
Effect of corporate governance mechanisms on the performance of listed consumer goods firms in Nigeria

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ABSTRACT

The failure of numerous multinational organizations across the world has caused stakeholders to place more weight on the ways and methods in which individuals in charge of listed consumer goods firms' transaction conduct it. Investigating how corporate governance influences the performance of Nigeria's publicly traded consumer goods companies is the main objective of this study. The study focused on the effects of director compensation, board size, board duality, and board gender on the performance of listed consumer products companies in Nigeria. The study employed ex-post facto research design, and the sample of six consumer products companies was carefully selected using census sampling techniques after two filters. A ten (10) year period, from 2012 to 2021, was used to collect data from the annual financial accounts of companies. Using multiple regression analysis, the hypotheses were tested. The results of the study shows that board size and director remuneration are positive and significantly influenced the performance of listed consumer goods companies in Nigeria while Board duality and gender diversity are positive and had no significant effect on performance of listed consumer goods firms in Nigeria. Therefore, the study recommends that listed consumer goods firms should pay attention to board size and board remuneration by having a board size that is not below the mean and board remuneration that can boost the morale of the boards to put in their best to enhance the market value of the listed consumer goods firms in Nigeria.

Keyword: Corporate Governance Mechanisms, Market Value, Consumer Goods Firms

1. INTRODUCTION

The failure of numerous multinational organizations across the globe such as Andersen, Enron, WorldCom, Parmalat, Xerox, and the financial misconducts of some companies like Cadbury Nigeria Plc, Unilever Nigeria Plc, Bank of Montreal to mention but few, has caused stakeholders to place more weight on the ways and methods in which individuals in charge of listed consumer goods firms in Nigeria transaction conduct it. Corporate governance mechanisms established in an organization are critical components in obtaining high-quality financial information that communicates to investors the significance of accounting statements (Abdolreza, 2016).

The separation of ownership and control creates an agency problem where only the management has access to information. The agent is supposed to serve the interests of the principal, yet in many circumstances, they conflict since the agent pursues self-interest. Information imbalance between the agent and principal can be reduced as a tactic for reducing the agency problem. The agent and shareholders' information gaps are narrowed by the provision of high-quality accounting data. Accounting data must accurately reflect a company's fundamentals as a unit of value creation. From the perspective of accounting regulations, there has been debate on the quantity and quality of information that the reporting entity's financial statements should contain.

According to Jackie et al. (2013), corporate governance is a framework for organizing, managing, and managing a business' operations in order to satisfy its shareholders, creditors, employees, customers, and suppliers while also achieving long-term strategic goals. It is a group of behaviours, customs, rules, and laws that control how an organization operates in order to achieve its objectives. Additionally, it is a procedure that is influenced by the board of directors, management, and other staff members tasked with delivering reasonable assurance and achieving goals in terms of effectiveness and efficiency in all operations, dependability of financial reporting, and compliance with pertinent laws and regulations (Lasisi, 2018). The subsequent well-known business failures, such as the Maxwell Communications Company Limited, 1991 and Enron in the US, 2000 were brought on by a lack of corporate governance structures. All of these corporate failures have been attributed to insufficient corporate governance practices. Authorities throughout the world have committed a sizable amount of time and resources to improving laws and corporate governance-related practices because good corporate governance of

listed organizations has become necessary and the foundation for it is found in laws and regulations.

For example, the Nigerian most recent Code of Corporate Governance (2018) seeks to implement corporate governance best practices in Nigerian companies, marking a notable advancement in the country over the past ten years in the development of the legal framework for recorded companies in Nigeria. This Code also fosters open awareness of fundamental business principles and moral integrity that will increase the market environment's shrewdness. Tall corporate governance measures can be institutionalized, which can also improve open belief and confidence inside the Nigerian economy, hence promoting increased commerce and investment.

The corporate reporting system offers a unique framework for examining how corporate governance mechanisms affect the value relevance of accounting information. When compared to the US and UK, it has been found that Nigeria's corporate governance system is somewhat lax (Nhung Hong vu & Thuy, 2017). The corporate governance system in Nigeria is not as effective as those in developed economies, and it lacks the ability to motivate organizations to monitor and take remedial action to avoid businesses failing. In order to promote value relevance, key governance procedures should be implemented into business operations.

