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Firm-Specific Characteristics and Financial Performance of Public Listed Consumer Goods Companies in Nigeria

Isaiah Oluyinka Ogungbade[1], Godswill Unekwu Ogwu[2], Abiodun Thomas Ogundele[3]

[1&2] *Department of Accounting, Afe Babalola University Ado Ekiti, Ekiti State, Nigeria.*
[3] *Department of Finance, Afe Babalola University Ado Ekiti, Ekiti State, Nigeria.*

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Abstract *- For decades, people have argued about whether or not there is a correlation between certain aspects of a company and its bottom line. Some have argued that these features have a negative impact on companies bottom lines, while others have argued that they actually boost profits. This research examined how different factors, including firm size, leverage, ownership, and board size, influenced food and beverage companies' financial performance on the Nigerian stock market. This study used the fixed effect regression model to analyse panel data collected from many foods and beverage companies' annual reports and financial statements. Financial leverage was found to have a detrimental effect on performance, but company size, ownership concentration, and board size all positively and significantly affect the return on assets. As a result, the researchers concluded that the performance of businesses in Nigeria's food and beverage sector depends heavily on several factors unique to each individual company.*

Keywords *- Financial performance, Firm size, Firm-specific characteristics, Nigeria stock exchange, Public consumer goods companies.*

1. Introduction

A firm strives to increase its level of performance through increased productivity and management support by maintaining a good number of firm characteristics in their right proportion. Improvement of a firm's performance has been closely linked to the composition of its board of directors, board gender diversity, financial leverage, firm size, and other attributes (Bon and Hartoko, 2022; Pumamasari and Fauziah, 2022; Hermanto, 2021; Syaifulhaq et al., 2020; Haque, 2017; and Hadid and Hamdan, 2022). There is a score of literature on the importance of firms' specific characteristics and the role they play in promoting the financial performance of these firms. Haque (2017) discussed the composition and characteristics of the board of directors of about 256 non-financial firms in the UK. His findings suggest that there is no relationship between board characteristics and performance. Veprauskaite and Adams (2013) supported the study by Haque (2017) when they found that powerful chief executives influence their firms' financial performance negatively. Another aspect of the composition of a company's board of directors is referred to as grey directors. Hsu and Wu (2013) reported that these "grey" directors are non-executive directors with no ties with the organisation and its management. Their study showed that, contrary to what Veprauskaite and Adams (2013) and Haque (2017) found, firms do better when there are more grey directors on the board.

The issue of firms' specific characteristics and their influence on financial performance has been a contending issue over the past three decades. The composition of an organisation's board of directors, board gender diversity, leverage, and firm size are the specific characteristics considered in this study. Hadid and Hamdam (2021) stated that firms strive to minimise costs by implementing sophisticated costing systems to increase efficiency and performance. However, Fisher and Krumwiede (2015), as well as Al-Sayed and Dugdale (2016), report that it is a puzzle that some firms are not mindful of adopting cost-minimization strategies to improve performance. Studies abound on firms' specific characteristics and financial performance that influence the manufacturing, pharmaceutical, and economic sectors, especially in developing countries such as Nigeria. Different relationships have been found, which shows that these relationships are different because various statistical tools and methods were used to find them. So, this study looks at how the unique qualities of firms affect the financial performance of Consumer goods firms on the Nigerian stock exchange market. The study tries to find out if there is a link between these firm characteristics and how well firms in the agriculture industry do financially. In particular, firm-specific factors like the board's independence, the number of women on the board, leverage, the market-to-book ratio, the amount of capital used, and the separation of the CEO are taken into account. In contrast, the return on assets is used to measure financial performance.

This study is based on the Nigerian economy, specifically firms in the Consumer goods sector. Also, the study covers a temporal period between 2000 and 2021.

