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**Effect of Board Characteristics on Market Value of Listed Consumer Goods Firms in
Nigeria**

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Abstract

Purpose: Low market value which recently led to delisting of some companies from the Nigerian Exchange Group can be linked to companies' ownership structure, board structure or financial structure. This study examined the effect of board characteristics on the market value of listed consumer goods firms in Nigeria, focusing on board size, composition, independence, gender diversity, foreign membership, turnover, and staggered board structure. The study also controlled for the effect of firm size in determining the relationship between board characteristics and market value.

Methodology: An ex-post facto research design was adopted because the study heavily relied on the secondary data extracted from the annual reports of twenty-one (21) listed consumer goods firms in Nigeria, from which sixteen (16) firms were selected as the sample covering the period of 2014-2023. The data were analyzed using the fixed effects panel regression model, chosen based on the Hausman test.

Findings: The findings of the study revealed that the board turnover and staggered board have a positive and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria, while the board composition, board independence, board gender, and foreign board membership have a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. The board size and firm size were found have a negative and statistically significant effect on the market value of listed consumer goods firms in Nigeria. It was also found that firm size controls the relationship between the board characteristics and the market value of listed consumer goods firms in Nigeria. Based on the findings, the study concluded that board characteristics can be used as a predictor of market value of listed consumer goods firms in Nigeria

Unique Contribution to Theory, Practice and Policy: The study recommended that firms in the consumer goods sector should maintain an optimum board size and prioritize board quality over quantity. Companies should consider adopting a staggered board structure in their articles of association since it appears to have a positive effect on market value. Furthermore, independent directors' activities should be closely monitored to ensure they are not compromised. The competence, experience, and contributions of women and foreign directors should be periodically evaluated to identify and bridge any resource or knowledge gaps. Finally, future research should employ larger samples and longer timeframes to further explore the dynamic relationship between board turnover and firm market value.

Keywords: Board Characteristics, Board Size, Board Composition, Board Independence, Board Gender, Foreign Board Membership, Board Turnover, Staggered Board, Market Value

JEL Classification Codes: G34, G16, F23, G12

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INTRODUCTION

The market value of companies might be influenced by governance mechanisms in the form of board characteristics. The failures of companies due to a poor corporate governance mechanism have emphasized the need to restructure the corporate governance mechanism of these companies in order to enhance their market values. From the developed countries' context, the influence of board characteristics on companies' market value is a widely debated and well-researched topic. In United States and United Kingdom, independent boards and decentralized decision-making tend to be predominant, whereas in Europe the two-tier board structures and codetermination, where employees are represented on the Supervisory Board are predominant (Stephen, 2019). The unitary (one-tier) board model is adopted inter alia, by companies in the UK, US, Australia and South Africa (Association of Certified Chartered Accountants UK, 2012). The board structure for listed companies in Nigeria can best be described as one-tier, comprising both executive and non-executive directors (Streamowers & Kohn, 2021).

According to Hirdinis (2019), the company management should pay attention to the firm size so that the company's share price will increase and have an impact on the company's value. Therefore, this study control for the effect of the firm size in evaluating the relationship between the board characteristics and market value. The firm size reflects the size or amount of assets owned by the company and has an influence on the value of the company (Horne & Wachowicz, 2009).

Researchers employ various statistical models to examine the effect of dynamic changes in corporate governance mechanisms on market value of companies, and to understand the relationship between board characteristics and market value of companies. However, many studies have shown that the impact of board characteristics on market value differs across various markets and industries. For instance, there are two schools of thoughts on board characteristics in the form of small and large board size, but there is no agreement on which of them is better. Researchers in the first school of thought are of the opinion that small board size contributes more to the success of a company. They emphasize that a large board slows decision making, consumes time and causes communication problems that affect the firm performance negatively (Habib et al., 2020). The second school of thought argues that large board size improves company performance and enables board to gather more information. However, the number of directors on board seems to have influence on firm performance (Habib et al., 2020). The impact of staggered boards on a company's market value is also complex and debated. While some studies suggest staggered boards can reduce firm value by hindering oversight and potentially leading to managerial entrenchment, others argue that staggered boards can promote long-term value creation by fostering stability and encouraging investment in long-term projects. Bebchuk and Cohen (2005) found that a staggered board has negative effect on firm value, a result supported by subsequent studies, while a recent study by Cremers, Litov, and Sepe (2017) found that the effect of a staggered board on firm value is positive. These conflicting results are supported by differing theoretical arguments: opponents of the staggered board claim that it induces and perpetuates underperformance by firms, while proponents claim that it helps create long-term value.

However, in light of recent corporate collapses and scandals, this subject has also been explored in the context of African countries including, Nigeria (Toyin, 2017). Recently, firms in the consumer goods sector, including Nigerian Breweries Plc, International Breweries Plc, PZ Cussons Nigeria Plc, Cadbury Nigeria Plc, and Unilever Nigeria Plc made the list of top five

firms with poor market value in the Nigerian Exchange Market (Ugwu, 2022). According to the National Bureau of Statistics (NBS, 2024), the consumer goods sector accounted for approximately 16.5% of Nigeria's manufacturing GDP in 2023, yet many firms in this segment have recorded a decline in market capitalization over the past decade. For instance, data from the Nigerian Exchange Group (NGX, 2024) indicate that the market value of several listed consumer goods firms—such as Unilever Nigeria Plc and Cadbury Nigeria Plc—fell by over 30% between 2014 and 2023, reflecting waning investor confidence and weak governance structures (NBS 2024).

Given these challenges, understanding the influence of board characteristics on firm market value becomes critical. This study, therefore, investigated how specific board attributes namely board size, board composition, board independence, board gender, foreign board membership, board turnover, and staggered board, affect the market value of listed consumer goods firms in Nigeria. These characteristics were selected because they represent key governance indicators commonly linked to firm performance in prior studies (Dalton et al., 1999; Jackling & Johl, 2009; Ujunwa, 2012). For example, while an optimal board size may promote effective oversight, excessively large boards can hinder decision-making. Similarly, board independence and gender diversity have been associated with enhanced transparency and innovation, though evidence remains inconclusive in emerging markets like Nigeria.

Furthermore, the study examined the controlling role of firm size in the relationship between board characteristics and market value, considering that larger firms often have more complex governance structures and greater access to external financing (akinwumi & onmonya, 2025). This integrated analysis is expected to provide empirical insights that not only address the governance–value nexus but also inform regulatory and managerial interventions aimed at improving board effectiveness and market performance in Nigeria's consumer goods industry.

