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Boardroom Dynamics and Firm Performance in Nigeria: A Multivariate Analysis

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Abstract
This study investigated the relationships between boardroom dynamics and firm performance among non-financial Nigerian firms using an ex-post facto research design and data from a sample of 58 firms over a ten-year period (2013-2022). The coefficients are estimated using a Random Effects GLS Regression model and utilizing STATA 14 software. The regression analysis reveals that the overall model is significant at the 5% level (Wald chi-squared = 13.85, p-value = 0.0166), though individual predictors, except for board independence, do not significantly impact firm performance as measured by Tobin's Q. Specifically, board size, board meetings and board ownership show no significant effect on Tobin's Q. However, board independence exhibited a significant negative impact on firm value, suggesting that higher board independence is associated with lower firm value. This study provides valuable insights for corporate governance practices in Nigerian firms, emphasizing the need for a redefined approach to boardroom dynamics, consider industry-specific guidelines to determine the optimal mix of independent and executive directors and encouraging it to develop meeting agendas that focus on strategic issues and long-term planning.

Keywords*: Board size, board meeting, board ownership, corporate governance, Tobin's Q.*
JEL: M41, M48, O16

1.0 Introduction

In recent years, the dynamics within the boardroom have garnered significant attention from researchers and practitioners alike, as these dynamics are believed to have profound implications for firms' performance. The board, as the highest governing body of a company, guides management and assumes ultimate accountability for the overall performance. It operates in a hierarchical relationship with shareholders and management, often leading to the division of ownership and corporate power. The board is conceptualized as a pivot in the board-shareholder and board-manager relationships, providing an incentive and a basis for governance procedures to limit agency conflict. The effectiveness of the board has been a product of the members of the board; their characteristics and qualities inter alia, including expertise, experience, diversity, networks, alliances, and independence (Abubukar, et al. 2018).

Adewale, et al. (2020) suggested that the board is therefore expected to complement each other and work as an effective team so as to ensure efficient managerial supervision. Sinebe (2020) and Davies (2023) suggested that the management of firms are the implementer of the corporate strategic policies and is responsible to the board which ensures that the wealth of investors in the firm is maintained. Haruna, et al. (2018) and Jibrin, et al. (2023) noted that the board of directors is deemed imperative to an organization's performance, not only as an ultimate decision-making body in the organization, but also as a take-off platform of the trading vehicle. Stakeholders may hold the board as a focal point to seek information and redress, particularly in the face of an adverse business decision (Ilaboyo et al. 2015).

Globally, the impact of failures and collapses of several corporations, apparently consequent upon hazardous actions and failures in proper corporate governance, had made the international community, and especially in Nigeria, redouble its efforts at ensuring good governance in corporations (Bereprebofa et al. 2022; Modozie et al. 2022). Observably, much effort has been put into the need for boards to be more effective, more focused, and more responsible. One of such ways is through the deployment of an optimal board structure as suggested by researchers who have investigated the relationship between firm performance and board structures (Okolo, et al. 2019). This research seeks to adopt a multivariate analytical approach in order to examine the combined effects of board size, board meetings, board independence, and board ownership on firm performance (using Tobin's Q as a proxy for firm performance).

2.0 Literature Review

2.1 Board Size and Firm Performance

Corporate governance is a crucial issue, with conflicting perspectives on the appropriate board size. The Agency Theory suggests that a large membership board increases monitoring of the CEO, reducing potential conflicts of interest between the manager and shareholders. However, the Theory of Group Dynamics suggests that larger boards may become bulky and unmanageable, making it difficult to obtain consensus on managerial measures and lowering governance effectiveness. Excessive surveillance of the CEO can lead to delays in decision-making and negatively impact business performance. Boards of directors are known to be the pivot of corporate governance structures. Their size, in terms of the number of members, apart from being a concern for the cost of such membership and the adequacy of contribution of each member, is especially important as it can affect firm performance adversely (Sinebe et al.2023).

Coleman et al. (2021) suggests that proponents of smaller boards argue that they are more effective due to enhanced communication and decision-making efficiency. Gambo, et al. (2018) and Kanene, et al. (2023) suggest that smaller board sizes are less prone to coordination problems and free-rider issues, which can impair the decision-making process. They contend that as board size increases, the ability of directors to engage in meaningful discussions and reach consensus diminishes, leading to less effective oversight and strategic guidance. Notably, some empirical studies provide support for these arguments. Sinebe et al. (2022) and Alekiri, et al. (2023) finds a negative correlation between board size and firm performance, indicating that firms with smaller boards tend to perform better. Sinebe, (2023a) study suggests that smaller boards are nimbler and more capable of making swift decisions, which can be advantageous in dynamic and competitive business environments.