Numerous studies, including those by Assskinyomi,(2015), Cheema and Din, (2013), Esra and Allam, (2015), and others have addressed internal governance mechanisms, including gender diversity, board structure, board composition, board meetings, audit committee independence, audit committee structures, and the quality of accounting information. Results from earlier research on the impact of opportunistic accounting and corporate governance on share market value are inconclusive (Shehu & Abubakar, 2012). The inclusivity of these studies has, however, left a void that this study aims to close by attempting to investigate how corporate governance affects the performance of listed consumer products firms in Nigeria. This study's primary goal is to investigate how corporate governance affects the performance of Nigeria's publicly traded consumer goods companies. Other specific objectives of the study are to:

- i. Analyze the impact of director compensation on the performance of Nigeria's listed consumer goods companies;
- ii. Examine the effect of board size on listed Nigerian consumer goods

companies' performance;

- iii. Determine how the performance of Nigeria's listed consumer goods companies is impacted by board duality; and
- iv. Examine the impact of gender diversity on the performance of listed consumer goods firms in Nigeria.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Corporate Governance

Corporate governance might be a collection of procedures, norms, rules, and laws that affect how an organization is coordinated, run, and governed. It speaks to the methods used to manage organizations, a framework for balancing the interests of various parties with conflicting stakes, and the interactions between a company's management, board, shareholders, and other interested parties (Mayowa et al., 2021). According to the Principles of Corporate Governance, an efficient corporate governance system can minimize the cost of capital and encourage businesses to use their resources more effectively, which will foster business growth. Integrity, moral conduct, disclosure, openness, treating shareholders fairly, and effectively carrying out the duties of the board are also included. The underpinnings of effective corporate governance are what investors' confidence is built on. (OECD, 2015).

Corporate governance entails the interaction of the many parties involved in the corporation's management as well as the motivations behind those decisions. Organizational governance is a significant factor that determines the resilience of the organization and the ability of the business to withstand financial upheavals. The development of dependability, assurance of transparency, and responsibility are the three main focuses of organizational governance (Uwuigbe & Fakile, 2012). Additionally, strong corporate governance promotes confidence and support in the banking industry (Miriam & Morris, 2017). Corporate accountability and commercial success are significantly influenced by corporate governance. A number of industry controllers produced corporate administration regulations for businesses operating in their sectors in response to problems in their specific segments.

Director's Remuneration: This is a strategy for inspiring the executives to perform better. If a corporation performs better, its value will rise, increasing the

wealth of its shareholders in the process. According to agency theory, CEOs always act in their own best interests, thus a system must be put in place to ensure that they are also mindful of shareholder interests. Offering compensation to its executives is one method. According to agency theory (Jensen & Meckling, 1976), compensation can bring together the disparate interests of managers and owners. Performance of the company is one of the elements influencing the compensation. According to the 2018 Nigerian Code of Corporate Governance, "Firm performance" is an accomplishment made by a corporation based on defined standards and completed within a given time frame. The Board ensures that the Company pays its employees fairly, deliberately, and openly in order to advance the achievement of important goals and successful outcomes throughout the short, medium, and long terms. According to the Nigerian Code of corporate Governance (2018), businesses should create a framework that links rewards to both individual and company performance and incorporates important elements to long-term corporate performance, such as stock options and bonuses.

Board Size: The board of directors has a responsibility to make sure that the company is taking full advantage of current circumstances, that its financial worth is increasing, that it is profitable, and that it has the ability to make decisions that have an unimaginably positive impact on the administrators (Uwuigbe & Fakile, 2012). The board should keep an eye on managers' actions to safeguard the owners' welfare, make crucial choices, choose a group of administrative officers, and make sure companies follow the law while managing and monitoring (Esra & Allam, 2015). By exercising its rights and responsibilities within the parameters of the law, the primary contract, regulations, and policies, the Board of Directors represents the company in line with the authority granted to it at the annual meeting of shareholders (Dogan & Yildiz, 2013).

The financial worth of an organization would advance and be upgraded as the board carried out its responsibilities, which included oversight of the actions of executive officers in selecting the representatives of an endeavour and designating and supervising the activities of an independent reviewer to increase the company's worth (Uwuigbe & Fakile, 2012). There is a potential that as the board gets bigger, various perspectives will emerge and lead to more miscommunication among the board members (Jackie et al., 2013). The Board's oversight and control responsibilities are to ensure that management acts in the shareholders' and other stakeholders' best interests while sustaining the Company's success. The Board also works as a link between stakeholders and the

Company. (Kojima et al., 2020).