Many empirical studies have examined the effect of board characteristics on market value of listed companies in Nigeria, but none of the studies has tested for the effect of board turnover and staggered board variables on the market value of listed firms in Nigeria. Examples of such studies in the Nigerian context that have examined the effect of board characteristics on market value, but never tested for the effect of board turnover and staggered board variables are studies by Peters and Fred-Horsfall (2024); Ogunsola and Awe (2023); Usman and Yahaya (2023); Joseph and Ironkwe (2022); Habib et al. (2020); and Thompson et al. (2016).

Therefore, the present study strived to close this gap by including the board turnover and staggered board in evaluating the effect of board characteristics on the market value of listed consumer goods firms in Nigeria.

The main objective of this study was to examine the effect of board characteristics on the market value of listed consumer goods firms in Nigeria. The specific objectives were to: assess the effect of board size, board composition, board independence, board gender diversity, foreign board membership, board turnover, and staggered board on market value of listed Consumer Goods Firms in Nigeria. The hypotheses for the specific objectives were as follows: H0₁: board size has no significant effect on the market value of listed Consumer Goods Firms in Nigeria; H0₂: board composition has no significant effect on the market value of listed Consumer Goods Firms in Nigeria; H0₃: board independence has no significant effect on the market value of listed Consumer Goods Firms in Nigeria; H0₄: board gender diversity has no significant effect on the market value of listed Consumer Goods Firms in Nigeria; H0₅: foreign board membership has no significant effect on the market value of listed Consumer Goods

Firms in Nigeria; H0₆: board turnover has no significant effect on the market value of listed Consumer Goods Firms in Nigeria; and H0₇: staggered board has no significant effect on the market value of listed Consumer Goods Firms in Nigeria.

LITERATURE REVIEW

This current study attempted to examine the effect of board characteristics on the market value of listed consumer goods firms in Nigeria. In order to achieve the objectives of this study, an attempt was made in this section to review both the conceptual, theoretical and empirical literature on board characteristics and market value in order to identify connections, contradictions and gaps in the literature.

Concept of Market Value

Market value is referred to as the market capitalisation of a publicly-traded company, and is obtained by multiplying the number of its outstanding shares by the current share price (Habib et al., 2020). Market value is easiest to determine for exchange-traded instruments such as stocks and futures, since their market prices are widely disseminated, and easily available, and is a little more challenging to ascertain for over-the-counter instruments like fixed income securities (Habib et al., 2020). The range of market values in the market place is enormous, ranging from a company with the smallest capital base to the biggest and most successful company operating in the stock market (Habib et al., 2020). Market value for a firm may diverge significantly from book value or shareholders' equity. Market value is also dependent on numerous other factors, such as the sector in which the company operates, its profitability, debt load, and the broad market environment (Chen, 2021). Market value is also commonly used to refer to the market capitalization of a publicly-traded company, and is obtained by multiplying the number of its outstanding shares by the current share price (Joseph & Ironkwe, 2022). Market value is easiest to determine for exchange-traded instruments such as stocks and futures, since their market prices are widely disseminated and easily available, and is a little more challenging to ascertain for over the-counter instruments like fixed income securities. A company's market value is a good indication of investors' perceptions of its business prospects (Joseph & Ironkwe, 2022).

Concept of Board Characteristics

Fakile and Adigbole (2019) define board characteristics as the features that can be used to measure the effectiveness and efficiency of corporate boards that are tasked with overall management of the firm. Board characteristics refer to the key features of a company's board of directors that influence its effectiveness and impact on the company. These characteristics, which can be both quantitative and qualitative, and include board size, composition (diversity, independence), diligence (frequency of meetings), and expertise (financial, governance). According to Thakolwiro and Sithipolvanichgul (2021), board characteristics are features of board of director such as the size, executive directors and non-executive directors' mix, the gender mix of the board, the ages of directors in board, the length of experience in years, the race of the board members, etc.

Board Size

Board size is the number of directors on the board of a firm (Munyradadzi et al., 2016). There are two schools of thoughts - small and large board size, but there is no agreement on which of them is better. Researchers in the first school of thought are of the opinion that small board size contributes more to the success of a company (Habib et al., 2020). Furthermore, it is argued

that a large board is slow in decision making and time wasting and this causes communication problems and affects the firm performance negatively. Board size is the total number of directors on a company's board (Shafie et al., 2015). An optimal board size should include both the executive and non-executive directors. Board size has been found to vary between one country and another as every country has different cultures. This means that there is no optimal and standard board size among the companies in the world (Shafie et al., 2015). Board size is the number of directors on the board of a firm (Habib et al., 2020). There are two schools of thoughts - small and large board size, but there is no agreement on which of them is better. Researchers in the first school of thought are of the opinion that small board size contributes more to the success of a company (Habib et al., 2020). Furthermore, it is argued that a large board is slow in decision making and time wasting and this causes communication problems and affects the firm performance negatively.

Board Composition

According to Gambo et al. (2018), composition may be easily differential into inside directors, affiliated directors and outside directors. This distinction is derived from the extent of their participation in firm. The board is usually comprised of a non-executive chairman, independent non-executive directors, non-executive directors, and executive directors (Okomu, 2022). The posts of Chairman and Managing Director are separate and independent. The Chairman of the board is responsible for the working and leadership of the board and for the balance of its membership, while the Managing Director is responsible for leading and managing the business of the company within the authority delegated by the Board (Okomu, 2022). The non-executive directors (NED) are described as members of the board of directors of a company who are not members of the executive management team, while the executive directors are described as the members of the board of directors of a company who are also members of the management team (Bisi, 2022, February 28). Typically, a NED is not engaged in the day-to-day management of the organisation and is appointed from outside the Company (Bisi, 2022, February 28). Board composition refers to the distinction between inside and outside directors, and this is traditionally measured as the percentage of outside directors on the board (Joseph & Ironkwe, 2022). According to Gambo et al (2018), board composition may be easily differential into inside directors, affiliated directors, and outside directors. This distinction is derived from the extent of their participation in firm management. Inside directors are those directors that are also managers and/or current officers in the firm while outside directors are non-manager directors. Among the outside directors (also known as external or non-executive directors), there are directors who are affiliated, and others that are independent. Affiliated directors are non-employee directors with personal or business relationship with the company while independent directors are those that have neither personal non-business relationship with the company (Joseph & Ironkwe, 2022). Although inside and outside directors have their respective merits and demerits, most authors favour boards that are dominated by outside directors (Rafinda et al., 2018).