Conversely, other scholars highlighted the benefits of larger boards, emphasizing the diversity of perspectives, expertise, and resources that they bring. Eluyela, et al. (2018) in their study concluded that board size positively correlates with firm performance. They argue that larger boards are better equipped to provide comprehensive oversight and advice to management, as they can draw on a broader range of skills and experiences. Ayeni-Agbaje, et al. (2024) further elaborate on the advantages of larger boards in complex firms. They posit that firms operating in diverse and intricate environments benefit from having a larger board, as the varied expertise helps address multifaceted challenges and enhances strategic decision-making. This perspective aligns with the resource dependency theory, which suggests that boards with more members can better secure critical resources and support for the firm.

Several factors mediate the relationship between board size and firm performance, adding complexity to this area of study. For instance, the industry context, firm size, and the regulatory environment can influence how board size impacts performance. Usman et al. (2023) find that

the optimal board size varies across industries, with more complex and regulated industries tending to favour larger boards. Moreover, the internal dynamics of the board, such as the quality of communication and the level of trust among directors, can also affect how board size influences firm performance. Aziekwe et al. (2024) emphasize the importance of board processes and interactions, suggesting that the effectiveness of a board is not solely determined by its size but also by how well its members collaborate and utilize their collective expertise. By analysing a comprehensive dataset across various industries and regions, we aim to provide a more detailed understanding of the conditions under which different board sizes enhance or impede firm performance with the aim to contribute to the ongoing discourse on corporate governance and offer actionable insights for researchers, practitioners, and policymakers.
(Ho_1): *There is no significant impact between board size on firm performance.*

2.2 Board Meetings and Firm Performance
The presence of independent non-executive directors on the board is another approach to maintaining proper supervision, regulatory control and task scheduling metrics. They are also important for influencing performance as Firms with a larger percentage of independent directors are more likely to schedule the maximum frequency of meetings as required by Nigerian regulations. The extent to which these variable influences firm operating performance is systematically assessed in subsequent sections of this study. Okolo, et al. (2019) noted that a well-conducted board meeting gives way for sharing of ideas and focusing on organizational activities, including flexible responses to changing external conditions. Indeed, board directors are generally in good positions to identify the need for changes and to encourage the introduction of new ways of doing things. Jibrin,et al, (2023) posits that frequent board meetings are associated with better monitoring and improved firm performance. His study finds a positive relationship between the number of board meetings and firm value, suggesting that more frequent interactions allow directors to stay informed about the firm's operations, address emerging issues promptly, and provide timely strategic input. Hossain et al. (2022) argue that excessively frequent meetings can be indicative of underlying problems within the firm, such as financial distress or managerial inefficiencies. In such cases, frequent meetings may reflect a reactive rather than proactive approach to governance, with directors spending more time addressing crises than focusing on long-term strategy Eluyela, et al, (2018).

Evidently, the quality of deliberations and the ability of the board to make informed decisions are essential for translating meeting frequency into positive outcomes. As such, boards that emphasize thorough preparation, constructive dialogue, and strategic focus are better positioned to enhance firm performance. García-Ramos et al. (2020) and Sinebe (2023b) posited that in larger firms, frequent meetings may be necessary to address the diverse and multifaceted challenges they face, while in smaller firms, fewer meetings might suffice due to simpler organizational structures. In some jurisdictions, regulations mandate a minimum number of board meetings, which can influence the frequency and potentially the effectiveness of these meetings. Empirical studies provide mixed evidence on the relationship between board meeting frequency and firm performance. For instance, Bereprebofa, et al. (2023) findings suggest that the relationship is contingent on the firm's governance quality. In firms with strong governance, frequent board meetings are positively associated with performance, while in firms with weak governance, the relationship is either negative or insignificant. This suggests that the effectiveness of board meetings is heavily influenced by the broader governance context within which they occur. Similarly, Maniruzzaman et al. (2019) explored the impact of board meeting frequency in the context of financial performance and find that the benefits of frequent meetings are more pronounced in firms with higher growth opportunities and more complex operations.

