



BOARD CHARACTERISTICS AND FINANCIAL PERFORMANCE OF LISTED CONGLOMERATE FIRMS IN NIGERIA

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Abstract

Lack of adequate return poses a threat to the long term survival of companies, conglomerate firms inclusive. This study therefore investigates the impact of board characteristics on the financial performance of listed Nigerian conglomerate firms. The main objective of the study is to ascertain the level to which board characteristic influences financial performance of Nigeria conglomerate firms. Secondary data and correlation research design were employed. The study's population constitutes all the six conglomerate firms listed on the Nigerian Stock Exchange as at 31st December, 2013. All firms were chosen as sample using censor sampling technique. Multiple regression was employed as a technique of data analysis. Findings show that non executive directors, men directors and foreign directors have significantly and positively impacted on financial performance while women directors have no significant impact on financial performance of listed conglomerate firms within the study period. It is therefore concluded that board characteristics impact on the financial performance of conglomerate firms within the period of the study. Thus the study recommends that shareholders of conglomerate firms should ensure that more executive, men and foreign directors are appointed on the board because of the role they play in improving the financial performance of the firms.

Keywords: Board Characteristics, Financial Performance, Conglomerate firms, Nigeria

1. Introduction

The separation of ownership and management as enshrined in the act of incorporation usually comes along with a myriad of agency problems. Corporate governance has, over time, become one of the major tools used in aligning corporate management interests with those of shareholders (Fama & Jensen, 1983). The board of directors is a critical element in a firm's corporate governance system. How well directors perform their functions largely determines the effectiveness of boards in corporate decision making and shareholder value creation (Roland, 2010). Good corporate governance contributes to efficient management and to considering stakeholder interests, boosting the institution's reputation and integrity and fostering the customer trust (Rachana, 2015). One of the pillars that support corporate governance in the efficient allocation of investable funds is adequate information, both financial and non-financial. Financial information from the accounting statements of listed firms has for decades been the main mode of communication for firms seeking to attract investors in search of investment avenues because it provides information on a firm's liquidity, solvency, profitability, efficiency and wealth creation positions (Sobhan, 2021).

The collapse of great corporations like WorldCom and Enron institutions was as a result of poor corporate governance standard, corruption and lack of transparency. In Nigeria, shareholders lost confidence totally in both public and private companies in the country as a result of weak corporate governance practice. In order to gain back the confidence, Security and Exchange Commission



came up with the Code of Best Practice. It provides guidelines on the principles of corporate governance in Nigeria. Therefore, a good system of corporate governance is considered as an important element in running the affairs of the company for the best interest of the shareholders (Sriram, 2018). The board of directors has a part to play in corporate governance as their main duty is that of supervising the management to ensure proper accountability to shareholders and other stakeholders. Since the board of directors is vested with the responsibility of monitoring the interest of shareholders, they ought to have greater interest in the appointment of directors to ensure that qualified, experienced and educated directors are appointed (Akpan & Amran, 2014).

Performance is crucial to any business organization's survival and continuous patronage by investors, potential investors, creditors and other stakeholders in the business world. It is believed that every business organization has an important decision of making returns. This decision is important since the ability of a firm to make returns in this competitive environment determines to a larger extent its ability to survive in the future. On the other hand, board characteristics of any company have been a serious agenda for corporate governance and that of performance of a firm (Waheed & Malik, 2021). Thus, who owns the firm's equity and how does ownership affect firm value has been topical by researchers for decades.

The problem now is whether the board characteristics influence firm performance. This study captures the following dependent and independent variable, Return on assets, Non Executive Directors, Women Directors, Men Directors and Foreign Directors. The reason for the choice of board characteristics is that, it is an important tool or mechanism for monitoring and advising, management of corporations to managing the affairs of the business for the benefit of shareholders (Fama & Jensen, 1983).

The long term survival of Nigerian conglomerate firms is therefore threatened due to the shrinking of their profitability. For example, Transcorp Plc's profitability fall from =N=3.3 billion in 2010 to =N=2.8 billion in 2013. Similarly, the profit after tax of SCOA reduced from =N=213 million in 2010 to =N=111 million in 2013. Additionally, AG Leventis group profit after tax fell from =N=1 billion in 2009 to =N=406 million in 2013. This among others necessitated this study to investigate the effect of board characteristics and financial performance of listed conglomerate firms in Nigeria.