Board Independence

Farhan et al. (2020) define independent directors as directors who apart from receiving a director's remuneration do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiaries, in which the judgment of the board may affect their independence of judgment. The provisions of the nomination of outside independent directors (non-executive) on corporate boards are mandatory in both

developed and developing countries (Khan et al., 2024). Boardroom independence is the primary and important domain of good corporate governance practices across the globe. Boardroom independence plays a vibrant role in the alignment of shareholders' interests with those of the management. The provisions of the nomination of outside independent directors (non-executive) on corporate boards are mandatory in both developed and developing countries (Khan et al., 2024). An independent director is a member of a board of directors with no substantial stake in the company (Adebola & Adesanmi, 2022). More independent board composition can result in enhanced decision making through increased information flows, although this may entail costs (Sanda et al., 2011).

Board Gender Diversity

Daniela (2009) defined the concept of gender diversity as the nature and degree of heterogeneity that involves a gender-specific majority and minority which characterizes a work team. Board gender diversity is measured as the percentage of female holding corporate board position and the percentage of companies with at least one female gender on their board. The attention towards women representation on the board level has drastically risen over the years as it is argued that women are still under-represented in the boardroom (Perera et al., 2021). According to Kevin and Antonio (2008), arguments for greater female boardroom representation can be split into two categories: ethical and economic. The ethical arguments stipulate that it is immoral for women to be excluded from corporate boards on the grounds of gender and that firms should increase gender diversity to achieve a more equitable outcome for society, while the economic arguments are based on the proposition that firms which fail to select the most able candidates for the board of directors damage their financial performance (Kevin & Antonio, 2008). Board gender diversity is the presence of female directors in corporate boards of directors. The ethical perceptive argue that firms should regard greater female representation not as a means to an end, but as a desirable end in itself (Brammer et al., 2007).

Foreign Board Membership

Foreign board membership refers to members on the board of directors of a firm who are not the citizens of the home country of the firm (Gambo et al., 2019). It refers to any person who occupies a position in board of directors whose particulars in the firm show that he is a citizen of another country other the home country of the firm. Foreign board membership refers to the inclusion of individuals from outside a company's home country on that company's board of directors. These individuals are expected to bring international perspectives, expertise, and networks to the company's board. According to Gambo et al (2019), a foreign director is any person who holds employment, whose address, as shown in the register of the certificate of incorporation, in which the particulars of his appointment is documented in a place, state or country outside Nigeria or external territories. By incorporating foreign membership into a company's board, the company can leverage global expertise and enhance diversity to drive growth. Giannetti et al (2015) stipulated that international board members, having learned how foreign companies work, may facilitate the adoption of efficient oversight practices by the board they sit in. This is not only due to the expertise they have accumulated abroad, but also because they have relatively weaker local ties and thus stronger incentives to pursue effective monitoring practices (Giannetti et al., 2015).

Staggered Board

Staggered board which is also known as a classified board is a corporate governance measure that allows the board directors to be elected in staggered terms. A staggered board is also characterized by a company having only a portion of its directors' terms expire each year, rather than the terms of all of them expire simultaneously. Conversely, Cremers et al. (2017) suggest that staggered boards promote value creation for certain firms by committing the firm to undertake long-term projects and bonding it to relationship-specific investments of its stakeholders. Therefore, firms where stakeholder investments are more relevant may benefit from a staggered board. Staggered board refers to a corporate governance structure in which the board of directors is divided into several classes, each having staggered terms of office (Stenzaly, 2023). According to Section 285 of Nigerian Company and Allied Matters Act 2020, unless there is a contrary provision in the Articles of Association of a Company, all the directors of the Company shall at the first Annual General Meeting (AGM) retire from office and at subsequent AGMs, one third of the directors, or if their number is not three or a multiple of three, the number nearest to one-third shall retire.

Board Turnover

Board turnover is generally defined as the rate at which directors leave a board within a specific period, typically a year. Board turnover refers to changes in the composition of the board due to the arrival or departure of formally appointed members of the Board (Qiang et al., 2022). According to McDonnell and Cobb (2020), members of the board of directors are more likely to leave companies if there is no ideological alignment and directors can also leave as a result of a boycott of the company. A more common perspective on board turnover is that it often follows poor firm performance or financial distress (Marcel & Cowen, 2014). Wong et al (2019) refers to board turnover as changes in board membership through the arrival or departure of formally designated members of the board. Calls for board turnover have become more common in the corporate governance community as it is believed to lead to more skillful and impartial boards (Wong et al., 2019). Yet, more board turnover does not guarantee positive board renewal since board turnover where director selection is unduly influenced by powerful CEOs could hurt firm performance through weaker governance. More rigorous investigation is needed to shed light on whether and when board turnover is beneficial (Wong et al., 2019).

Empirical Review

Akinwumi and Onmonya (2025) examined how board size, independence, and gender diversity affect firm value among NGX 30 companies in Nigeria (2014–2023) using secondary data and robust pooled regression. Firm value was measured by market capitalization and earnings per share, with audit quality as a control. Findings showed that board independence positively influenced firm value, while board size and gender diversity produced mixed results across the two models. However, focusing only on NGX 30 firms limits generalization to specific sectors like consumer goods. The study also omitted other governance variables such as foreign board membership and board tenure. Sector-specific evidence on how board characteristics influence market value in Nigerian consumer goods firms remains scarce—justifying the present study's quantitative focus on that sector.

Yahaya (2024) examined how board composition affects the cost of capital of thirteen listed consumer goods firms in Nigeria (2007–2021) using pooled OLS regression. The study found that board size and gender diversity negatively and significantly influence the weighted average cost of capital (WACC). However, the use of pooled OLS ignored firm-specific effects, while

unclear measurement of variables and a small sample limit reliability and generalization. The study also focused on cost of capital, leaving unexplored how board characteristics impact market value. This gap justifies the present study, which employs a quantitative panel approach to analyze the effect of board characteristics on market value using secondary data.

Bawa (2022) investigated how board characteristics influence the market value of nineteen listed consumer goods firms in Nigeria between 2013 and 2022. Using an ex-post facto research design and dynamic panel regression, the study assessed the effects of board independence, financial expertise, female directors, and board remuneration on market value, controlling for firm size. Findings showed that board independence negatively affects market value, while financial expertise and female representation have significant positive impacts. Board remuneration exhibited a positive but insignificant relationship with market value.

Although the study provides useful empirical evidence, several methodological issues remain. The dynamic panel model is appropriate for addressing endogeneity, but the estimation approach and diagnostic tests were not clearly detailed. The reliance on a ten-year period and a limited number of firms may also constrain generalization. Furthermore, the study narrowly focused on four board variables, omitting others such as board size, meetings, and ownership structure that could influence market valuation. This gap highlights the need for a broader quantitative analysis of board characteristics using more recent data and a comprehensive model. The present study addresses this by examining multiple governance dimensions and their collective effect on market value among Nigerian consumer goods firms.