(Ho$_2$): *There is no significant impact between the frequency of board meetings on firm performance.*

2.3 Board Independence and Firm Performance

The concept of board independence has led to the suggestion that the board of directors should be constituted in such a way that the members should have no personal interest in the firm's management. The suggestion that boards should be conformed to improve monitoring has, however, given rise to the issue of how to constitute a board of directors to ensure effective monitoring. This debate has led to different board structures such as inside non-executive board, outside non-executive board, part-time non-executive board, full-time non-executive board, etc Jibrin, et al, (2023). In contrast, stewardship theory by Lipton et al. (1992) and Chohan, (2021) suggests that managers, when given trust and authority, act in the best interests of the shareholders and the firm (Abdullahi et al. (2021) and Donaldson et al. (1991). However, even within stewardship theory, the presence of independent directors can provide valuable advice and resources, contributing to improved strategic decision-making. Resource dependence theory by Lipton et al, (1992) provides another angle, emphasizing the role of independent directors in providing access to essential resources and networks (Mbate, 2023). Independent directors can bring diverse expertise, external connections, and legitimacy to the firm, which can enhance its strategic positioning and performance. While there is substantial support for the positive role of independent directors in enhancing oversight and accountability, the empirical evidence is mixed, highlighting the importance of considering contextual and moderating factors. This study aims to build on the existing body of knowledge by adopting a multivariate approach, examining how board independence interacts with other boardroom dynamics and firm-specific factors to influence performance.

(Ho$_3$): *Independent Boards have no significant impact on firm performance.*

2.4 Board Ownership and Firm Performance

The board of directors plays a crucial role in a company's strategic direction and decision-making processes. Usually, four conceptual issues under examination, when discussing board ownership, include access to information, independence, selection challenges in defining the board's composition for monitoring and advisory functions, and its function in strategic decision-making on significant topics. Allam, 2018 noted that previous research on board composition and structure has primarily focused on the size of the board, including the number of executive directors, the proportion of non-executive directors, the amount of stock owned, and stock option remuneration. However, recent research has also emphasized directors' monitoring and intervening roles. According to agency theory, a significant portion of the company's shares owned or controlled by board members is believed to influence their actions for the benefit of shareholders. In large, publicly owned corporations, owners have significant authority by voting on various ownership issues, and board members, acting as representatives of the owners, have access to large resources and varied degrees of authority over some corporate decisions (Sinebe, 2021). Jensen et al., (1976) argue that when directors own a substantial portion of the firm's equity, their interests are more closely aligned with those of the shareholders. Fama et al., (1983) noted that this alignment reduces agency costs, as directors are more incentivized to monitor management effectively and make decisions that enhance firm value. Stewardship theory also supports the notion that higher board ownership can lead to better firm performance. According to this theory, directors who have significant ownership stakes view themselves as stewards of the firm and are more likely to act in the best interests of all shareholders (Donaldson et al., 1991).

Several studies support the positive impact of board ownership on firm performance. Harymawan, et al., (2020) find that moderate levels of board ownership are associated with improved firm performance. Their research indicates that ownership stakes provide strong incentives for directors to maximize firm value, leading to better financial outcomes. Jibrin, et al., (2023) also find a positive relationship between board ownership and firm performance, measured by Tobin's Q. Their study suggests that firms with higher board ownership exhibit better alignment of interests between directors and shareholders, resulting in enhanced performance.
Sinebe, et al., (2023) suggest that the effects of board ownership may vary across different industries, with certain sectors benefiting more from the alignment of interests provided by ownership stakes. Similarly, the firm's size can influence the effectiveness of board ownership, with larger firms potentially requiring different governance mechanisms compared to smaller firms.
(Ho$_4$): *There is no significant impact between board ownership on firm performance.*

2.5 Theoretical Frameworks in Boardroom Dynamics and Firm Performance

Corporate governance literature often defines boards of directors as diverse bodies with varying characteristics, such as size, size, demographics, independence, and structural qualities. These diversities make the board a reliable, trustworthy structure for monitoring and supervising managerial agents. In complex business organizations, the board of directors acts as the major nexus of the corporate governance system, acting as a monitor, adviser, or nexus of contracts. It may also be considered a partner. The board's ethical basis is derived from the rights of shareholders and the wider stakeholder community, with fiduciary responsibility, duty of care, and duty of loyalty. These duties are linked to the board's frame and conduct, ensuring its effectiveness in monitoring and supervising managerial agents.

