Research Article

Board Attributes and Stock Returns of Listed Consumer Goods Companies in Nigeria

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Abstract
This study investigates how board attributes (BA) affect the stock returns (SR) of Nigerian quoted consumer goods companies (QCGC). Size, independence, and financial knowledge of the board were all employed as predictor variables. For the purpose of addressing the problem, this investigation chose descriptive and ex-post facto methodology as well as positivist viewpoint. The twenty-three (23) QCGC of the Nigerian Stock Exchange (NES) as of 2020 made up the population. A sample size of sixteen (16) QCGC was obtained using the purposive sampling procedure. Secondary sources were employed to compile the study's data. The data were gathered from the yearly financial reports of the selected corporations for ten (10) years (2011-2020). With the use of STATA-13, the study used multiple regression as the analysis method. The study utilised the Hausman specification test to examine endogeneity because the data it used were panel data (i.e., cross-sectional time series data). The Breusch-Pagan test for heteroscedasticity and the test for Multicollinearity utilizing the Variance Inflation Factor (VIF) were additional robustness tests used in this study to assess the model’s suitability and the validity of the results. According to the overall regression result indicated by the R-squared, BAs can be utilised to forecast how SRs would behave in the QCGC. Accordingly, it was discovered that board independence and financial skill had a positive significant effect on SRs, whereas board size has no significant impact on SRs of QCGC in Nigeria. According to the study's findings, the board of directors of QCGCs should expand their capability for monitoring discretionary management conduct by adding at least three accounting and financial professionals to the board to advance the quality of earnings.

Keywords: Board Independence, Board Size, Board Financial Expertise, Stock Returns, Consumer Goods Companies.

Introduction
The composition of the board is of great importance in determining stock returns. This is because the board is one the most reliable tools within the organization that can be used to predict the performance of firm and its reporting capabilities. For instance, Fama and Jensen (1983) stated that "non-executive directors are able to act as mediators in disputes that occur between managers, oversee policies, and provide advice to management". In order to develop a business that practises strong Corporate Governance (CG), the independent board (IB) serves as a monitoring function. According to Jiraporn and Ning (2006), the proportion of IB members is a better indicator of the board’s quality. Moreover, Agency theory asserts that by paying cash dividends to stockholders out of free cash flow, the board size, which is an element that determines whether CG is effective, can stop managers’ propensity to act opportunistically (Eisenhardt, 1989). Board financial expertise is also, considered a good predictor of stock returns variation. This entails having a member on the board that is financially, literate.

According to Kirkpatrick (2009) and Walker (2009), a significant factor in the financial crisis was the lack of financial acumen on corporate boards. Hence, having a board with higher financial knowledge has an impact on all of the board’s actions, including dividend policy. The board will be better able to represent the interests of the stockholders and avoid accusations of failing in their monitoring duty if they have financial competence.

The investigation’s broad objective is to determine the impact of board attributes (BAs) on stock returns (SRs) of Quoted Consumer Goods Companies (QCGC) in Nigeria. Specifically, it is to:
Assess the influence of board independence on SRs of QCGC in Nigeria
Determine the impact of board size on SRs of QCGC in Nigeria
Ascertain the impact of board financial expertise on SRs of QCGC in Nigeria

The study tested hypotheses based on these objectives.

**Literature Review**

**Board Attributes (BAs)**

The board's position as a link between shareholders and corporate management is derived from the characteristics, incentives, and other factors that are crucial in overseeing and managing managers (Kiel and Nicholson, 2003; Bonn et al., 2004; McIntyre et al., 2007). "Recognizing that boards are made up of a group of people who combine their skills and abilities to reflect the social capital that their company contributes to the governance function will help you better comprehend the purpose of the board" (Westphal et al., 2001). Several levels of heterogeneity can be reflected in a board's structure (Bhagat and Black, 2002). The proportion of independent non-executive directors and board size are typical metrics of board structure (Rashid, 2011), and these two variables were employed in this study.