Usman and Yahaya (2023) examined how board characteristics influence firm value among 112 listed Nigerian firms from 2009–2021. Using pooled OLS regression, the study explored the effects of board size, independence, and share ownership on firm value, measured by share price. Findings revealed that board size, independence, and directors' share ownership significantly affect firm value. Firm size and listing age were also found to influence firm value positively. However, the study's reliance on pooled OLS may ignore firm-specific heterogeneity, limiting the robustness of its results. Additionally, the broad multi-sectoral sample obscures industry-specific governance dynamics, particularly within consumer goods firms. While this study highlights general board–value relationships in Nigeria, it overlooks sector-specific analysis and the use of more advanced panel estimation techniques. The present research addresses this by focusing on listed consumer goods firms and applying dynamic panel analysis using secondary data.

Ogunsola and Awe (2023) studied the effect of board characteristics on firm value of consumer goods companies listed on Nigerian Exchange. The population of the study comprised 21 consumer goods companies listed on Nigerian Exchange as at 31st December 2021, while 10 firms were randomly picked as sample size using predetermined criteria. The data used for the study covered a period from 2012 to 2021, and analysed using GLS Regression Model. Results showed that the influence of board size on company's value is positive and substantial. It was also revealed that board independence negatively and significantly affects company's value.

Munyradadzi et al. (2016) empirically tested the relationships between board characteristics and company performance of all listed public firms on the Johannesburg Stock Exchange from 2006 to 2012. The sampling frame comprised all JSE listed companies for the 2006 to 2012 financial years. All companies from across all the industrial sectors that were listed on the JSE from 2006 to 2012 were also included. The data of the study was sourced from the published

annual reports on each company's website and was downloaded from the OSIRIS financial database directly into Microsoft Excel. The study used a market-based variable, Tobin's Q as one of the measures of the company performance and board composition and board size as independent variables for board characteristics. Board composition was measured as the percentage of nonexecutive to executive directors, while the board size was measured as the total number of members serving on a firm's board of directors. The study therefore adopted a quantitative approach and applied multiple regression analysis (MRA) as the appropriate statistical technique. Majority of the findings of the study suggest that over the period of the study proportions of non-executive directors are not significantly associated with Tobin's Q and board size is not significantly associated with Tobin's Q in the South African context.

Peters and Fred-Horsfall (2024) examined the effect of board gender composition on firm market value of listed non-finance firms on the floor of the Nigerian Exchange and Nairobi Stock Exchange from 2012 to 2021. Board gender diversity (BOGD) and CEO gender (CEOG) were the board gender composition proxies employed in this study. The study proxied the dependent variable of market value in terms of economic value added (EVAA). The population of this study was made up of 154 non-finance firms listed on the floor of the Nigerian Exchange and Nairobi Stock Exchange (NSE) as at December 31st, 2022. The sample size for this study consisted 74 listed nonfinance firms in Nigeria and 25 listed non-finance firms in Kenya. These firms were selected using the purposive sampling technique. The study concluded that board gender diversity insignificantly reduces market of listed non-finance firms in Nigeria and Kenya during the period under study. Generally, the study recommends that there is a need for an improved level of diversity of the board of directors of quoted firms in Nigeria and Kenya to improve the decision-making process needed for sustainable market value.

Ronyastra (2017) examined the impact of employing expatriates as board of directors (BOD) on the performance of Indonesian companies. This study used sample of one hundred (100) companies quoted on the Indonesian Stock Exchange (IDX) based on market capitalization, stock liquidity and fundamental condition. The study data were obtained from annual reports of these companies for the period of 2012 to 2014. Binary variable of whether a company employing expatriate and the proportion of expatriate in the board of directors were used as the proxy for the independent variable. The first proxy was a binary variable that defined the presence of expatriates in the BOD, 1 if there was any expatriate and 0 if there was not. The second proxy was the proportion of the expatriates in the BOD which was the ratio of numbers of expatriate directors to the total count of the BOD members. The study used two control variables proxy by company size and board size. Using the multivariate regression analysis to perform analyses on three performance indicators i.e. Return on Asset (ROA), Return on Equity (ROE), and Tobin's Q, the study did not find enough evidence to support the hypothesis that employing expatriate in the board would make the firms' performance better.

Nils (2024) studied the relationship between board turnover and firm performance using the industry competitiveness as the potential moderating role. The study analysed a dataset with 15,406 firm-year observations for 2,456 North American firms, which contained data about firm performance and board characteristics. The moderating role was tested by use of a Herfindahl-Hirschman index, which was utilised as an interaction term in one of multiple OLS regressions which were estimated to analyse the data at hand. The results of these estimations showed a significant negative relationship between board turnover and firm performance. Meaning that a higher level of board turnover resulted in subsequent lower firm performance. Moreover, the moderating role of industry competitiveness was found to be insignificant, as

were all other tested potential moderators. This paper therefore concludes that firms who have experienced higher board turnover subsequently perform worse than firms who experienced lower board turnover. Moreover, industry competitiveness which was suggested to reduce the importance of corporate governance in previous literature, is not found to reduce the importance of board turnover. Additionally, this paper found that industry competitiveness is associated with higher firm performance.

Esteban and Miguel (2019) examined the relationship between CEO, board and Chairman turnovers and future performance in banks with fully outside boards. Using a rich dataset on executive turnovers from Costa Rica, the study found that board turnovers followed by the appointment of outside executives (CEO and Chairman) have a positive impact on performance. On the contrary, large board replacements create organisational costs and these negatively affect performance.

Cremers, et al (2017) examined the effect of a staggered board on firm value of companies in the US. Using their cross-sectional and time series data from 1978 to 2011 the study tried to determine the association between staggered boards and firm value. The key independent variable of the study was staggered board was measured using a unique natural experiment involving court rulings in Delaware, while the Tobin's Q was primarily used as the measure of firm value. The study utilised methods that rely on changes in the time series, including the pooled panel Tobin's Q regressions with firm fixed effects to analyse the data. Additionally, the study tried to predict the firms that adopt or remove a staggered board in order to reconcile the cross-sectional and time series evidence and considered reverse causality. The findings of the study revealed that the effect of a staggered board on firm value is positive.