2. Literature Review

2.1. Conceptual Literature

2.1.1. Firm Characteristics and Performance

Firm characteristics have been seen by Zou and Stan (1998) as a firm's demographic and decision-making variables, which, in turn, comprise a quantity of the firm's internal environment. These characteristics include but are not limited to firm size, leverage, liquidity, sales growth, asset growth, and turnover (Kogan & Tian, 2012). However, there is no universally accepted definition of financial performance. It has been used differently by different researchers depending on how well it fits the study. However, as observed by Mutende et al. (2017) and by defining financial performance as the ability of a company to achieve outlined financial results, which have been measured against some outputs, Firm size (Dogan, 2013), leverage (Dogan, 2013), firm age (Yazdanfar, 2013), liquidity (Dogan, 2013), board size (Vafeas, 1999), and many other factors have been linked to a firm's financial performance. The idea presents two opposing viewpoints about what affects business performance. Some people say that firm characteristics do have a big effect on performance (Galbreath and Galvins, 2008), while others say that industry characteristics do (Bain, 1954; Porter, 1980). This is the first point of view.

2.1.2. Firm Size and Performance

Firm size, often calculated using the natural logarithm of revenue, assets, or headcount, is one of the firm characteristics constantly linked to solid performance. Larger companies tend to be more diversified, able to take advantage of economies of scale and scope, and highly formalised in terms of operations. All the aspects mentioned here are designed to make the processes efficient so that the company can produce greater results (Penrose, 1959). Others, such as Leibenstein (1976), contend that larger firms may underperform due to institutionalised processes and market inefficiencies. Larger companies can also hire exceptional human resources, improving company performance. Leverage, which measures the amount of a company's total assets funded by loans, is the ratio of total debt to total assets. An increase in this %age reflects the company's reliance on external debt financing and the higher creditworthiness the company receives from lenders. Due to the tight covenants of the lenders, however, this can limit the company's autonomy and, in the worst case, lead to solvency (Mahfoudh, 2013).

The total number of people serving on the board of a given company is generally used to evaluate the size of the board. There are conflicting views on whether board size positively or negatively impacts a company's performance, a key organisational feature that determines performance. The board of directors represents the shareholders and is considered the main decision-making body. The size of each company's board of directors depends on the applicable corporate governance guidelines. Liquidity is calculated as the difference between the company's total current assets and liabilities over a period of one year or its typical operating cycle, whichever is greater. Companies must be able to satisfy their short-term responsibilities by paying their creditors as well as their short-term debts to exist. A certain amount of liquidity benefits the company. Still, a very high liquidity ratio could indicate that the business is hoarding cash because its management is ineffective at using that money. However, a meagre liquidity ratio suggests the company would struggle to pay its short-term debts when they come due. The age of the company, expressed as an absolute number, shows how long the company has been in business. Both its supporters and detractors have found a strong correlation between stable age and stable performance.

2.2. Theoretical Framework

2.2.1. Agency Theory

The underpinning theory of this study is based on the agency theory. According to the theory, independent boards perform an effective monitoring role by objectively questioning and evaluating management, reducing agency costs and improving a firm's financial performance (Haque, 2017). Liao et al. (2015) and Coffey and Wang (1998) suggest that independent boards are more likely to contain the opportunistic behaviour of managers since they are not involved in the day-to-day running of the business and also have immaterial financial interests. Agency theory and resource-based view (RBV) have been integrated into the theoretical framework of Hillman and Dalziel (2003) to explain the relationship between the board and organisational performance. They see in RBV the question of how the human and relational capital of councils contributes to the provision of resources (such as legitimacy, advice, access to resources, and business-to-business connections) to a firm. At the same time, agency theory focuses on the supervisory role of some pieces of advice. This theoretical approach is used by De Villiers et al. (2011) to investigate how the board's monitoring and resource capabilities affect a company's environmental performance. They capture a wide range of board characteristics indicative of the board's supervisory role (board independence, board participation, and CEO duality), as well as resource role (e.g., the board size, board mandate, and administrators with multiple councils). Furthermore, the board of directors does more than just monitor and perform resource-provisioning roles. The board also decides how executive management is paid so that it can do its job and look out for the interests of shareholders with as little cost as possible (Ji, 2015).