Age and gender variance are two additional indicators of board structure in the literature. Yet, there have been conflicting results about the connection between board structure and firm success up to this point (Finegold and Lawler, 2007; Bermig, 2010; Rashid et al., 2010). Here, "board diversity" is defined as additional variations in board structure. Although there may be a cost associated with this, a more autonomous board structure can improve decision making by increased information movements (Sanda et al., 2011). As a result, board variability necessitates a trade-off between "information efficiency" in the instance of dispersed boards, that are normally well informed on "outside" issues, and "decision efficiency" in terms of identical boards, which derives from greater credibility, shared expertise, and values.

**Board Size**

Board size (BS) is described by DeFond and Francis (2005) as the quantity of board members. There is no standard for how many people should be on a board of directors. On how many people should make up the ideal board, several researchers have expressed contrasting views. A small board, according to certain schools of thinking, is more productive since it speeds up decision-making and cannot be bribed by management. A smaller board may be more effective, less burdened by administrative issues, and better able to oversee financial reporting, according to DeFond and Francis (2005) argument. High coordination costs and information transfer delays are a couple of the drawbacks of a big board. It also has a connection to weak monitoring. A huge board, according to Dalton et al., (1999), "is congested and can't accommodate each member's participation. It is also less organised and unable to come to a decision quickly". The quantity of directors sitting on these boards was utilized in the study to determine board size, and it was foretold that this would have a negative link with SRs.

Large boards, according to John and Senbet (1998), are less effective and are more susceptible to CEO control. When a board is too big, it is challenging for it to organise, process, and address the organization's strategic challenges. "The importance of board size has been a topic of ongoing discussion from several angles" (Jensen 1993; Yermack, 1996; Dalton et al., 1999; Hemalin and Weisbach, 2003). While other have argued that narrower boards improve the quality of financial disclosure (Lipton and Lorsch, 1992; Jensen, 1993; Yermack, 1996), others have claimed that bigger boards are preferable (Pfeffer, 1972; Klein, 1998; Adam and Mehran, 2003; Anderson, 2004; Coles et al., 2008).

"Small boards have been supported by academics on the grounds that they are easier to coordinate (togetherness and communication (Jensen, 1993) and that they prevent social loafing and freeriding" (Lipton and Lorsch, 1992). The effectiveness of inter-personal communication decreases as the size of the board grows. When the board size expands, coordination and communication issues become apparent and are probable to lead to divisions and clash (Charles et al., 1989). Klein (1998) claims that "the need for advice for CEO will increase with organizational complexity".

Klein (1998) further suggests that "the advisory needs of CEO increases with the extent of firm's dependence on environmental resources". "So, increasing board size helps businesses to manage the environment" (Pfeffer, 1972; Pearce and Zahra, 1992). According to agency theory, bigger boards promote effective oversight by lessening the CEO's sway on the board and defending the interests of shareholders (Singh and Harianto, 1989). Hermalin and Weisbach (1998) assert that "a board's efficacy depends on its independence. The
discussions a board has with the CEO will determine how independent the board is”. A bigger board would have given it a stronger negotiating position with the CEO, improving its ability to oversee management. A bigger board will also make it simpler to form committees to assign specialized duties.

**Board Independence**

Yet, agency theory favours mainstream of independent non-executive directors in terms of this tension (Huse, 2007; Rashid, 2011). “King III stresses that the board should include a balance of executive and non-executive directors, with a majority of independent non-executive directors, as this reduces the possibility of conflicts of interest” (IOD, 2009). The literature on corporate governance frequently urges company boards to include more independent and outsider members (Sanda et al., 2011). “Prior research has not consistently provided evidence about the effect of the ratio of non-executive to executive directors on financial success” (Sahin et al., 2011).

One study after another has suggested a link of board composition to business success (Weisbach, 1988; Pearce and Zahra, 1992; Daily and Dalton, 1993; Rosenstein and Wyatt, 1994; MacAvoy and Millstein, 1999; Krivogorsky, 2006). “Others, however, have seen no connection between company performance and board composition” (Daily and Johnson, 1997; Dulewicz and Herbert, 2004). While Finegold and Lawler (2007:867) disagree that growing the proportion of outsiders on boards will improve performance, they do argue that going too far in eliminating insider and affiliated directors may hurt a company's performance by grudging boards of their invaluable corporation and industry-exact knowledge.

