Board Composition And Firm Performance: Evidence From Nigeria

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Abstract

This study examines the effect of board composition on firm performance, using annualized data from 1998 to 2017. The study adopted the Tobin’s Q as measure of performance and ratio of non-executive directors to total board size as measure of board composition. Firm size and firm age were introduced as controlled variables. The study employed the static panel model. The evidence suggests that the estimated coefficients of board composition have statistically negative effect on firm performance. The findings suggest that non-executive dominated board do not translate to effective monitoring in Nigeria.

Keywords: Board Composition, Firm Performance, Nigeria, Firm Age, Firm Size