2.3. Empirical Review

Haque (2017) investigated the effects of some board characteristics and policies on compensation on the performance of firms in the UK. The performance measurement in this regard is solely on carbon reduction, bearing in mind the environmental policy of the UK government. The study examined the greenhouse gas emissions of 256 non-profit-making firms in the country for a period between 2002 and 2014. In his study, carbon performance was used as the measure of the dependent variable, while the independence of the board of directors, the board size, and the inclusion of females in the board composition were all measures of the independent variables, and firm size, leverage, and capital intensity represented some of the controlled variables in the linear regression model. The study's results showed that corporate boards in the UK did not reduce carbon emissions, even though they paid more attention to process-oriented carbon performance.

Adams and Baker (2020) discussed boardroom nationality as one of the components of the characteristics of a firm. The study was specifically on how boardroom nationality affects the performance of firms in the UK for a period of 15 years that ranged between 1999 and 2013. In the context of their study, boardroom nationality implies the proportion of the board of directors who are foreigners. Return on assets and solvency are the two performance measures used in this study. Other independent variables include board-level controls and board size, while the firm's age is a measure of the controlled variable. The result of the unbalanced panel regression indicated that North American directors have better financial performance, while European directors do well with the solvency of the firms. In another development, considering the firm size and age, Hadid and Hamdan (2022) examined how these two factors can affect the UK firms' cost minimisation strategy. The study used firms in the manufacturing sector and preferred a specific cost reduction method—cost system sophistication. Thus, the indirect but positive relationship between firm size and cost system sophistication was investigated while delving deeper into why most businesses fail to include how long they have been in business in their costing techniques. The two statistical methods (SEM and PLS) used in the study showed that the company's age greatly affects how well its costing system works for its size.

Furthermore, Xiong et al. (2020) investigated the firm-specific characteristics that influenced the reaction of the Chinese market during the COVID-19 period through an event study. The firm-specific characteristics observed in their study included firm size, leverage, cash flow, asset tangibility, and board size, while changes in stock prices were the measures of reactions. The event study showed that firm-specific characteristics affect how the market responds to changes in stock prices during the COVID-19 period and that industry-specific characteristics significantly affect the cumulative average return.

In another development, Egbunike and Okerekeoti (2018) established the strong effect of firm-specific characteristics: firm size, leverage, and liquidity on return on assets. Kaguri (2013) also found that these company traits greatly affect how well life insurance companies in Kenya do financially. Khanh and Khuong (2018) found that a firm's size hurt its performance but that a firm's age helped its performance. The research done by Hasnan et al. (2020) aimed to find out how corporate governance and firm-specific factors affect the likelihood of a financial restatement in Malaysia. To do this, a matched-pair sample of 49 restated firms and 98 non-restated firms from 2011 to 2016 was used. This study looked at the size and independence of the board, the number of board positions, the expertise of the audit committee, the quality of the external audit, and the pay of the company's top executives. The age of the company, its performance, its leverage, and its liquidity were also looked at as firm-specific factors. This study's results show a negative and significant link between executive pay, company performance, and how often its finances are changed.

Also, there is a strong and positive link between the amount of firm leverage and the number of financial restatements. The other corporate governance and firm-specific factors considered important variables were found not to affect the number of financial restatements. Oyakhilome and Olokoyo's 2018 study examined the relationship between firm leverage and performance. They used a new threshold variable, the firm's size, and a panel of data from over 100 enlisted firms in Nigeria between 2003 and 2007. The firm's size affects the effect that leverage has on the firm's performance, and the study's results showed that leverage hurts ROA and ROE. Olawale et al. (2017) looked into how the size of a company affects how well it does in Nigeria.