“The information asymmetry between executive directors and independent non-executive directors is the basis for a defence of the role of independent non-executive directors” (Rashid, 2011). Since they are embedded within the corporation they supervise, executive directors might have a deeper knowledge of its operations than independent non-executive directors. This may also improve their ability to make sensible decisions (Sanda et al., 2011). Contrarily, independent non-executive directors may not have daily access to corporate information and may consequently have a smaller influence over the company (Nicholson and Kiel, 2007; Rashid et al., 2010). Yet, as there are no scientific evidence to sway the argument in any specific direction, this discussion will likely continue (Rashid, 2011).

“The conflicting findings about the relationship between independent non-executive versus executive directors and firm success can be attributed to a number of factors. One such explanation is that, in research that concentrate on direct correlations, the simultaneity of the critical factors confuses the interpretation of the findings” (Finegold et al., 2007). According to another argument, corporate performance is impacted by both board composition and previous board autonomy since performance and board attributes are simultaneously endogenous (Panasian et al., 2008).

**Board Financial Expertise**

In Nigeria, the expertise parameters were considered by the 2011 and 2018 SEC Codes, the 2006 Post Consolidation CBN Code, among other regulations, in contrast to the size condition, which was stated by CAMA (2004). According to these standards, at least one audit committee member must be knowledgeable about accounting and financial management. Similar requirements are set forth by the US SEC, which requires that businesses employ at least a member with financial competence. According to Juhmani (2017), the audit committee’s effectiveness and capacity for identifying and avoiding earnings management would be improved by the presence of an accounting and financial background.

Kibiyyaa, et al., (2016) also that “the presence of a member with financial literacy or knowledgeable in accounting, finance or financial management will enhance the quality of the financial report”. The expertise criterion provided, according to Dhaliwal et al., (2006), has a broad definition. They assert that the following are all examples of people with financial expertise: (1) Anybody who is a proficient public accountant, auditor, financial officer, or controller; (2) Someone who has held a managerial position involving the production of financial statements. Hence, proficiency can be practical or directorial in nature, but the debate centres on which of these types of experience is essential to the accuracy of financial disclosure. Is it managerial/financial management or technical/accounting? Evidence from Livingston (2003) shows that supervisory experience does not guarantee accurate comprehension of accounting issues and may not even guarantee high-quality reporting.

In general, businesses like to have more financial professionals on their company boards, but after the Sarbanes-Oxley Act (SOX) of 2002, this demand intensified. “Skillfulness by virtue of digesting special
knowledge” is how expertise is defined. It is assessed using criteria that consider one's ability to complete a task. The corporate governance studies from the NYSE in 2004 and the SOX in 2002, as well as the Blue Ribbon Commission report from 1998 and the CalPERS study from 1997, all provide recommendations about the qualifications of board members. These reports were released in reaction to several accounting irregularities, including Enron, HealthSouth, Tyco, WorldCom, and several financial crises, which have happened since the 1990s. The importance of the directors' financial competence in carrying out their primary responsibility of keeping an eye on the corporation's financial performance is also covered in reports. A financial expert is defined by the SOX (Section 407) as a person with experience in accounting, finance, or supervision. SOX of 2002 is used by DeFond (2005) and Krishnan and Visvanathan (2008) to describe financial expertise.

Stock Returns
A stock is a share of ownership in a corporation, to put it simply. An assertion on the corporation's assets and profits is represented by stock. The amount of stocks an investor buys from the corporation's stocks reflects the holding percentages of that investor. Hence, a person's ownership rights in the corporation increase as they acquire more shares. When someone owns stock in a corporation, they are one of the numerous owners (stockholders) of the business and as such have a right (notwithstanding typically a very minor one) on everything the business possesses. A stock certificate shows the ownership of shares by an investor. That document serves as ownership verification for the holder. According to Beni and Alexander (1999), “ordinary stock simply represents an ownership interest in a corporation”. However, these certificates are rarely handed to shareholders in the modern business world because brokerage corporations retain these archives by electronic means, otherwise known as owning "shares in street name". This is done in an effort to make trading in the stock simple. Instead of having to physically bring a share certificate to the broker's office to sell in the past, stocks can now be sold with only a mouse click or even a phone call.

