positive and considerable impact on financial performance, is in conflict with this finding.

RECOMMENDATIONS

Regular board meetings will improve the financial performance of Nigerian consumer goods companies that are quoted. Accordingly, this study suggests that holding virtual meetings instead of in-person ones will reduce meeting expenses and enhance the financial performance of the quoted manufacturing firms in Nigeria.

To counteract the detrimental effects on operational performance, start with proactive measures and a more cost-effective board composition and size. Before creating the board size, factors including the company's size, operational complexity, strategic needs, and specialised knowledge should always be taken into account. This will enable the manufacturing firms to have strong financial performance.

In order to protect shareholder interests and advance financial reporting transparency, the study also suggests that a manufacturing company should maintain a strong audit committee independence. This is because it enables the committee to impartially evaluate the company's financial health, spot possible risks, and hold management responsible without being swayed by internal pressures. In order to improve their financial performance, Nigerian manufacturing companies are urged to have a board that is independent and supportive of corporate governance.

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