The stewardship theory by Donaldson, et al., (1991) assumes that the principals (owners/shareholders and managers) have a more aligned interest or outlook, showing that individuals are eager to surpass what is expected of them and what would entail overly harming the organization. According to the theory, individuals will perform well, thereby enhancing their career outlook and organizational growth more than the predicted good organizational outcome. After all, directors and senior executives are also expected to earn a lot of returns on their investments in the organization (Sinebe et al., 2023).
Chohan, (2021) emphasizes the adoption of specific monitoring and control mechanisms, such as having an independent board and the presence of institutional investors on boards, the stewardship theory assigns a more rigorous and aligned outlook. The agency theory framework assumes that managerial agents might cheat and be self-interested, leading to a need for pervasive monitoring and control mechanisms for efficiency and effectiveness. Stewardship theory and agency theory are the dominant theoretical frameworks that guide studies into different aspects of management and corporate governance. Both are complex theoretical frameworks with in-depth explanations based on shareholders' and managers' goals and achievements.

2.6 Empirical reviews

Alekiri, et al., (2023) investigates the relationship between return on asset and board independence in Nigerian companies listed on the Nigerian Exchange Group. The results showed a significant correlation between board independence and return on asset. The study recommends companies appoint independent directors to help them choose internal executive directors and maximize the benefits of board independence. The performance of independent directors is also expected to comply with relevant Nigerian laws and codes controlling their

activities. The findings suggest that companies should prioritize board independence to ensure their success.

Kanene et al., (2023) investigated the relationship between a company's board size, board tenure, and corporate risk management. The result of their study showed a positive but insignificant link between board size and business risk management, while board tenure had a significant relationship. Firm size had a minor but favourable connection with corporate risk management. The study recommends enhancing board traits to maximize the efficacy of functions and manage risks effectively.

Ayeni-Agbaje, et al., (2024) examined the performance of listed companies in Nigeria is a significant concern for stakeholders, including investors, authorities, and legislators. The study's results showed that corporate governance significantly influences a company's performance. The study suggests that businesses with strong corporate governance guidelines perform better across various performance criteria compared to those with less competent governance policies. The report recommends Nigerian companies' policymakers to optimize board size to improve performance and balance diversity and efficiency.

Gwabin, et al., (2024) investigated the impact of board features on profits management of listed oil and gas companies in Nigeria, with auditor independence serving as a moderator. The study found that auditor independence significantly moderated the link between board independence, board composition, and board diversity. However, board independence and board composition had a negative but negligible effect on earnings management. The study suggest that authorities and policymakers should improve corporate governance codes and ensure rigorous compliance.

3.0 Research Methodology

3.1 Research Design

This study adopted the *ex-post facto* research design to test hypotheses with secondary data from a study population of fifty-eight (58) non-financial Nigerian firms covering a period of ten (10) years between 2013 and 2022. The descriptive statistics was used to describe the data while correlation test was used to ascertain the degree of relationship among the variables. The coefficients were estimated using Random regression model, while diagnostic tests were also conducted to ensure the validity of the model, which include tests for multicollinearity, heteroscedasticity using STATA 14 statistical software.

3.2 Model Specification

The study model in econometric term is:

FV = F(TOBINSQ, BSIZE, BMEET, BIND, BOWN, FSIZE). . . . (I)

$$TOBINSQ_{\epsilon i} = \beta_0 + \beta_1 BSIZE_{\epsilon i} + \beta_2 BMEET_{\epsilon i} + \beta_3 BIND_{\epsilon i} + \beta_4 BOWN_{\epsilon i} + \beta_5 FSIZE_{i} + \epsilon_i \quad \text{(ii)}$$

Where;

TOBIN Q: measured as market capitalization plus total liabilities minus cash divided by total asset

BSIZE: Board size (measured as the total numbers of all directors of a company including the Chairman +Vice Chairman +CEO/Managing director + Executive Directors +Non-Executive Directors or Independent Directors but excluding the company secretary)

BMEET: Board Meetings (measured as the number of the board meetings held by the board of directors in a year).

BIND: Board Independence (measured as the non-executive board of directors divided by total board size (%)).

BOWN = Board Ownership (measured as total directors direct and indirect shares owned divided by total numbers of shares (%))
FSIZE = Firm size (measured as natural log of total asset).
β is the intercept term.
$\beta1$, $\beta2$, $\beta3$, $\beta4$ and $\beta5$ are the coefficients for the respective variables.
ϵi is the error term.