“The term “return” describes the monetary benefits obtained as a result of making an investment. The form of the investment determines the type of return. For instance, an investor in fixed assets and business activities would anticipate returns in the form of profit, which may be calculated on a before-interest, before-tax, or after-tax basis, as well as in the form of higher cash flows”. While purchasing common stock, an investor anticipates capital gains and dividend payments as rewards (share price increases). Once more, a buyer of corporate bonds anticipates receiving interest payments on a regular basis as compensation (Frimpong, 2010).

Since the primary goal of investing in common shares, SR is crucial. Return is viewed by both current and potential investors as the primary justification for investing in a specific company. Stock returns might take the shape of capital growth or decline (as seen on the Nigerian stock exchange) along with any dividends that were paid out. Important criteria for gauging stock market returns include stock prices. Thus, their value is very important to both current and potential stock market participants. The stock market uses a variety of elements to determine stock values. These elements include both "accounting-related and non-accounting-related data”. “The gains or returns that investors derive from the share market are called stock market returns” (Lin and Zhan, 2011).

Empirical Review
Nguavese and Bawa (2022) examined stock market operations in Nigeria: an issue for investors' profitability and stock returns. The findings revealed that emerging market like Nigerian stock markets have diverse architecture and institutional attributes than those in developed countries. The study advised that performance evaluations based on customary metrics of stockholder wealth and profit be reevaluated to comprise measurements involving to other stakeholders' groups with equity stakes. In their 2017 study, Aloui and Jarboui examined the connection between SR, outside directors, and independent directors. The standard deviation of yearly SRs is used in the model to calculate the volatility, which is the dependant variable. 89 companies featured on the SBF 120 index between 2006 and 2012 make up the sample. The data for the study were analysed using multiple regression. The results show that the outside directors have a positive and significant impact on stock performance. Moreover, all regressions demonstrate a definite inverse relationship between company size, ROA, and SR volatility. Yet, the CEO, the size of the audit, and the debt ratio have statistically significant and positive effects on the volatility of SRs. This study data stopped in 2012 while this current study data to 2019 making it more current to rely on its findings for decision purpose.

Rostami, et al., (2016) looked into how Tehran Stock Exchange-listed companies’ return on assets and stock returns were affected by corporate governance elements. About 469 firm-year observations were gathered.
over the course of seven years using systematic sampling to validate the assumption. In this analysis, ROA and SR are two measures utilised to gauge the financial achievement of the corporation, were compared to the consequences of six internal corporate governance system elements, such as ownership concentration, institutional ownership, board independence, board size, CEO duality, and tenure. The article’s parameters are the equity’s market value and the ratio of its book value to market value. The findings, which are based on estimates from the generalised least squares method, show a strong positive correlation between return on assets, CEO tenure, CEO duality, and ownership concentration. In contrast, there is a strong inverse correlation between institutional ownership, Board size, and ROAs. More so, institutional ownership, board freedom, CEO duality, and longevity have a considerable positive link with stock performance. The association between ownership concentration and board size and SR, however, is strongly inverse. Results from this study will be inaccurate for Nigerian decision-making due to an external validity issue.

Theoretical Framework: Arbitrage Pricing Theory
The foundation of Ross’s (1976) Capital Asset Pricing Model (CAPM), the Arbitrage Pricing Theory (APT), is the idea that a certain number of economic factors influence SRs. The theory goes on to say that there are several economic dangers that cannot be eliminated by simple diversification. “It is a one-period model in which each investor assumes that the factor structure is consistent with the stochastic features of capital asset returns. The expected returns on the assets are roughly linearly proportional to the factor loadings assuming equilibrium prices do not present arbitrage opportunities over static portfolios of the assets (Ross, 1976). The idea is supported by Ross’ (1976) heuristic argument, which relies on the exclusion of arbitrage. She demonstrated that, in a market where agents maximise specific value, the direct price kin is a required requirement for equilibrium. The work that comes after assumes either the equilibrium of value maximization or the preclusion of arbitrage. It is equivalent to identifying the stochastic discount factor (SDF) when there is a linear link between the expected returns and the betas.