Most of the studies conducted in the area of Corporate Governance using Board Characteristics were conducted in non financial firms (eg. Rachana, 2015; Sobhan, 2021; Waheed & Malik, 2021). Similarly, Darmadi (2011); Rachana (2015); Ranasinghe, (2010) among others were conducted in countries other than Nigeria with different characteristics and economic realities. The findings of the study are expected to guide the policy makers of the conglomerate firms in embarking on crucial and fruitful decisions towards investment and management of human and material resources by ensuring proper selection of directors among non executive, women, men and foreign on the board.

The major objective of the study is to examine the effect of board characteristics on financial performance of Nigerian listed Conglomerate firms. The specific objectives of the study are:

- a. To examine the impact of Non Executive Directors on financial performance of Nigerian listed conglomerate firms.



- b. To investigate the influence of Women Directors on financial performance of Nigerian listed conglomerate firms.
- c. To identify the effect of Men Directors on financial performance of Nigerian listed conglomerate firms.
- d. To determine the contribution of Foreign Directors on financial performance of Nigerian listed conglomerate firms

The following null hypotheses were formulated in concordance with the above set out specific objectives of the study.

H₀₁: Non Executive Directors have no significant impact on financial performance of Nigerian listed conglomerate firms.

H₀₂: Women Directors have no significant influence on financial performance of Nigerian listed conglomerate firms.

H₀₃: Men Directors have no significant effect on financial performance of Nigerian listed conglomerate firms.

H₀₄: Foreign Directors have no significant contribution on financial performance of Nigerian listed conglomerate firms

2. Literature Review and Theoretical Framework

This section discusses the related and relevant literature of the study. The items discussed consist of empirical review of board characteristics and performance. The theoretical framework was also captured.

2.1. Non Executive Directors and Firm Performance

A non-executive director is a director who has no affiliation with the firm except for their directorship (Clifford & Evans, 1997). Dehaene (2001) found that the percentage of non executive directors is positively related to the performance of Belgian firms. Bhojraj and Sengupta (2003), Ashbaugh-Skaife, Collins and Kinney (2006) also discovered that firms with greater proportion of non executive directors on the board are assigned higher bond and credit ratings respectively. Furthermore, Rachana (2015) found non executive director having a positive impact on performance of Micro finance banks in India.

On the other hand, some studies reported a negative and statistically significant relationship (Agrawal & Knoeber, 1996; Haniffa (2006); Hooghiemstra & van Manen 2004; Yermack, 1996) while others realized that no significant relationship between accounting performance measures and the proportion of non-executive directors (e.g. Vafeas & Theodorou, 1998; Sanda et al. 2005; Weir, Laing & McKnight, 2002; Haniffa & Hudaib, 2006).

Bassey, Eleng and Abel (2018) examined the impact of ownership structure on the financial performance of listed deposit money banks in Nigeria. The study employed ordinary least squares (OLS) multiple regression technique of data analysis. The study found that Non-executive directors have significant impact on ROA and ROE of listed deposit money banks. Although this study was conducted in Nigeria, the domain is a financial firm.



2.2 Women Directors and Firm Performance

Studies on women on board have received attention in recent years and have contributed to legislation in some countries that made reservation for women in the board of listed companies. For instance, Norway and Sweden imposed gender quota on board of directors of listed companies (Rondoy, Oxelheim & Thomson, 2006). Also, the United State Security and Exchange Commission mandated all listed companies to encourage diversity in the appointment of board members (Upadhyaya & Puthenpyrackal, 2013). The presence of women on board is increasing. According to Catalyst (2010), women hold about 15% of board seats in Fortune 500 companies in 2010, while they also occupied 9.4% board seats of French companies (Dang & Vo, 2012). Women participation in board governance can help to avoid risky projects as they are generally more financial risk-averse than men (Gregory-Smith, Brian & Charles 2012). Most companies select women into board based on the resource to which they can provide access (Hillman, Cannella, & Paetzold, 2007). They bring resources such as prestige, skills, knowledge, and connection to external resources (Dang & Vo, 2012).

Carter *et al.* (2003); Luckerath-Rover (2011); Ranasinghe (2010); Smith, Smith and Verner (2006) found positive significant relationship between women directors and firm performance. However, Dobbin and Jung (2011); Gregory-Smith *et al.* (2012); Marinova, Plantenga and Remery (2010) did not find any significant relationship between women on board and performance.