The study looked at a panel of data from 2005 to 2013 from 12 non-financial businesses in Nigeria. Using a pooled regression model, a fixed effects model, and a random effects model, the panel data was analysed to find out if there was a link between the size of a company and how well it did on the Nigeria Stock Exchange (NSE). Based on the study's results, it was found that a firm's size in terms of its total assets hurts its performance. Ozili and Uadiale (2017) examined whether the number of people who own a bank affects how profitable it is in a developing country. The main focus of the study was the amount of direct bank ownership.

There are three types of ownership patterns for equity held by a majority shareholder: high ownership concentration, moderate ownership concentration, and dispersed ownership. These types of ownership patterns have a lower return on assets but a higher return on equity. Also, the return on assets of banks with broad ownership and the return on equity of

banks with moderate ownership go up when cost efficiency increases.

3. Methodology

Research design is used for planning the method by which research problems will be answered. In this opinion, McCombes (2019) referred to a research design as a plan used to execute a research problem. A research design aims to address the research problem as accurately and unbiasedly as possible. The study employs the experimental research design because the study aims at investigating the relationship between a set of independent variables and a set of dependent variables. According to the positivism philosophy, the research approach for this study is quantitative and implies that the research is experimental in nature (Blaxter et al., 2010). This study is based on the Consumer goods sector in the Nigerian stock exchange market. Basically, the Consumer goods sector in the Nigerian stock market comprises five (5) firms, and they are Ellah Lakes, FTN Cocoa Processors, Livestock Feeds, Okomu Oil Palm, and Presco. For this study, the sample size comprises all five consumer goods companies listed on the Nigerian stock market.

3.1. Model Specification

The model specification for this study is adapted with modifications from Haque's (2017) and Hadid and Hamdan's (2022) models. This study's model is given as:

$$ROA_{it} = \beta_0 + \beta_1 BID_{it} + \beta_2 GDIV_{it} + \beta_3 LEV_{it} + \beta_4 MTB_{it} + \beta 5CAPit + \beta 6CEOSEP_{it} + \varepsilon_{it}$$

In this model, ROA is the return on assets of the individual Consumer goods firm *i* at time *t*, a measure of its financial performance and the dependent variable. BID is board independence, GDIV is gender diversity, LEV is the firm's financial leverage, MTB is the market-to-book ratio of the individual firm, CAP is the ratio of property, plant, and equipment to total assets, and CEOSEP is a dummy variable that equals 1 if the CEO and chair are two different individuals and 0 otherwise.

In order to examine the effect of firms' specific characteristics on the financial performance of listed Consumer goods firms in Nigeria, the study employs the collection of data through secondary sources such as the financial statements of the listed Consumer goods firms. Specifically, data on return on assets, which is the model's dependent variable, is obtained from the financial statements of the individual firms for the period of study. Also, independent variables such as board independence, gender diversity, financial leverage, market-to-book ratio, the ratio of property, plant, and equipment to total assets, and CEO separation affect board independence. Data analysis methods include descriptive statistics, correlation matrices, and panel data regression.

Table 1. Description of Variables

Variables	Symbols	Description
Financial performance	ROA	Return on Assets: measured as the net annual profit before interests and taxes divided by the total assets of individual firms.
Board independence	BID	%age of independent directors on board: measured by the total number of directors who have no additional stake in the company divided by the total number of directors, multiplied by 100.
Gender diversity	GDIV	%age of male directors to female directors: measured as the total number of female directors divided by the total number of directors.
Financial leverage	LEV	Financial leverage: measured as the total debts divided by the total number of assets.
Market-to-book ratio	MTB	This is measured by the ratio of the market to the book value of equity for the individual firms.
Capital intensity	CAP	Measured as the ratio of property, plant, and equipment to total assets.
CEO-Chair separation	CEOSEP	This represents a dummy variable whereby 1 is given if the CEO and chairman are different people, while 0 is given if otherwise.