APT basically recognizes that only a small number of systematic elements have an influence on the long-term normal yields of financial assets. Although APT does not discount the numerous variables that it chooses to focus on the primary movers of asset accumulates in huge portfolios, which can have a significant impact on how much daily price fluctuations in various stocks and bonds. One can intuitively appreciate these forces' impact on portfolio results by recognizing them. The primary goal is to enhance total portfolio design and performance by developing a better grasp of portfolio construction and evaluation. The returns on a specific stock, for example, in the upcoming year, will be influenced by a range of expected and unexpected occurrences. Investors will factor anticipated outcomes into their expectations of returns on particular equities, which will then be factored into market pricing. But, in most cases, unexpected events will account for the majority of the return that is eventually achieved. Change itself is expected, of course, and investors are aware that the most improbable possibility of all would be the exact realization of the most likely future scenario. Yet, even though it is anticipated that certain unexpected occurrences would happen, its direction or size are still unknown. The sensitivity of asset returns to these events can be determined.

Methodology
For the intent of tackling the issue at hand, this investigation chose descriptive and ex-post facto approach as well as positivist view point. The twenty-three (23) QCGC of the NSE as at 2020 constitutes the population. A sample size of sixteen (16) publicly traded companies in the consumer products industry was obtained for the study using the purposive sampling technique. A corporation must have comprehensive data for the period being considered to arrive at this value (2011-2020). Secondary sources were employed to compile the report’s data.

The paper used STATA version 13 as its analytic tool and the multiple regression methodology as its analysis method. The analysis utilize panel data (cross-sectional time series data). The analysis used the Hausman specification to check for endogeneity. The Breusch-Pagan test for heteroscedasticity and the test for Multicollinearity using the Variance Inflation Factor (VIP) are additional robustness tests used in this study to assess the model's suitability and the validity of the results.

The model for the study is adopted from previous studies of Igbal et al., (2016) Nguyen and Nguyen (2016) and Ltaifa and Khoufi (2016) and modified to suit the variables of the study as presented below: SR_{it} = b_{0} + \beta_{1}BI_{it} + \beta_{2}BZ_{it} + \beta_{3}BE_{it} + \varepsilon_{it} \ldots \ldots (i)

Where: “SR= Stock Returns, BI= board independence, BZ= board size, BE= board expertise, b0 = intercept (constant), i= cross-sectional time, t=time series, \varepsilon= Error term”
Table 1. Measurement of Variables.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variables</th>
<th>Definitions</th>
<th>Type</th>
<th>Measurement</th>
<th>Construct Validity Source</th>
</tr>
</thead>
</table>
| 1   | SR        | Stock Returns | Dependent     | P1-P0 / P0 × 100  
Where: “P1 represent price of the stock in current year as quoted at the end of the financial year. P0 represent price of the stock in the last financial year end”. | Ayuba et al., (2018); Bala and Idris (2015).    |
| 2   | BI        | Board Independence | Independent | “The proportion of independent non-executive directors on the board to the total number of directors”. | Hassan and Bello (2013); Alves (2014); Akeju and Babatunde (2017). |
| 3   | BZ        | Board Size   | Independent   | “The total number of executive and non-executive directors on the board”                           | Chalaki, Didar and Riahinezhad (2012); Holtz and Neto (2014); Adebiyi (2017). |

Source: Researcher's Compilation, 2022.

Results and Discussion
The findings are presented and examined in this part. Analyses of the variables' correlations and descriptive statistics open this section. The reporting and analysis of the regression outcomes with a view to determining the study's model came next.

Descriptive Statistics
The descriptive statistics explained the conduct of data utilized for the study. The result is offered in Table 2.