CEO/Chairman Duality: CEO duality has been defended or refuted using a variety of theoretical justifications. Using agency theory as a foundation, CEO duality lessens the board of chiefs' role as the official supervisor's check, which may have a negative effect on how businesses are run. Contrarily, according to the stewardship hypothesis, a CEO's unity of command produces a clear administration over subordinates, which in turn fosters good decision-making (Kurawa, 2014). There is no one optimum leadership structure, according to some researchers, including Lasisi (2018), because both the duality and separation orientations have related costs and benefits. Olabisi et al. (2020) provide evidence to support the claim that the CEO dual position impairs the board's oversight function by showing that the stock market reacts negatively to news of the CEO dual position. Additionally, aggressive takeovers and the use of "poison pills" have also been linked to CEO duality as signs of poor governance (Olayiwola, 2018). The board may lose its freedom and become obedient to control as a result of the chairman acting as the official and simultaneously serving as both the decision-maker and the administrator.

Board's Diversity

Another important decision that is perceived to have significant influence on the firm performance in different sectors both emerging and developed economies. For instance, it was argued that the presence and larger proportion of women or female directors in the board may determine their extent of participation which may contribute immensely to the corporate strategic decisions of a firm. This is based on the fact that larger number or proportion of female directors in the board could play a very crucial role in the going concern of firms (Masud et al., 2018). This might not be unconnected with the fact that female directors in the board of a firm may be too sympathetic and philanthropic than their male counterparts especially on issues related to corporate governance, going concern and earnings management of corporate business. In addition to being somewhat restricted by their gender roles, those in leadership positions inhabit leader roles that are defined by their place in a hierarchy. Therefore, it is likely that male and female employees in the same organizational job behave somewhat differently due to the influence of gender roles.

Firm Performance

Using performance indicators, it is vital to ascertain what makes for good

performance in order to evaluate performance. According to Oakland (1989, referenced in Heenetigala (2011), for a performance indicator to be effective, it must be quantifiable, pertinent, and critical to the organization's performance. It must also be meaningful and the cost of gathering the data must not outweigh its value. Performance evaluations give researchers insights into the best ways to measure their findings (Farhat, 2014).

There are numerous ways to gauge a company's performance. Both accounting-based and market-based financial indicators of firm success can be found in empirical studies on corporate governance. Return on assets (ROA) (Kiel & Nicholson, 2003), return on equity (ROE) (Baysinger & Butler, 1985), and profits per share (EPS) (Pagach, Norton & Diamond, 2007) are the three accounting-based indicators that are most frequently employed. Market to book value ratio and Tobin's Q are the two most frequently used market-based metrics (Barnhart, Marr, & Rosenstein 1994). Accounting is criticized in comparison to market-based metrics. Accounting-based metrics are challenging to interpret across industries and are easily manipulated by management through adjustments to accruals or accounting processes.

They are historical, describe a more backward focus on past performance, eliminate hazards and investment requirements, and take time value of money into account (Kiel & Nicholson, 2003; Rapaport, 1986 as referenced in Heenetigala, 2011). Market-based measurements, which are based on the price of a company's common stock, are frequently impacted by variables outside of the control of the firm's executives. According to Daily and Dalton (1998), they reflect risk-adjusted performance and are unaffected by multi-industry or global contexts. According to Kiel and Nicholson (2003), they are thought of as forward-looking and represent present objectives and strategies.

There is conflicting empirical evidence regarding the relationship between corporate governance traits and measures of firm performance based on accounting or market-based performance metrics. The most trustworthy metrics are hotly contested. However, there doesn't seem to be agreement on the effectiveness or dependability of one metric over another according to a meta-analytic evaluation of the corporate governance literature (Dalton, Daily, Ellstrand, & Johnson, 1998). According to Kiel and Nicholson (2003), they are thought of as forward-looking and represent present objectives and strategies.