Bebchuk and Cohen (2005) examined the effects of staggered boards on firm value of publicly traded firms in the United States. The study's population consisted of companies listed in the S&P 500 and other significant companies, and the sample was based on the data collected by the Investor Responsibility Research Center (IRRC) covering the period from 1995 to 2002. The IRRC provided information on the governance provisions of these companies. The data sources included corporate governance data from various databases and financial data from Compustat. The independent variable, staggered board, was measured as a dummy variable indicating the presence or absence of a staggered board structure, while firm value (the dependent variable) was primarily measured using Tobin's Q. The study also included several control variables such as firm size, leverage, R&D intensity, and capital expenditures. The regression model used was a panel regression with firm fixed effects and year fixed effects. This model helped control for unobserved heterogeneity across firms and over time. It was found that the staggered board has negative effect on firm value.

Theoretical Review

Agency Theory

The theoretical underpinning of this body of literature rests on the agency theory, one of the most referenced frameworks in management sciences. The agency theory was first articulated by Berle and Means (1932) and later popularized by Jensen and Meckling (1976) and Fama and Jensen (1983), as cited in Bendickson et al. (2016). The theory explains the governance of a company as a relationship characterized by conflicts of interest between principals (shareholders) and agents (managers). Thus, agency theory provides a lens for understanding how the structure and composition of a board of directors can influence a firm's market value by mediating the relationship between owners and management.

According to the theory, the board of directors acts as the shareholders' monitoring mechanism, ensuring that managerial actions align with shareholder interests (Eisenhardt, 1989). Independent boards—composed primarily of outside directors—are considered most effective because their incentives are less likely to be compromised by dependence on the CEO or firm management (Silvia & Ontonio, 2007). Shareholders, as principals, can also use the threat of dismissal to discipline managers, thereby enhancing firm performance and reducing agency costs (Ruohan et al., 2021).

However, in the Nigerian context, the assumptions of agency theory face practical limitations. Weak investor protection, regulatory gaps, and ownership concentration often undermine the effectiveness of traditional monitoring mechanisms. For example, in Nigeria, weak enforcement of shareholder rights exacerbates agency problems, making board independence particularly crucial for ensuring accountability and transparency in management oversight. Concentrated ownership structures, common among family-controlled or politically connected firms, can further blur the separation between ownership and control, reducing the objectivity of board monitoring.

Moreover, agency theory assumes rational actors and a clear separation of ownership and control, conditions that may not fully hold in many Nigerian firms, where family ownership, cross-directorships, and political interference remain prevalent. As such, while agency theory offers a useful foundation for understanding corporate governance dynamics, its explanatory power in developing economies like Nigeria may be constrained by institutional weaknesses and cultural factors that shape managerial behaviour and board effectiveness.

Resource Dependence Theory

Pfeffer and Salancik (1978) developed the resource dependence theory (RDT) to explain how firms' behaviour is influenced by the external resources they can access and control. The theory posits that organizations depend on their environment for critical resources and that the ability to manage these dependencies determines their performance and survival. When a firm appoints directors to its board, it expects them to provide strategic resources—such as expertise, legitimacy, and access to external networks—that can strengthen the firm's position and reduce uncertainty (Pfeffer & Salancik, 1978). Accordingly, boards provide four key benefits: (i) advice and counsel, (ii) legitimacy, (iii) channels of communication between the firm and its environment, and (iv) preferential access to external support and resources.

Nicholson and Kiel (2007) further argue that the board's ability to provide valuable resources has a direct impact on firm performance. In this regard, resource-rich boards can attract investors, signal stability, and enhance a company's reputation in the capital market. Such signals reduce perceived risk and information asymmetry, thereby improving investor confidence and increasing market valuation (e.g., Tobin's Q or market capitalization). This link is particularly relevant in emerging economies like Nigeria, where market volatility and regulatory uncertainty make resource-based legitimacy and external connections crucial for firm value.

Empirical evidence supports this logic. Hillman, Cannella, and Paetzold (2000) found that board members with extensive political and business ties significantly enhanced firm legitimacy and market valuation in highly regulated industries. Similarly, Kor and Misangyi (2008) demonstrated that boards with diverse professional backgrounds contribute to superior firm performance by providing critical external resources and advice. These findings reinforce

the idea that a board's external linkages and expertise not only facilitate access to scarce resources but also create market signals that elevate firm valuation.

Thus, resource dependence theory provides a complementary explanation to agency theory by highlighting the value-adding role of the board, beyond mere monitoring. For this study, the theory underpins the argument that board characteristics such as independence, diversity, and expertise enhance the market value of listed consumer goods firms in Nigeria through improved legitimacy, investor confidence, and access to vital external resources.

METHODOLOGY

Ex-post facto research design was adopted for this study. This study made use of ex-post facto research design because it heavily relied on secondary data that are quantitative in nature and are already collected by the study population. The population of the study comprised of the Twenty (21) Consumer Goods Companies listed on the floor of Nigerian Exchange Limited from the year 2014 to 2023, while the sample size was Sixteen (16) of these firms. The study adopted the criterion sampling technique. The data in this study were secondary data extracted from the annual reports of the listed Consumer Goods Firms in Nigeria. The use of secondary data was justified based on the fact that the study is based on the quantitative research methodology, and hence requires quantitative data. Panel regression technique was used to analyse the data under this study. This is because the study involved the combination of time series and cross-sectional data.

The following model is estimated for the purpose of the study:

$$\text{Tobin's } Q_{it} = \beta_{0it} + \beta_1 \text{BCOM}_{it} + \beta_2 \text{BSIZE}_{it} + \beta_3 \text{BIND}_{it} + \beta_4 \text{BGEN}_{it} + \beta_5 \text{FBM}_{it} + \beta_6 \text{BTURN}_{it} + \beta_7 \text{STAGB}_{it} + \beta_8 \text{FSIZE}_{it} + \mu_{it}$$

Where:

Tobin's Q_{it} = Market Value,

BSIZE = Board Size,

BCOM = Board Composition,

BIND = Board Independence,

BGEN = Board Gender,

FBM = Foreign Board Membership,

BTURN = Board Turnover,

STAGB = Staggered Board,

FSIZE = Firm Size

β_0 = Intercept,

β_1 - β_8 = Coefficients, and

μ_{it} = error term.