Table 2. Descriptive Statistics.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Obs</th>
<th>Mean</th>
<th>Std Dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>SR</td>
<td>160</td>
<td>84.73062</td>
<td>264.197</td>
<td>17</td>
<td>1485</td>
</tr>
<tr>
<td>BI</td>
<td>160</td>
<td>.1337542</td>
<td>.0696047</td>
<td>.0</td>
<td>.3333333</td>
</tr>
<tr>
<td>BZ</td>
<td>160</td>
<td>8.675</td>
<td>1.803386</td>
<td>.6</td>
<td>14</td>
</tr>
<tr>
<td>BEXP</td>
<td>160</td>
<td>.1908297</td>
<td>.109379</td>
<td>.0</td>
<td>.4444444</td>
</tr>
</tbody>
</table>

Source: STATA Output, 2022

According to Table 2, the tested QCGC in Nigeria had a mean of .1337542 autonomous directors serving on the board over the study's time period, with a standard deviation (SD) of .069604. This proposes that 13% of directors on average are autonomous. The SD value, values ranged from 0% to 33%, which is close to the mean, supports this.

Table 2's outcome once more reveals that in the study's time period, the average board size of all sampled QCGCs in Nigeria was 8.675 with a corresponding SD of 1.803386. This indicates that the board is typically nine inches wide. However, the value of the standard deviation displays a certain level of disagreement. The outcome further illustrates that the minimum and maximum quantity of directors stands at 6 and 14 correspondingly.

According to the analysis in Table 2, the sampled QCGCs' boards of directors have a mean of 19% board members with financial experience. The mean value of .1908297 and the SD of .109378 serve as proof of this. This assertion is supported by the SD's value, which is noticeably close to the mean. The value of the board's financial knowledge is 0 for the minimum and .444444 for the maximum, respectively. This indicates that 44% of the company's directors have financial competence, which was the greatest percentage.
The outcome of the correlation in Table 3 reveals that board size, board freedom and board financial expertise have positive association with stock returns. In general, significant connection between dependent and independent constructs is anticipated, whereas low connection between independent construct is anticipated. Gujarati (2004) argues that an association value of 0.80 or greater between two independent constructs is high and that specific steps must be taken to rectify this inconsistency in the data. Table 3 shows that every connection coefficient between the independent constructs is lower than 0.80.

Collinearity diagnostics were detected and displayed using the VIF and tolerance values in order to explicitly validate the lack of multicollinearity among the explanatory constructs. As is well known, there is a strong indication of multicollinearity if the constructs have VIF values exceeding 10 and tolerance values above 1. The VIFs were calculated using STATA 13 and were consistently lower than 10. The tolerance values were also calculated, and it was discovered that they were constantly less than one. The results in the above table consequently offer substantial support for the absence of multicollinearity.

**Test for Heteroscedasticity**

This test was run to see if the error terms’ variability was constant or not. When heteroskedasticity is present, it means that term error or residual variation is not constant, which has an impact on the study's F-statistic, beta coefficient, and coefficient of determination (R²). Using the Breusch Pagan’s and Cook-Weisberg Tests, heteroscedatiscity was evaluated.

The outcomes are shown below;

H0: Constant variance  
Variances: Fitted values of SR  
Chi (1) = 0.221  
Prob > Chi² = 0.5402

According to the goodness of fit test, the pearson chi² value is 0.221, with a corresponding p-value of 0.5402, demonstrated that the observed difficulties had been properly adjusted, and the absence of any mistakes further supported the model’s general fitness.

**Hausman Specification Test**

In order to know which model was best for interpreting given that the investigation used cross-sectional panel data, fixed and random effect models were run.

The result is presented below;  
Test: H0: difference in coefficients not systematic  
\[ \text{Chi}^2(3) = (b-B)'[(V_b-V_B)^{'(-1)}]][b-B] \]  
= 1.24  
Prob > Chi² = 0.7440

The Hausman Test's findings showed that the chi² value is 1.24 and the prob > chi² value is 0.7440. Gujarati (2004) states that Hausman probability values more than 0.05 favour the random effect model while those less than 5% favour the fixed effect model. The probability of chi²'s insignificant value shows that the Hausman Test favours the random effect hypothesis.
Breusch-Pagan Lagrangian Multiplier Test
The random effect and pooled OLS regression were compared using the Breusch-Pagan Lagrangian Multiplier Test to determine which was more appropriate.
Estimated results: Test var (u) = 0
Chibar² (01) = 584.04
Prob > chibar² = 0.0000

The outcome showed that the test's prob > chi² value is 0.0000. Since the prob > chi² is less than 0.05, the pooled OLS regression approach is the appropriate one to interpret this data.