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Market Share Value (MVS)

Other scholars have similarly defined the price of a share. According to Adegoke (2019), the share price is the price at which one unit of a company's stock is sold. To determine the share price, add the daily average share prices of the companies under examination and divide the result by the number of trading days. It is also important to be aware of the factors that could have a negative impact on share prices because they are frequently used as a benchmark to measure a company's performance and their variations as an indicator of their financial health or otherwise. (2015), Abdolreza never saw a cause to question the existence of many elements that affect share price movement or volatility. They continued to list some of these noteworthy variables, such as the introduction and revelation of new information, supply and demand pressures, investor psychology, market strength, and uncertainty regarding the prognosis for the economy in the future. In addition, share price, according to Agbaeze and Ogosi (2018), is the cost of one share of a group of marketable stocks, derivatives, or other financial assets. The price at which a corporation asks investors to pay per share of its stock during a given year is known as the market share price. Agu (2018) claims that a company's share price, which it sets on a share, frequently depends on how well it did the year before.

Empirical Review

Mayowa et al. (2021) evaluated the effect of corporate governance on firm performance using accounting indicators based on the profitability position of the businesses dependent on cash flows and influx from the income statement. The study, which tested this with specific consumer products companies, discovered that board size has a large and positive impact on return on sale. The profit margin is positively and significantly impacted by the board's size and independence. It also demonstrated that operating cash flow is significantly negatively impacted by board independence and board size.

The relationship between corporate governance and the value relevance of the financial statements of Nigerian listed consumer goods enterprises was assessed (Olabisi et al., 2020). Genuine data were generated over a ten-year period (2010–2019) from the financial accounts of the 10 companies under examination. The estimation methodology used was the random effects least squares method. A proxy for value relevance was the market value of the share, which was used to gauge board composition, board due diligence, audit committee independence, board size, and firm size. The study's findings demonstrated that board independence, audit committee independence, and board size were all related to the market value of the shares of the selected companies, whereas board composition was unimportant. The study came to the conclusion that board size, audit committee independence, and meeting frequency all affected market value of shares. The report then suggested that shareholders and administrative bodies should combine known crucial corporate governance measures.

The relationship between corporate governance and tax evasion of listed Nigerian consumer products manufacturing enterprises was examined (Ogbodo et al., 2021). The study specifically attempted to investigate the impact of board size and CEO duality on the effective tax rate. The Ex Post Facto research design was used in the study. All publicly traded consumer products manufacturing companies on the Nigerian Stock Exchange (NSE) now Nigerian Exchange Group (NGX) made up the population. All the NSE companies that manufacture consumer items were used to select the sample. Data were taken from the mentioned companies' annual reports and accounts. Both descriptive and inferential statistics were employed in the study to analyze the data. With the use of E-view 9.0, the regression analysis technique was used to examine the hypotheses. According to the analysis, there is a correlation between the effective tax rate of publicly traded consumer goods manufacturing businesses' boards of directors, CEO duality, and these variables, although this correlation is not statistically significant. In light of this, the study suggested, among other things, that medium board sizes. The corporation should maintain the ideal board size level and not go above the necessary number to carry out the company's vision because an excessively big board size may not boost the efficiency of choices.

In their study of the connection between corporate governance and profitability in Nigerian banks, Agbaeze and Ogosi (2018) employed profit after tax as a metric for profitability and the number of board members as a metric for corporate governance. Multiple panels of data analysis were employed, and the number of employees was added as a control variable. Findings showed that

Nigerian banks' profitability was significantly and positively impacted by their workforce.

In their 2017 study, Nhung and Nguyen (2017) investigated the effects of corporate governance on firm performance. They collected data from 137 listed Singaporean companies over a four-year period, from 2013 to 2016, and found that corporate governance is influenced by a wide range of factors, including the dual role of the CEO, board size, and board independence. Results indicate a negative correlation between board size and firm performance; however, no connections between board dependency, CEO duality, and company financial performance were discovered.

Using 670 firms-year records from the years 2006 to 2014, Gaitan (2017) investigated the relationship between corporate governance and productivity in various business environments. This study included information on the size of the board, the representation of women on the board, the existence of independent directors, and intuitional ownership. The study demonstrates a statistically significant nonlinear relationship between board size and productivity, as well as positive and negative relationships between intuitional ownership and productivity and board independence and female directorship. This study is in consisting with the findings of prior studies reviewed.