On the other hand, Bar, Niessen and Ruenzi (2008); Bohren and Strom (2007); Durmadi (2011); Ferreira (2009); Minguez-Vera & Martin (2011) found negative significant relationship. Similarly Akpan and Amran (2014) make conclusion that women on board is window dressing, they are appointed to fulfill all righteousness but do not contribute positively to company performance. Mustapha, Rashid, Bala and Musa (2020) investigated the relationship between corporate governance in the board of directors and the financial performance of Nigerian banks for a period four year (2013 to 2015) from 15 listed deposit money banks in Nigeria. Board gender was used as one of the proxies of the independent variables while ROA was chosen as a measure of performance. The results indicated that the relationship between board genders and ROA was negatively insignificant. The domain of the study is bank which is different from the domain of the current study.

2.3 Men Directors and Firm Performance

The studies carried out by Cornett *et al.* (2007); Han and Suk (1998); Hand (1990); McConnell and Servaes (1990); Tsai and Gu (2007) found significant Positive influence between men directors and firm performance. Wahal (1996) discovered only short term positive effects of men directors but not long term, as he then argues that men directors have a time preference for short term result than long term result. On the other hand negative effects are also found in the studies of Pound (1988) and Hand (1990). The contexts of studies highlighted above are from countries outside Nigeria. Current study intends to look at the Nigerian context.

2.4 Foreign Directors and Firm Performance

The effect of foreign directors on firm performance has been an issue of interest to academics, researchers, and policy makers. Aitkin and Harrison (1999); Arnold and Javorcik (2005); Aydin *et al.* (2007); Gorg and Greenaway (2004); Perez- Gonzales (2005); Petkova (2008) concluded that foreign director is related with productivity improvements.



Again, Assenga (2021) investigated the impact of foreign directors on the financial performance of the Tanzanian listed firms. And found that foreign directors enhance firm performance by providing the firm's board of directors with effective and efficient overseeing and advice to the CEO and the top management. Although Tanzania and Nigeria are both developing economies, each has its specific characteristics.

2.2 Theoretical Framework

The agency theory is the theory this research work is hinged on. Therefore, the study is based on the proposition of agency theory. The theory involves a contract under which the principal (Owners or shareholder) engages another party (Managers), called agent, to perform some services on their behalf, where some power of decision making are delegated to the agent (Jensen & Meckling, 1976).

Agency problem specifically exists in the companies when the management has incentives to achieve their own interests at the expense of the shareholders (Agrawal & Knoeber, 1996; Brennan, 1995) and will act in an opportunistic manner to maximize their rewards. Therefore, the role of the board of directors is imperative to counter "managerial opportunistic" behaviour, which includes taking action for their own personal interests at the expense of the shareholders' interests (Donaldson & Davis, 1991). In this sense, corporate governance framework in which board of directors is a part serves as an effective tool in meeting the expectations and needs of the shareholders. Board of directors may provide better monitoring of management, therefore, can lead to transparent and reliable reporting.

3. Research Methodology and Model Specification

This study adopts the correlational design. This is because it is better in determining the relationship and degree of board characteristics influence on performance in this study which, permit prediction. Data were obtained from secondary sources by extracting from the audited annual report and account of the sample firms for a period of five years (2009 to 2013). All six (6) conglomerates firms constitute the population of the study. The study used the entire population as sample adopting census sampling technique. This research work is descriptive and highly empirical as it embraces the use of regression analysis where robust ordinary Least Square Technique is employed and STATA was used as a tool of analysis.

Multicollinearity and heteroscedasticity tests were conducted to improve the validity and reliability of the statistical inferences of the study. The longitudinal balanced panel model of the study is presented as follow.

3.1 Model Specification

The equation below represents the model of the study using longitudinal balanced panel model of ordinary least square. This equation is represented as follows:

$$PERF_{it} = \beta_0_{it} + \beta_1 NON EX_{it} + \beta_2 WOMEN_{it} + \beta_3 MEN_{it} + \beta_4 FORGN_{it} + \beta_4 LEV_{it} + \mu_{it}$$

Where:

PERF = Performance

NON EX = Non Executive Directors

WOMEN = Women Directors

MEN = Men Directors



FORGN = Foreign Directors

LEV = Leverage

$\beta_1 - \beta_4$ = Coefficient of explanatory variables

β_0 = Constant or Intercept

μ = Error Term

3.2 Measurement of the Study Variables

Table 1: Variables Measurement

	Variable	Nature of Variable	Proxy (ies)	Measurement
1	Performance	Dependent Variable	Return on Assets	Ratio of Total Profit after Tax to Total Asset
2	Board Characteristics	Independent Variable	Non Executive Directors	Proportion of Non Executive Directors on the Board
3	„	“	Women Directors	Proportion of Women Directors on the Board
4	„	“	Men Directors	Proportion of Men on the Board.
5	„	“	Foreign Directors	Proportion of Foreigners on the Board
6	„	Control Variable	Leverage	Proportion of Total Debt owners equity

Author’s Extracts

4. Results and Discussions

This segment presents the analysis of the data and tests of hypotheses formulated in section one of the work. First, descriptive statistics table is presented and analyzed, followed by the correlation matrix and the summary of Regression Result The policy implications and Recommendation are made and drawn from the findings of the study.

4.1 Descriptive Statistics

The descriptive statistics for each of the variables were designed to show the Minimum, Maximum, Mean and Standard deviation values. Descriptive statistics helps readers to understand the measures of central tendency, measures of variances associated with the variables of the study and the normality of the data used in the study.

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
PERF	30	0.076	0.022	0.019	0.122
NON-EX	30	0.128	0.046	0.005	0.223
WOMEN	30	0.412	0.129	0.108	0.668
MEN	30	0.064	0.020	0.014	0.102
FORGN	30	0.532	0.020	0.015	0.117
LEV	30	0.223	0.079	0.084	0.435

Author’s Computations using STATA 5



Table 2 shows that the measure of performance (ROA) of the conglomerate subsector of the Nigerian manufacturing sector has a mean value of 0.076 with standard deviation of 0.022, and minimum and maximum values of 0.019 and 0.122 respectively. This implies that the average efficiency of conglomerate sub-sector is 0.019 to 0.122, and the deviation from both sides of the mean is 0.022. The table also indicate a minimum performance of 0.019 implying that the ROA did not cover much portion of performance; on the other hand, it reveals a maximum performance of 0.122 implying a situation where the ROA covered 12% of the performance of conglomerate sub-sector.

The Table 2 indicates that the average of Non Executive Director is 13% with a standard deviation of 5%, and minimum and maximum of 1% and 22% respectively. This suggests a wide dispersion of the data from the mean because the standard deviation is close to the mean value. The Table also indicates average women directors of 4% with standard deviation of 13%, with minimum and maximum percentage of 11% and 67% respectively. This also suggests a wide dispersion of the data from the mean because the standard deviation is close to the mean value.

Moreover, Table 2 shows an average of men directors of 6% with standard deviation of 2%, and minimum and maximum of 1% and 10% respectively. This suggests a wide dispersion of the data from the mean because the standard deviation is close to the mean value. Similarly, the results in Table 1 indicate that the foreign director has a mean 53% with standard deviation of 2%, and minimum and maximum of 2% and 13% respectively.

The analysis of the descriptive statistics of the variables of the study shows the nature and extent of dispersion of the data, which strongly suggested that the data did not follow the normal curve. Therefore, the test of normal data is conducted and the results are presented in Table 3.

Table 3: Results for Normal Data Test

Variables	W	V	Z	P-Values	OBS
PERF	0.97643	0.749	-0.597	0.72470	30
NON EX	0.94016	1.902	1.329	0.09187	30
WOMEN	0.96334	1.165	0.316	0.37582	30
MEN	0.97886	0.672	-0.822	0.79442	30
FORGN	0.90788	2.928	2.221	0.01316	30
LEV	0.95536	1.419	0.723	0.23471	30

Author’s Computations using STATA 5

Under Shapiro-Wilk (W) test for normal data, null hypothesis principle is used to check a variable that came from a normally distributed population (the null hypothesis of the test is that, the data is normally distributed). Table 3 indicates that data from FORGN variable of the study did not follow the normal distribution, because the P-values of the test statistics (Z-Values) is statistically significant at 5% level of significance. More so PERF, NON EX, MEN are normally distributed and also meet the symmetrical assumptions. Thus, the null hypothesis (that, the data is normally distributed) is rejected for FORGN variable. This implied that the model of the study may require a more generalized estimators.



However, to avoid any problem arising from unit root in the data, a further test is applied to avoid those factors that could bias the results. Hadri Langrange Multiplier (LM) Test for unit root is employed to ascertain whether the data of the variables is stationary or not, the results of the tests are presented in Table 4.