Table 1: Variable Measurement

Variable	Proxy (ies)	Measurement	Sources
Dependent Variable:			
Market Value	Tobin's Q	Ratio of market capitalisation of the firms to the carrying value of their total assets	(Permata & Alkaf 2020)
Independent Variables:			
Board Characteristics	Board Composition	Ratio of non-executive directors to the executive directors.	(Munyradadzi et al., 2016).
„	Board Size	The logarithm of total number of board members	(Arosa, Iturralde and Maseda, 2013)
„	Board Independent	Ratio of independent non-executive directors to the total directors in the board	(Shafie, Kamilah, & Khaw, 2015; and Rashid et al., 2010; Knyazeva , Knyazeva & Masulis, (2013)
„	Board Gender	Percentage of female directors to the total number of members of the board	Ibrahim, M., & Hamza, M. A. 2022); Peni & Vahamaa, 2010)
„	Foreign Board Membership	Proportion of expatriates in the board of directors of the firms	(Ronyastra, 2017); (Gambo et al., 2019); Chahine and Tohme, (2009)
„	Board Turnover	Proportion of the number of directors who left the board in a given year to the total number of directors on the board during that same year.	(Bolton & Park, 2021); (Ali et al., 2025); and (Nils, 2024)
„	Staggered Board	A binary value of 1 is assigned if the firm applied a staggered board structure in a given year; otherwise, a value of 0 is assigned.	(Wang et al., 2018; Chen et al., 2021; Tanthanongsakkun et al., 2023); Bebchuk and Cohen (2005).
Control Variable:			
Firm Size		Natural logarithm of total assets	Kiptoo et al. (2021)

Source: Developed by the Authors

RESULTS AND DISCUSSIONS

The results obtained from the descriptive and inferential statistics are presented in this section. It started from the empirical distribution of the variables and then determined the existence and the direction of relationships between the variables of the study.

Descriptive Analysis

Table 2 presents the results for the descriptive statistics for the dependent and independent variables used in the study.

Table 2: Descriptive Statistics

	MV	BSize	BCOM	BIND	BGEN	FBM	BTURN	STAGB
Mean	1.1888	0.9682	4.2656	0.2310	0.1916	0.2658	0.1212	0.6516
Median	0.6055	1.0000	3.0000	0.2000	0.2000	0.2667	0.0833	1.0000
Maximum	10.419	1.1761	14.000	1.0000	0.5714	0.6667	1.1250	1.0000
Minimum	0.0011	0.6021	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Std. Dev.	1.7028	0.1163	3.4475	0.2414	0.1319	0.1819	0.1746	0.4780
Skewness	2.9853	-0.4240	1.0627	1.6399	0.2942	0.3804	2.5756	-0.6364
Kurtosis	12.669	3.3590	3.2405	5.9846	2.6096	2.4972	2.3322	1.4050
Jarque-Bera	834.07	5.4858	29.550	127.01	3.2196	5.3709	695.95	26.8928
Probability	0.0000	0.0644	0.0000	0.0000	0.1999	0.0682	0.0000	0.0000
Sum	184.27	150.07	661.17	35.803	29.690	41.198	17.813	101.00
Sum Sq. Dev.	446.56	2.0840	1830.3	8.9775	2.6777	5.0964	4.4484	35.187
Observations	155	155	155	155	155	155	155	155

Source: E-View Output (2025)

Table 2 above shows that on the average, during the period of the study, the board size has a mean value of 97%, board composition has an average of 427%, board independence has a mean value of 23%, board gender has a mean value of 19%, foreign board membership has a mean of 27%, board turnover has a mean value of 12%, and the staggered board has a mean value of 65%. This shows that only board size, board composition, and staggered board have mean value above 50%, while board independence, board gender, foreign directors, and board turnover have mean value below 50%.

Table 2 above shows that board size has a minimum value of 60% and a maximum value of 117%; board composition has a minimum value of 0% and a maximum value of 140%; board independence has a minimum value of 0% and a maximum value of 100%; board gender has a minimum value of 0% and a maximum value of 57%; foreign board membership has a minimum value of 0% and a maximum value of 67%; board turnover has a minimum value of 0% and a maximum value of 112%, while staggered board has a minimum value of 0% and a maximum value of 100%.

Amongst the Independent variables, the board composition has the highest standard deviation of 3.447signifying that it has the most variability or dispersion in its values compared to other independent variables. The values of this variable are spread out over a wider range, indicating more heterogeneity in the data. While the board size has the lowest standard deviation of 0.116 among the other independent variables which indicate that it has the lowest variability or dispersion in its values compared to other independent variables.

A skewness value between -1 and +1 is excellent, while -2 to +2 is generally acceptable. Therefore, skewness values above -2 and +2 suggest substantial non-normality (Hair et al., 2022). In the rare scenario if both skewness and kurtosis are zero, the pattern of responses is considered a normal distribution. Where skewness and kurtosis are close to zero, it's considered a normal distribution (Hair et al., 2022). Table 1 above shows that board size and staggered board have negative skewness values of -0.424 and -0.636 respectively, which are skewness values above -2, and this implies a normal distribution and also suggests the absence of extreme values or outliers on the left side. Table 2 also shows that board composition, board independence, board gender, foreign board membership, board turnover, and staggered board have positive skewness values of 1.063, 1.640, 0.294, 0.380, 2.576, and 0.058 respectively, and since none of the independent variables has a skewness value above +2, it implies a normal distribution and also suggests the absence of extreme values or outliers on the right side.

According to Hair et al. (2010) and Byrne (2010), data is considered to be normal if the kurtosis is between -7 to +7. Table 1 above shows that board size, board composition, board independence, board gender, foreign board membership, board turnover, and staggered board all have kurtosis values of 3.359, 3.240, 5.985, 2.610, 2.497, 2.332, and 1.405 respectively, which are below +7. This indicates kurtosis close to normal, and implies that the distribution's kurtosis is close to that of a normal distribution, and that the distribution might be approximately normal in terms of tail heaviness. This also indicates that the statistical methods assuming normality might be suitable for this data, and that the kurtosis value does not suggest extreme outliers or heavy tails.

The Jarque-Bera (JB) test is a statistical test used to determine if sample data follows a normal distribution. A high p-value (typically > 0.05) suggests the data is likely normal, while a low p-value (≤ 0.05) indicates non-normality. Table 2 above shows that the Jarque-Bera test gives a p-values of 0.064, 0.100, 0.068, and 0.092 for the board size, board gender, and foreign board membership respectively, and a p-values 0.000, 0.000, 0.000, and 0.000 for the composition, board independence, board turnover, and staggered board respectively.

Correlation Analysis

Table 3 below presents the Pearson Correlation coefficients of the variables of the study. The Correlation coefficients provide the result on the direction of the relationship between the dependent and independent variables, and the correlation among the independent variables themselves.