Ngwenze and Kariuki (2017) investigated how corporate governance practices affected the financial results of agricultural companies listed on Kenya's Nairobi Securities Exchange. The association between corporate governance policies and financial performance was examined using a descriptive correlation research approach. The study's findings show that corporate governance practices in listed agricultural enterprises in Kenya have no discernible impact on ROE and ROA. Based studies reviewed the following hypotheses were developed.

H₀₁: The performance of listed consumer goods companies in Nigeria is not significantly impacted by director compensation;

H₀₂: Board size provides no discernible impact on the performance of Nigeria's publicly traded consumer goods companies.;

H₀₃: Board dualism has no discernible impact on the performance of Nigeria's listed consumer goods companies.;

H₀₄: The performance of listed consumer goods firms in Nigeria is not

significantly impacted by gender diversity.

Theoretical Framework

Agency Theory

In 1973, Barry Mitnick and Stephen Ross each presented a unique Agency Theory idea (Mitnick, 2019). It has since gained widespread acceptance as one of the best ideas for comprehending organizational behaviour. A philosophical paradigm called "agency theory" examines how Principles, such as shareholders or owners, and actors, such as managers or executives, interact within a corporation. When agents' and principals' interests are not totally aligned, it raises the prospect of conflicts of interest, Mitnick, (2019). The argument contends that because agents work in their own self-interest, they may not always decide how to maximize the value of the organization to the principals. Due to this conflict of interest, agents may act irrationally or neglect their responsibilities, harming the interests of the principals and causing agency problems like moral hazard and adverse selection.

A principal-agent relationship is defined by the transfer of decision-making and acting authority from the principals to the agents. Although the agents are granted access to resources and decision-making authority, they might not have the same goals, risk tolerances, or subject matter expertise as the principals. The possibility of conflicting objectives and the knowledge asymmetry need the use of methods to lessen agency problems.

The agency theory, which serves as the foundation for this study, was chosen due to its applicability to the hierarchy of a corporation's structure and the roles of its directors in terms of effective corporate governance. The agency relationship is a sort of contract between a firm owner and its managers, where the owner (the principal) appoints an agent (the managers) to administer the company on their behalf. Jensen and Meckling developed agency theory in 1976.

This structure requires the owner to provide the management the power to make decisions. This theory contends that each of these groups—the firm's owners, shareholders, manager, and principal debt financiers—has a distinct set of interests and objectives, and that the governance of a corporation is founded on conflicts between them. The shareholder wants to enhance their wealth and income, and they are concerned with the profits the company will generate as well as the value of its products, the latter of which is based on the company's

long-term financial outlook.

Since this has an impact on the value of their shares, shareholders are therefore interested in earnings, although they are actually more worried about the company's financial future and nearly long-term benefits. The management is recruited to run the firm on the shareholders' behalf; but, if the manager does not own stock in the company, they have no direct stake in future profits or the value of the shares. The magnitude of their compensation package and their status as comp are likely to be the managers' top concerns, even though they have employment contracts and are paid salaries, unless they own shares or their pay is determined by profits or share values. Agents are expected to act in the best interests of the owners, according to the owners. According to the agreement between the owner and the managers, the management must always operate in the best interests of the owners. The choice made by the managers (agents) affects both their personal interests and those of the owners, making it challenging to create the optimum contract. This raises a critical issue: How can managers, who act as agents of their organizations, be persuaded to act in the best interests of the shareholders.

3. METHODOLOGY

Ex-post facto design was used in the study by the researcher. The study employed secondary data from the listed consumer goods companies in Nigeria's financial statements. The target population of the study consisted of Dangote Sugar Plc, Nestle Nigeria Plc, Cadbury Nigeria Plc, Flour Mills Nigeria Plc, Honeywell Flour Mills Plc, and Champion Plc, six (6) publicly traded consumer products companies in Nigeria. The annual financial statements of these companies were used to compile data during a ten-year period, from 2012 to 2021. The panel data analysis for the multiple regression models used the descriptive statistics analysis, correlation, and multiple regression analysis to explain the prior association between corporate governance and performance of listed consumer goods firms.