Table 4: Results of Unit Root Test (Langrange Multiplier)

Variables	Z-Statistic for LM Test	P-Values
PERF	-0.0058	0.5023
NON EX	0.5001	0.3085
WOMEN	1.0704	0.1422
MEN	0.2748	0.3917
FORGN	0.3290	0.3711
LEV	1.4075	0.0796

Author’s Computations using STATA 5

The LM test for panel data unit root has as the null hypothesis that all the panels are (trend) stationery. The result from table 4 shows that all the variables of the study (PERF, NON EX, WOMEN, and MEN & FORGN) have no unit root (they are stationary). The p-values of the LM Z-Statistics for the respective variables prove the trend or stationary of the data used for all the variables and this suggest that biasness will not pose a threat to the inferential statistics result. Therefore, having analyzed the descriptive statistics, normal distribution of the data and the stationary of the data, the inferential statistics of the data collected from which the hypotheses of the study are tested are presented and interpreted in the following section.

4.2 Correlation Matrix

Table 5 explains the association between the regressand and the regressors and also the association between the regressors themselves. The values were extracted from the Pearson correlation of two-tailed significance.

Table 5: Correlation Matrix

Variable	PERF	NON EX	WOMEN	MEN	FORGN	LEV
PERF	1					
NON EX	-0.016	1				
WOMEN	0.184	0.554	1			
MEN	0.954	-0.185	0.139	1		
FORGN	0.650	-0.164	-0.015	0.595	1	
LEV	0.362	0.303	0.701	0.357	0.161	1

Author’s Computations using STATA 5

Table 5 above shows that independent variables (WOMEN, MEN and FORGN) are positively related with performance while (NON EX) is negatively associated with performance. Also control variable (LEV) is positively associated with performance. However, Non Executive Director and Men Directors are significantly related with Performance at 1% level of significance indicating a strong relationship, while for Leverage and Performance are significantly related 5%. Amongst the exogenous variables, the relationship was a not very weak as expected except for only two of the independent variables that were insignificantly related. All the independent variables among



themselves were positively related except for Foreign Directors and Non Executive Directors and Foreign Directors and Women Director that are negatively related. The tolerance values and the variance inflation factor are two good measures of assessing multicollinearity between the independent variables in a study. The result shows that variance inflation factor were consistently smaller than ten (10) indicating complete absence of multicollinearity (Cassey *et al*; 1999; Neter *et al*; 1996). This shows the suitability of the study model been fit with the four independent variables. Also, the tolerance values were consistently smaller than 1.00, therefore extend the fact that there is complete absence of multicollinearity between the independent variables (Tobachmel & Fidell, 1996).

4.3 Regression Results and Discussions

Table 6: Summary of Robust OLS Regression Result

Variable	Coefficient	t-values	P-values	VIF
Constant	-0.006	-1.15	0.262	
NON EX	0.099	4.48	0.000	1.61
WOMEN	-0.007	-0.45	0.656	2.65
MEN	1.022	13.32	0.000	1.86
FORGN	0.151	2.45	0.022	1.57
LEV	-0.007	-0.52	0.608	2.27
Het test				3.74(0.0533)
R2				0.95
Adj R2				0.94
F-Stat.				116.99
F-Sig				0.000

Author’s Computations using STATA 5

$$PERF = -0.006 + 0.099(NON EXit) - 0.007(WOMENit) + 1.022(MENit) + 0.151(FORGN0it) - 0.007(LEVit) + 0.00529$$

The results in Table 5 shows a presence of Heteroskedasticity in the panel as indicated by the Breuch Pagan/Cook-Weisberg test for Heteroskedasticity Chi2 of 3.74 with p-value of 0.0533. To correct this, robust (heteroskedasticity corrected standard errors) is applied to the model. The hausman specification test with a Chi2 of 5.51 and p value of 0.3569, Langrangian Multiplier which is signifiant at 1% and hettest (which is significant at 5%) shows that robust OLS regression model is the most appropriate for the study.