4.0 Analysis Results and Discussion of Findings
4.1 Descriptive statistics
Table 1: Summary of Descriptive statistics

STATS	TOBINSQ	BSIZE	BMEET	BIND	BOWN	FSIZE
MEAN	1.449379	8.963793	4.698276	67.54357	17.74786	7.041853
MIN	-.31	4	1	7.6923	0	5.2394
MAX	11.3	19	15	112.5	128.1741	9.2409
MEDIAN	.975	9	4	70	4.6643	6.9097
SD	1.4187	2.648765	1.259299	14.8077	24.18429	.7915612
N	580	580	580	580	580	580

Source: Regression Output Via STATA 14, 2024.

Table 1 displays the summary of the Descriptive statistics which provides information about the mean, minimum, maximum, median, standard deviation (SD), and count (N) for each variable. The breakdown of the information reveals that the MEAN is 1.4494, 8.9638, 4.6983, 67.5436, 17.7479 and 7.0419, and a MEDIAN of 0.975, 9, 4, 70,4.6643 and 6.9097 while the STANDARD DEVIATION is 1.4187, 2.6488, 1.2593, 14.8077, 24.1843 and 0.7916 for TOBINSQ, BSIZE, BMEET, BIND, BOWN and FSIZE respectively. The data suggest that Tobin's Q mean of 1.4494 indicates that, on average, firms have a market value higher than their asset value. The negative minimum value suggests that some firms have a market value less than their asset value. It also reveals that BSIZE varies from 4 to 19 members, with a mean and median around 9, suggesting a moderate board size across firms. the data for BMEET shows that the number of board meetings held varies from 1 to 15, with a mean close to 5, indicating a moderate frequency of meetings. The information for BODI measured in percentage terms, shows a high mean of 67.5436, suggesting that boards are largely independent. The range indicates significant variability. While BOWN has a wide range, with a mean of 17.7479, indicating that board members own substantial ownership stakes with varying proportions of company shares and FSIZE shows less variability, with values clustering around the mean of 7.0419.

4.2 Correlation Analysis
Table 2: Summary of Pearson Correlation analysis

	TOBINSQ	BSIZE	BMEET	BIND	BOWN	FSIZE
TOBINSQ	1.0000					
BSIZE	-0.0372	1.0000				
BMEET	0.0374	0.1697	1.0000			
BIND	-0.1305	0.1691	0.0354	1.0000		
BOWN	-0.0417	-0.1245	0.0070	-0.1386	1.0000	
FSIZE	0.0049	0.0431	-0.1219	-0.0902	0.2071	1.0000

Source: Regression Output Via STATA 14, 2024.

The correlation matrix in Table 2 provides the Pearson correlation coefficients between each pair of variables which ranges from -1 to 1, where 1 indicates a perfect positive correlation, -1 indicates a perfect negative correlation, and 0 indicates no correlation. The findings reveal that

Tobin's Q has a Weak negative correlation with BSIZE (-0.0372), BIND (-0.1305), and BOWN (-0.0417); a Weak positive correlation with BMEET (0.0374) and FSIZE (0.0049). These weak correlations suggest that none of these variables strongly influence Tobin's Q. Furthermore, BSIZE shows a Weak positive correlation with BMEET (0.1697) and BIND (0.1691), a Weak negative correlation with BOWN (-0.1245) and Weak positive correlation with FSIZE (0.0431), indicating that Board size has a slightly stronger relationship with the frequency of board meetings and board independence. Also, BMEET has a Weak positive correlation with BIND (0.0354), Very weak correlation with BOWN (0.0070) and Weak negative correlation with FSIZE (-0.1219), indicating that Frequency of board meetings is slightly associated with board independence but negatively with firm size. BIND shows a Weak negative correlation with BOWN (-0.1386) and FSIZE (-0.0902), Board independence is somewhat negatively associated with board ownership and firm size. BOWN is slightly positively correlated with FSIZE (0.2071), indicating that larger firms tend to have higher board ownership.

4.3 Result for Multicollinearity Test

Table 3: Variance Inflation Factor (VIF) Analysis (VIF) Test Result

VARIABLE	BSIZE	BMEET	BIND	BOWN	FSIZE	MEAN VIF
VIF	1.08	1.05	1.05	1.08	1.08	1.07
1/VIF	0.923431	0.951201	0.951895	0.926378	0.928209	

Source: Regression Output Via STATA 14, 2024.

Table 3 show the result of the Variance Inflation Factor (VIF) which is used to detect multicollinearity in regression models. Multicollinearity occurs when independent variables are highly correlated, which can inflate the variance of the coefficient estimates and make them unstable. Our results shows that all VIF values falls between 1.08 and 1.05, which are well below the threshold of 10. A VIF value close to 1 indicates that there is no significant multicollinearity among the independent variables. This implies that the coefficient estimates for the independent variables are stable and reliable.