Model Specification

$$MVS = f(DRM, BSZ, BDL, GDV)$$

The model's form of an economic equation is:

$$MVS = \beta_0 + \beta_1 DRM_{it} + \beta_2 BSZ_{it} + \beta_3 BDL_{it} + \beta_4 GDV_{it} + \mu_{it} \quad 1$$

Where: MVS= Market value of share DRM = Director’s Remuneration; BSZ = Board Size; BDL = Board Duality GDV = Board Gender

4. RESULT AND DISCUSSION

Descriptive Statistics

Table 1
Descriptive Statistics

	MVS	DRM	BSZ	BDL	GDV
Mean	0.156175	7.091495	8.406804	7.818365	33.39546
Maximum	0.236000	15.50000	11.00000	15.00000	45.59000
Minimum	0.090000	3.000000	6.000000	3.41000	0.000000
Std. Dev.	0.126025	11.16552	12.45583	15.50235	21.41302
Observation	60	60	60	60	60

Source: Author’s Analysis (2023)

Secondary data from the financial statements of the chosen listed consumer goods companies in Nigeria were used in the study. Six (6) publicly traded consumer products firms in Nigeria made up the study's target population: Dangote Sugar Plc, Nestle Nigeria Plc, Cadbury Nigeria Plc, Flour Mills Nigeria Plc, Honeywell Flour Mills Plc, and Champion Plc. For a ten-year period, from 2012 to 2021, information was gathered from these companies' yearly financial statements. The descriptive statistics analysis, correlation, and multiple regression analysis are the analytical methods used for the panel data analysis for the multiple regression models that explained the prior relationship between corporate governance and performance of listed consumer goods firms.

The Board gender diversity result reveals that on average, approximately 33 percent of the board members of consumer goods firms are female, with gender diversity having a minimum and maximum value of 33.3 and 45 percent respectively. The number demonstrates that in most of the consumer goods firms used in the study, the director does not operate a dual position/function as director.

Correlation Analysis

Table 2
Correlation Analysis

	MVS	DRM	BSZ	BDL	GDV
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MVS	1.000000				
DRM	-0.211078	1.000000			
BSZ	-0.282136	-0.145651	1.000000		
BDL	0.097123	0.100016	-0.310316	1.000000	
GDV	0.003675	0.345046	-0.302528	-0.438022	1.000000

Source: Author’s Analysis (2023)

According to the results of the correlation analysis table, board duality and gender diversity are positively correlated with market value of shares. The market value of shares is strongly correlated with the dual function of the director, as seen by the positive relationships between market value of shares, board duality, and gender diversity. The market value of a share is strongly correlated with gender diversity; the higher the percentage of female board members, the higher the sales growth. Director compensation is adversely correlated with market value of shares, as seen by the negative relationships between these variables, sales growth, and board size. So, the market value of a share increases according to director compensation. Market value of shares is inversely correlated with board size, demonstrating that board size can influence market value of shares. Director compensation is inversely correlated with board size and correlated with gender diversity and board duality. This demonstrates that board duality and gender diversity are more likely in consumer goods companies where director compensation is higher.

No two explanatory variables were perfectly linked, the study found when testing for multi-co linearity. This shows that there are no multi-co linearity issues in the analysis model, and it also supports the usage of the ordinary least square method.

Hausman Specification Test

Below is a summary of the multiple regression analysis's findings. However, the study recognizes the homogeneity of the data, thus it is necessary to test its impact on the data. To choose between fixed and random effects that are best to use in the investigation, the study applied the Hausman effect test.

Table 3
Correlated Random Effects - Hausman Test

Test Summary	Stat. Chi-Sq	df	Prob.
Cross-section random	5.347202	4	0.1714

Source: Author’s Analysis (2023)

Equation: Untitled Test cross-section random effects

The Hausman test result displays a probability value of 0.1714 and a chi-square value of 5.3472, which is more than 10. Because the study accepts the random effect and rejects the fixed effect based on the results, we use the random effect to address the homogeneity problem in the pool data used for the study. Table 4 below provides a summary of the regression result adjusted for fixed effect.