The cumulative R2 (0.952) which is the multiple coefficient of determination gives the proportion of the total variation in the endogenous variable explained by the exogenous variables jointly. Hence, it signifies 95% of the total variation in Performance of Nigerian conglomerates firms is caused by the dependent variables collectively. This indicates that the model of the study is fit at 116.9 and the exogenous variables are properly selected, combined and used which is significant at 1%

4.3.1 Non Executive Directors and Performance

From Table 4, Non Executive Directors has a t-value of 4.48 and a coeffecient value of 0.099 which is significant at 1%. This signifies that Non Executive Directors has positively, strongly and



significantly impacted on the Performance of Nigerian conglomerates firms. It therefore implies that for every 1% increase in the number of executive directors, performance of listed conglomerates firms will increase by N0.10K. This result did not contradict researcher's expectation and also this confirms the assertion that non executive directors are one of the strong monitoring mechanism in controlling and balancing the agency problem in an organization.

This provides an evidence of rejecting one of the null hypothesis which states that Non Executive Directors have no significant impact on financial performance. This findings support the findings of Dehane (2011), Ashbaugh-Skaife, Collins and Kenny (2006). It also disagree with the findings of Weir, Laing and Mcknight (2002), Hannifa and Hudaib (2008).

4.3.2 Women Directors and Performance

From table 4, Women Directors have a t-value of -0.45 and a coefficient value of -0.007 which is not significant at 66%. This signifies that women directors have no significant influence on the Performance of Nigerian conglomerates firms. It therefore implies that for every 1% increase in the Proportion of women directors in Nigerian conglomerates firms; the performance will have no any significant changes. This result is highly surprising as it contradict the researcher expectations. The policy implication derivable from this finding is that the shareholders should always checkmate the number of women directors on the board. This provides an evidence of failing to reject null hypothesis. Two of the study which states that Women Directors have no significant effect on financial performance. This findings support the finding of Mattiss (1992) and Farnandez (1993). It also disagree with the findings of Dobbin and Jung (2011) and Ranasinghe (2010).

4.3.3 Men Directors and Performance

From table 4, Men Directors have a t-value of 13.12 and a beta value of 1.022 which is significant at 1%. This signifies that Men Directors have positively, strongly and significantly contribution to Performance of Nigerian conglomerates firms. It therefore implies that for every 1% increase in the number of men directors in Nigerian conglomerates firms, the Performance will increase by N1.02K. This is not surprising as men director appear to be firm in checkmating the activities of manager. The implication of this finding is that, shareholders should consider appointing men especially experienced and professionals on the board which leads to improve performance. This provides an evidence of rejecting null hypothesis three of the study which states that men directors have no significant contribution on financial performance. This supports the finding of Hans and Suk (1998) and Tsai and Gu (2007) and disagree with the findings of Pound (1998) and Cornett et al (2007).

4.3.4 Foreign Directors and Performance

From table 4, Foreign Directors have a t-value of 2.45 and a coefficient value of 0.151 which is significant at 5%. This signifies that Foreign Director is positively, strongly and significantly influencing the financial performance of Nigerian conglomerates firms. It therefore implies that for every 1% increase in the number Foreigners Director in Nigerian conglomerates firms, the performance will increase by fifteen Kobo (N0.15K). This confirms the prior expectation of the researcher. In reality presence of foreign director pressures manager to act more in the interest of the company which in turn improves performance. The policy implication of this finding is that shareholders should consider appointing foreigners with experience on the board to improve performance.



This provides an evidence of rejecting null hypothesis four of the study which states that foreign directors have no significant impact on financial performance.

The findings have several theoretical, practical and regulatory implications. These implications represent the contributions of the study which are expected to benefit the existing body of knowledge within the accounting research, regulators and providers of accounting services. The findings have important policy implications since they suggest the need to encourage applying corporate governance principles in the conglomerate firms with a high representation of non executive, men and foreign directors on the board. This suggests similar efforts in other sectors especially food and beverages firms.

5. Conclusion and Recommendation

In line with the findings of the study, it is concluded that non executive, men and foreign directors have positively impacted on financial performance of Nigerian conglomerates firms. However, the findings concluded that women directors have negatively impacted on financial performance of Nigerian conglomerate firms. This implies that conglomerate firms with high proportion of non executive directors, men directors and foreign directors are likely to report high profits. On the contrast, conglomerate firms with high proportion of women directors are likely to report low profits.

It is therefore recommended that all board characteristics used in this study except women directors should be encouraged by the shareholders, regulating agencies of government (Securities and Exchange Commission & Corporate Affairs Commission) and all other stakeholders in the Nigerian conglomerate sub- sector because of the role they play in enhancing the financial performance of the firms.

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