Regression Result

<table>
<thead>
<tr>
<th>SR</th>
<th>Coefficient</th>
<th>T</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BI</td>
<td>0.8554883</td>
<td>3.46</td>
<td>0.001</td>
</tr>
<tr>
<td>BZ</td>
<td>13.738983</td>
<td>1.21</td>
<td>0.226</td>
</tr>
<tr>
<td>BEXP</td>
<td>674.6007</td>
<td>2.27</td>
<td>0.025</td>
</tr>
<tr>
<td>R-Square</td>
<td>0.1533</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R-Square</td>
<td>0.1351</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-Statistics</td>
<td>42.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prob &gt; F</td>
<td>0.0005</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: output from STATA, 2022

According to Table 5, the combined effect of the explanatory constructs in the model may account for SRs to a maximum of roughly 13%, as shown by the R-squared, with the outstanding 87% being regulated by other elements that are not accounted for in the model. The model is fitted as indicated by the F-Statistics value of 42.93, which is significant at 1% and so provides strong support that board qualities have a considerable impact on SRs of QCGC in Nigeria.

Given the individual explanatory variables, the summary of the outcome in table 4 displays that board freedom has a positive and significant influence on SRs. This is based on the evidence of the coefficient which is 0.8554883. This means the independent directors have 85% influence on the level of returns on stock. The p-value, which is significant at a 5% level of confidence, supports this assertion. As a result, the research disproves the claim that board independence has little impact on SRs of QCGC in Nigeria.

The investigation into the link between BS and SRs yielded the conclusion that there is no positive impact of BS on SRs in QCGC (table 5). However, it exerts a positive contribution to the determination of SR. The evidence from the result show that a coefficient of 13.73898 and a p-value of 0.226 indicating a statistically, insignificant relationship. Hence, the study supports the claim that BS has no discernible impact on the SRs of QCGCs in Nigeria.

The study also examined how much the SRs of QCGCs in Nigeria can be influenced by the board's financial expertise. The results in Table 5 demonstrate a favourable and significant statistical association between SRs and board financial expertise. The coefficient and probability values, which are 674.6007 and 0.002, respectively, serve as proof of this. This demonstrates how a board with strong financial knowledge may assess the scope of SRs. This contradicts the study’s initial hypothesis that board financial knowledge has no discernible impact on SRs.

Conclusion and recommendations
The idea of the board is formed from characteristics that are important in managing managers and can be viewed as a link between shareholders and corporate management. One will have a deeper understanding of the work of the board if one is aware that boards comprise of a team of individuals who pool their skills and knowledge to represent the social capital that their organization offers to the governance function. The major goal of this study is to investigate how board qualities affect SRs for QCGCs in Nigeria given the significance of boards to management and control of businesses. In this study, the size, independence, and financial knowledge of the board were all employed as predictor constructs. The overall regression result judging from the R-squared showed that board attributes can be utilized to forecast the behaviour of SRs in the QCGC sector.
Grounded on the findings, the study concluded that the more autonomous directors on the board the more the possibility that dividends will be paid to shareholders. As a result, the study discovers evidence that board freedom is a predictor of SRs in the study's subject area. It is concluded that the board size of QCGCs in Nigeria does not affect SRs. The size of the board cannot be utilised to forecast SR behaviour in the QCGC. According to the study's statistical findings, a board’s choices, particularly those on dividend policy, are ultimately influenced by the presence of more financial competence on the board. Because the board will be better able to represent the interests of the stockholders and avoid accusations of failing in their watchdog duty if they have financial expertise.

**Recommendations**

1) To enhance the sustainability of earnings, it is recommended that the Board of Directors of QCGCs should boost their capability for monitoring discretionary management conduct by adding at least three accounting and finance professionals to the Board.

2) It is also, recommended that more independent director should be encouraged on the board. This is in an attempt to improve monitoring activities that will curb the individual behavior of management.

**Declarations**

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**References**


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