Regression Result

Table 4
Regression analysis

Variables	Coef	Std. Error	T-Statistic	Prob
C	0.388305	0.082929	4.682380	0.0000***
DRM	0.302746	0.011398	1.964649	0.0525*
BSZ	0.12355	0.00144	2.460367	0.0157**
BDL	0.000484	0.001232	0.393094	0.6952
GDV	0.000351	0.00092	0.380171	0.7047
R-squared	0.512601			
Adjusted R ²	0.463584			
F-Stat	2.629639			
Mean Dep. Var.	0.242614			
S.D Dep. Var.	0.117222			
Sum Squa. Resi.	1.193453			
Durbin Wat Stat	1.868834			
Prob F-Stat	0.039328**			

Source: Author’s Analysis (2023)

According to the study's analysis of the market value of share model result in Table 4 above, accordingly, the R-sq values were 0.5126 and 0.4636. This number implies that the corporate governance dynamics variable explains variations in the shares of's market value the consumer goods companies utilized in the study by roughly 46.36 percent. The regression model's F- statistics value of 2.6296 and its probability value of 0.0393 indicate that the specification is both well-defined and statistically significant at 5% levels. The Durbin Watson value indicates that our model does not include any autocorrelation.

The analysis result showed a coefficient value of 0.3027 and a P-value of 0.0525 based on the individual explanatory variables. The coefficient value that shows how much of an impact director compensation has on Nigerian consumer goods performance. The outcome is positive, with a value of 0.3027, indicating that director compensation improves the performance of consumer products enterprises in Nigeria. This demonstrates that higher director compensation can result in higher market values for shares in Nigerian consumer products companies. The effect of director compensation on market value of shares of consumer goods firms in Nigeria is statistically significant, as indicated by the probability value of 0.0525. The study accepts the alternative hypothesis in light of the analysis' findings and so comes to the conclusion that director compensation significantly has an impact on how well Nigeria's listed consumer goods perform. companies. In light of the research, a coefficient value of 0.1236 and a P-value of 0.0157 were displayed. The coefficient value shows that the performance of consumer goods companies in Nigeria is positively impacted by board size. This demonstrates how the size of the board has an impact on the market value of consumer products companies' shares in Nigeria. The board size of consumer product firms in Nigeria and their success are statistically correlated, according to the likelihood value.

In light of the analysis' findings, the paper adopts the alternative hypothesis and so comes to the conclusion that board size has a considerable impact on the performance of listed consumer goods firms in Nigeria. The results of the research revealed a P-value of 0.6952 and a coefficient of 0.00048. The coefficient displays a positive value, indicating that board duality can influence the market value of shares in a favorable way. The results show that board duality can have a favorable impact on the market value of a company's shares in Nigeria's consumer goods sector. Board duality has no discernible impact on the performance of listed consumer goods firms in Nigeria, according to the study's analysis, which accepts the null hypothesis and rejects the alternative hypothesis.

The analysis's results for gender diversity showed a coefficient value of 0.000357 and a P-value of 0.07047. The coefficient displays a positive value, indicating that board duality can influence the market value of shares in a favorable way. The results show that board duality can have a favorable impact on the market value of a company's shares in Nigeria's consumer goods sector. The study concludes that board gender diversity has no appreciable based on the P-value, which disproves the alternative hypothesis and upholds the null hypothesis, influence on the performance of listed consumer goods firms in Nigeria.

5. CONCLUSION AND RECOMMENDATIONS

Conclusion

This study (Nigeria Experience) looked at the relationship between consumer goods companies' performance and corporate governance characteristics. The results of the investigation shows that board size and director compensation both significantly affect how well consumer products companies perform in Nigeria. Board diversity and duality have no appreciable impact on Nigerian consumer goods companies' performance. According to the report, corporate governance dynamics have improved the functionality of consumer goods companies in Nigeria. The study therefore recommends that:

Recommendations

The best payment should be chosen by consumer product manufacturers in Nigeria so as not to impact the market value of their shares. This can be conducted by completing a cross-industry compensation survey and study, as well as local and international best practices in remuneration, and it can be completed based on their track records of success recorded.

Nigerian consumer products companies should not choose a board size that is below the average. Instead, they should choose a board size that strikes a balance between the need for prompt counsel and the costs associated with keeping a sizable board of directors;

The market value of shares is unaffected, thus consumer products companies in Nigeria should not rush to give each of the directors many responsibilities but concentrate on the two variables that have positive and significant relationship with market share value i.e board remuneration and board size based the findings of the study.

Since gender diversity has little or no impact on market value of shares, consumer goods companies in Nigeria should not focus on gender diversification so much since it has no significant effect on market value of share.

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