Table 3: Correlation Matrix

	MV	BSIZE	BCOM	BIND	BGEN	FBME	BTURN	STAGB	FSIZE
MV	1.000								
BSIZE	-0.100	1.000							
BCOM	-0.140	0.356	1.000						
BIND	0.125	0.148	-0.208	1.000					
BGEN	0.085	-0.178	-0.194	0.352	1.000				
FBME	0.332	-0.006	-0.226	0.081	-0.177	1.000			
BTURN	0.024	-0.070	-0.071	0.104	0.046	0.094	1.000		
STAGB	0.072	0.125	-0.286	-0.046	0.124	0.318	0.066	1.000	
FSIZE	0.176	0.525	0.003	0.349	0.211	0.306	0.125	0.363	1.000

Source: E-View Output (2025)

Multicollinearity occurs when the magnitude of the correlation coefficients exceeds 0.80 (Kim, 2019; Benjamin, et al., 2023), that is, the correlation coefficient > 0.80 may indicate multicollinearity issues or concerns in regression models. The correlation coefficient results showed that none of the variables has a correlation coefficient > 0.80 . This indicates that the problem of multicollinearity is unlikely and hence the variables are suitable for conducting regression analysis.

Multicollinearity Test

Table 4 below presents the results of multicollinearity test using the Variance Inflation Factors (VIF).

Table 4: Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
BSIZE	2.548694	145.4142	2.056069
BCOM	0.002068	3.723362	1.465384
BIND	0.416915	2.783596	1.448874
BGEN	1.508063	4.883235	1.563197
FBME	0.724467	4.500173	1.429269
BTURN	0.603910	1.551061	1.063483
STAGB	0.929276	3.447380	1.374623
FSIZE	8.210067	386.8059	2.250594
C	3.511053	210.6677	NA

Source: E-View Output (2025)

There is a problem of multicollinearity in a model when the Variance Inflation Factors (VIF) values exceed 10, that is, $VIF > 10$ (Kim, 2019). From Table 4 above, the result of the model coefficient diagnostics using VIF showed that none of the variables has a VIF value that exceeds 10. This further proves that the problem of multicollinearity is unlikely, and hence the variables are suitable for conducting regression analysis.

Heteroskedasticity Test

Table 5 below presents the result of heteroskedasticity test using Breusch-Pagan-Godfrey test for heteroskedasticity.

Table 5: Heteroskedasticity Test: Breusch-Pagan-Godfrey

Null hypothesis: Homoskedasticity

F-statistic	1.300200	Prob. F (8,146)	0.2478
Obs*R-squared	10.30838	Prob. Chi-Square (8)	0.2440
Scaled explained SS	42.86871	Prob. Chi-Square (8)	0.0000

Source: E-View Output (2025)

According to Mankiw (1990), heteroskedasticity has never been a good reason to throw out on otherwise good model.

Null Hypothesis (H₀): There is no heteroskedasticity in the model, meaning the variance of the error term is constant.

Alternative Hypothesis (H_a): There is heteroskedasticity in the model, meaning the variance of the error term is not constant.

A p-value > 0.05 suggests insufficient evidence to reject the null hypothesis, implying that there is no strong indication of heteroskedasticity. A p-value < 0.05 suggests strong evidence to reject the null hypothesis, implying that there is indication of heteroskedasticity.

From the Table 5 above, the P-value is 0.2440 which is greater than 0.05, implying no indication of heteroskedasticity in the model.

Specification Tests: Fixed/Random Effects Testing

Tables 6 below presents the result of Fixed/Random Effects Testing using the Correlated Random Effects - Hausman Test.

Tables 6: Correlated Random Effects - Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	25.110410	8	0.0015

Source: E-View Output (2025)

Null Hypothesis (H₀): The Random Effects Model is consistent and efficient

Alternative Hypothesis (H_a): The Fixed Effects Model is consistent and efficient

Decision Rule: If the p-value is less than the significance level (0.05), we reject the null hypothesis and conclude that the Fixed Effects Model is more appropriate.

From the Table 6 above, the Correlated Random Effects - Hausman test shows that the p-value is 0.0015 which is less than the significance level of 0.05, we therefore reject the null hypothesis and conclude that the Fixed Effects Model is more appropriate.

Regression Results

Table 7 below presents the results of regression analysis using the fixed effects model.

Table 7: Fixed Effects Model Output

Dependent Variable: MV

Method: Panel Least Squares

Date: 07/16/25 Time: 09:40

Sample: 2014 2023

Periods included: 10

Cross-sections included: 16

Total panel (unbalanced) observations: 155

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BSIZE	-3.557724	1.648995	-2.157511	0.0328
BCOM	-0.054909	0.051326	-1.069794	0.2867
BIND	-0.093256	0.625617	-0.149062	0.8817
BGEN	-1.194474	1.307659	-0.913445	0.3627
FBME	-1.155107	1.322760	-0.873255	0.3841
BTURN	0.056225	0.568777	0.098852	0.9214
STAGB	0.241303	0.700467	0.344488	0.7310
FSIZE	-26.67851	4.674045	-5.707799	0.0000
C	28.83278	4.278130	6.739577	0.0000

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.696584	Mean dependent var	1.188815
Adjusted R-squared	0.643313	S.D. dependent var	1.702864
S.E. of regression	1.017006	Akaike info criterion	3.013053
Sum squared resid	135.4936	Schwarz criterion	3.484293
Log likelihood	-209.5116	Hannan-Quinn criter.	3.204461
F-statistic	13.07612	Durbin-Watson stat	1.361244
Prob(F-statistic)	0.000000		

Source: E-View Output (2025)

From table 7, the independent variables jointly contribute 70% to explain the dependent variable as indicated by the coefficient of determination (R^2) of 0.698, while the other 30% are explained by other variables not captured in the model. The Prob(F-statistic) of 0.000, which is less than 0.05 shows that the model is fit and can predict the dependent variable.

Decision Rule: The chosen threshold for determining statistical significance in this study is 5%, that is, the p-value is less than or equal to 5% (0.05), we reject the null hypothesis and conclude that the coefficient is statistically significant, suggesting that the independent variable significantly affect the dependent variable.

Board Size and Market Value

The regression line $MV_{it} = 28.83 - 3.558BSIZE - 0.055BCOM - 0.093BIND - 1.194BGEN - 1.155BEXP + 0.056BTURN + 0.241STAGB - 26.68FSIZE$, indicates that market value decreases by 3.558 for every 1unit increase in the board size (BSIZE). The p-value of board

size is (0.03) which is less than the significance level of (0.05), and this indicates that board size has a negative and statistically significant effect on the market value of listed consumer goods firms in Nigeria.

Board Composition and Market Value

The regression line $MV_{it} = 28.83 - 3.558BSIZE - 0.055BCOM - 0.093BIND - 1.194BGEN - 1.155BEXP + 0.056BTURN + 0.241STAGB - 26.68FSIZE$, indicates that Market Value decreases by 0.05 for every 1 unit increase in the board composition. The p-value of board composition is (0.29) which is greater than the significance level of (0.05), and this indicates that the board composition has a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria.