4.4 Breusch and Pagan Lagrangian Multiplier test

Table 4: Other Diagnostic Tests

Breusch and Pagan Lagrangian Multiplier test	
Decision rule	If p-value is statistically significant, then reject Ho and accept HA
Result	chibar2(01) = 0.00, Prob > chibar2 = 1.0000
Hausman Test	
Decision rule	If p-value is statistically significant, then reject Ho and accept HA
Result	chi2(5): 4.88, Prob>chi2 = 0.4301

Source: Regression Output Via STATA 14, 2024.

Table 4 displays the Hausman test which is used to determine whether a fixed or random effects model is more appropriate. From the test results, the p-value of 0.4301 indicates that we fail to reject the null hypothesis. Based on this result, the Hausman test aligns with the Breusch and Pagan Lagrangian Multiplier Test results, which also suggested the random effects model due to the absence of significant individual effects.

4.5 Hypotheses Testing

Table 5: Summary of Regression Result

TOBINSQ	COEF.	STD.ERR.	z	P>|z|
BSIZE	-.017044	.0229886	-0.74	0.458
BMEET	.0560254	.0476423	1.18	0.240
BIND	-.012935	.0040502	-3.19	0.001
BOWN	-.00397	.0025138	-1.58	0.114

FSIZE	.02541	.0767274	0.33	0.741
_CONS	2.104136	.675673	3.11	0.002
OBS				580
Wald chi2(5)				13.85
Prob > chi2				0.0166

Source: Regression Output Via STATA 14, 2024.

Table 5 displays the results from the Random-Effects GLS Regression Analysis. As is observed, the R-squared (overall) is 0.0236, which explains the overall variation in the model with a Wald chi-squared of 13.85 and a p-value for Wald chi-squared of 0.0166 (indicating overall significance at the 5% level). It shows that the z-value is -0.74 and the p-value: 0.458, signifying that the BSIZE does not significantly affect Tobin's Q (Davies, (2023); Alekiri, et al., (2023). This finding also disagrees with the findings of Eluyela, et al., (2018), Adewale, et al, (2020) and Usman, et al, (2023). BMEET has a z-value of 1.18 and a p-value of 0.240 indicating that the number of Board meetings do not have a significant impact on Tobin's Q, agreeing with the findings of García-Ramos, et al, (2020). The findings are not in agreement with the findings of Hossain, et al, (2022). Also, BIND has a z-value -3.19 and a p-value: 0.001 which indicates that Board independence negatively affects Tobin's Q agreeing with the studies of Harymawan, et al., (2020) and Alekiri, et al., (2023), suggesting that more independent boards are associated with lower firm value, while BOWN has a z-value -1.58 with a p-value: 0.114 which indicates that Board ownership does not significantly affect Tobin's Q (Harymawan, et al., 2020). The significant Wald chi-squared statistic suggests that the model as a whole is significant at the 5% level, but individual predictors mostly do not contribute significantly. In conclusion, the analysis suggests that while board independence has a statistically significant negative impact on Tobin's Q, other governance and firm-specific characteristics do not significantly influence firm value.

5.0 Conclusion and Recommendation

The study concluded that among the examined boardroom dynamics, only board independence significantly impacts firm performance, and this impact is negative. This suggests that an increase in board independence may be associated with a decrease in firm value, as measured by Tobin's Q. Other governance characteristics, such as board size, frequency of board meetings and board ownership, do not show significant influence on firm performance. These findings provide important insights for corporate governance practices in Nigerian firms, highlighting the need for a balanced approach to board independence and other governance factors to enhance firm value. Further research is recommended to explore the underlying reasons for the negative impact of board independence and to identify other potential factors influencing firm performance. In light of the above findings, this study makes the following Policy and Management recommendations;

1. Reevaluate Board Independence: it is crucial for policymakers and management to reassess the optimal level of board independence. While independent directors are essential for objective oversight, excessive independence may impede effective decision-making.
2. Improve Board Engagement and Effectiveness: The study suggests that frequent board meetings do not necessarily lead to better performance.
3. Monitor and Adapt Governance Practices: management should establish a governance committee responsible for regular evaluation of governance practices in order to stay informed about global best practices and integrate relevant aspects into the local context.

4. Policy makers should encourage continuous research into boardroom dynamics and their impact on firm performance to provide ongoing insights and recommendations that can be used to continually refine and improve governance policies and practices.

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