Board Independent and Market Value

The regression line $MV_{it} = 28.83 - 3.558BSIZE - 0.055BCOM - 0.093BIND - 1.194BGEN - 1.155BEXP + 0.056BTURN + 0.241STAGB - 26.68FSIZE$, indicates that market value decreases by 0.09 for every 1 unit increase in board independence. The p-value of board independence is (0.89) which is greater than the significance level of (0.05), and this indicates that board independence has a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria.

Board Gender and Market Value

The regression line $MV_{it} = 28.83 - 3.558BSIZE - 0.055BCOM - 0.093BIND - 1.194BGEN - 1.155BEXP + 0.056BTURN + 0.241STAGB - 26.68FSIZE$, indicates that market value decreases by 1.19 for every 1 unit increase in board gender. The p-value of board gender is (0.36) which is greater than the significance level of (0.05), and this indicates that board gender has a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria.

Foreign Board Membership and Market Value

The regression line $MV_{it} = 28.83 - 3.558BSIZE - 0.055BCOM - 0.093BIND - 1.194BGEN - 1.155BEXP + 0.056BTURN + 0.241STAGB - 26.68FSIZE$, indicates that Market Value decreases by 1.16 for every 1 unit increase foreign directors. The p-value of foreign board membership is (0.38) which is greater than the significance level of (0.05), and this indicates that foreign board membership has a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria.

Board Turnover and Market Value

The regression line $MV_{it} = 28.83 - 3.558BSIZE - 0.055BCOM - 0.093BIND - 1.194BGEN - 1.155BEXP + 0.056BTURN + 0.241STAGB - 26.68FSIZE$, indicates that Market Value increases by 0.06 for every 1 unit increase in board turnover. The p-value of board turnover is (0.92) which is greater than the significance level of (0.05), and this indicates that board turnover has a positive and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria.

Staggered Board and Market Value

The regression line $MV_{it} = 28.83 - 3.558BSIZE - 0.055BCOM - 0.093BIND - 1.194BGEN - 1.155BEXP + 0.056BTURN + 0.241STAGB - 26.68FSIZE$, indicates that Market Value increases by 0.24 for every 1 unit increase in Staggered Board. The p-value of staggered board

is (0.73) which is greater than the significance level of (0.05), and this indicates that Staggered Board has a positive and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria.

Firm Size and Market Value

The regression line $MV_{it} = 28.83 - 3.558BSIZE - 0.055BCOM - 0.093BIND - 1.194BGEN - 1.155BEXP + 0.056BTURN + 0.241STAGB - 26.68FSIZE$, indicates that Market Value decreases by 26.7 for every 1 unit increase in Firm Size. The p-value of Firm Size is (0.00) which is less than the significance level of (0.05), and this indicates that Firm Size has a negative and statistically significant effect on the market value of listed consumer goods firms in Nigeria.

Discussion

In the regression result, board size has a negative and statistically significant effect on the market value of listed consumer goods firms in Nigeria. This finding is in contrast with the findings of Ogunsola and Awe (2023); but in line with the finding of Munyradadzi et al. (2016).

The regression result of board composition and market value indicates that the board composition has a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. This finding is in line with the finding of Peters and Fred-Horsfall (2024).

The regression result of board independence and market value indicates this indicates that board independence has a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. This finding is in line with the finding of Ogunsola and Awe (2023).

The regression result of board gender and market value indicates that board gender has a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. This finding is in line with the finding of Peters and Fred-Horsfall (2024).

The regression result of foreign board membership and market value indicates that foreign board membership has a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. This finding is in line with the finding of (Ronyastra, 2017).

The regression result of board turnover and market value indicates that board turnover has a positive and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. This finding is in contrast with the findings of Nils (2024); but in line with the finding of Esteban & Miguel (2019).

The regression result of staggered board and market value indicates that staggered Board has a positive and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. This finding is in contrast with the findings of Cremers, Litov, and Sepe (2017); but in line with the finding of Bebchuk and Cohen (2005).

The regression result of firm size and market value indicates that firm size has a negative and statistically significant effect on the market value of listed consumer goods firms in Nigeria.

CONCLUSION AND RECOMMENDATIONS

This study examined the effect of board characteristics on market value of listed consumer goods firms in Nigeria. The study formulated seven hypotheses which state that board size,

board composition, board independence, board gender, foreign board membership, board turnover, and staggered board have no significant effect on the market value of listed consumer goods firms in Nigeria. Based on the results obtained, the study concluded that board turnover and staggered board have a positive and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. The board composition, board independence, board gender, and foreign board membership were found to have a negative and statistically insignificant effect on the market value of listed consumer goods firms in Nigeria. On the other hand, the board size and firm size were found have a negative and statistically significant effect on the market value of listed consumer goods firms in Nigeria. It was also found that firm size controls the relationship between the board characteristics and the market value of listed consumer goods firms in Nigeria.

The following recommendations are offered based on the findings emanating from this study:

- i. Since the board size significantly decreases the market value of listed consumer goods firms in Nigeria, there is need for the firms in this sector to maintain an optimum board size and focus on the quality of the board rather than the size of the board.
- ii. Since the composition of the boards of the listed consumer goods firms in Nigeria insignificantly decreases their market value, their board committees should periodically evaluate the composition of the Boards of these firms to identify resource and competency gaps that will guide the appointment of new directors. This is because the non-executive directors that are majority in the boards, and are expected to have the key contacts and networks that support company performance.
- iii. There is need to monitor the activities of the independent directors of the listed consumer goods firms in Nigeria to ensure they are not conflicted or compromised since board independence insignificantly decreases their market value.
- iv. Since the diversity of the board gender of the listed consumer goods firms in Nigeria insignificantly decreases their market value, the experience, knowledge and personal qualities of women represented in the boards of these firms should be periodically evaluated by their board committees to identify resource and competency gaps that will guide the appointment of new female directors.
- v. Since foreign board membership of the listed consumer goods firms in Nigeria insignificantly decreases their market value, there is need for them to have a comprehensive knowledge and understanding of the Nigerian local market nuances to contribute effectively in these firms' Boards decision-making.
- vi. There is need for consistent training, evaluation, and possibly turnover of board members in order to bring fresh perspective to the board since board turnover appear to have a positive effect on the market value of listed consumer goods firms in Nigeria

- vii. More companies in the consumer goods sector should incorporate a staggered board structure in their articles of association as it appears to positively affect firms' market value, and since also the directors knowing their continuation on the board depends on their past contributions. Corporate Affairs Commission should sustain staggered board in its legal framework for companies. Also, future studies could be conducted in this area by researchers using a larger sample size to accurately capture relationship between the variables over time.

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