Sources: Researcher's Computation,2022

4. Analysis of Results and Discussion of Findings

4.1. Descriptive Statistics

Table 2. Summary of Descriptive Statistics

	ROA	BID	GDIV	LEV	MTB	CAP	CEOSEP
Mean	4.503891	15.80909	12.16364	39.51921	4.500062	0.395727	0.600000
Maximum	48.15000	40.00000	25.00000	94.80963	13.97055	0.670000	1.000000
Minimum	-20.42000	0.000000	0.000000	8.902748	0.143655	0.100000	0.000000
Std. Dev.	12.21328	11.63709	10.57479	20.40246	2.946997	0.156319	0.492140

Sources: Researcher's Computation, 2022.

The descriptive statistics for the first model in this study showed that the average value of return on assets (ROA) for the companies was 4.50, which implies that individual Consumer goods companies in the Nigerian economy are efficient in using their total assets to generate profits. The average value of return on assets for these firms also showed the smallest error value among the other values obtained in this study. It also predicts that errors in the prediction of return on assets will be minimised to about 4.5 %. The maximum value for the return on assets of these firms stood at 48.15 %, which means that firms in the Consumer goods sector maximise asset efficiency to about 48.15 %, while at a minimum, it is 20.42 %. The degree of variation from the expected value in the industry is pictured as 12.21 %. This value is higher than the average value. Therefore, it can be said that the return on assets for these firms is volatile.

Board independence measures the %age of board members with no additional stake in the organisation. The average %age for board independence is 15.81 %, while the range stood at 40 %, and it deviated from the standard at 11.64 %. Gender diversity explains that about 12.16 % of the firms involve female directors in the composition of the board of directors on average. In comparison, the %age was 25 % at the maximum, and its standard deviation stood at 10.57 %. On financial leverage, 39.51 % was reported as the average financial leverage for the firms, while it was 94.81 % and 8.90 % maximally and minimally, respectively. Financial leverage's standard deviation was estimated to be around 20.40 %. The market-to-book ratio, capital intensity, and CEO-chair separation averaged 1.50 %, 0.39 %, and 0.60 %, respectively. The market-to-book ratio was off by 2.95 %, which was found to be lower than the average value and not very volatile. The capital intensity standard deviation was 0.15 %, and the distance between the CEO and the chairman was 0.49 %.

The result revealed that the return on assets and board independence, gender diversity, market-to-book ratio, and CEO-Chair separation share negative correlation coefficients of -0.14, -0.63, -0.12, and -0.03, respectively. Among these relationships, gender diversity was seen to exert the highest negative correlation with return on assets, and the relationship was found to be statistically significant. On the other hand, return on assets, final leverage and capital intensity are positively associated with a coefficient of 0.23 and 0.49, respectively. Also, these relationships between

4.2. Correlation Matrix

Table 3. Summary of Correlation Matrix

Covariance Analysis: **Ordinary**							
Correlation							
Probability	ROA	BID	GDIV	LEV	MTB	CAP	CEOSEP
ROA	1.0000						

BID	-0.1493	1.0000					
	0.1197	-----					
GDIV	-0.6343	-0.0375	1.0000				
	0.0000	0.6976	-----				
LEV	0.2382	-0.5089	0.0297	1.0000			
	0.0122	0.0000	0.7580	-----			
MTB	-0.1075	0.0814	0.0065	-0.5360	1.0000		
	0.2636	0.3980	0.9460	0.0000	-----		
CAP	0.4867	0.1817	-0.5743	0.0038	-0.0731	1.0000	
	0.0000	0.0575	0.0000	0.9686	0.4481	-----	
CEOSEP	-0.0289	0.6337	0.0444	-0.1117	-0.1618	0.3103	1.0000
	0.7645	0.0000	0.6449	0.2455	0.0913	0.0010	-----

Source: Researcher's Computation, 2022.

return on assets, financial force, and capital intensity are statistically significant at the 5% significance level.

Board diversity was found from the correlation matrix to possess a negative association with gender diversity and financial leverage with a correlation coefficient of -0.03 (statistically not significant) and -0.51 (statistically significant). Other variables showed a positive correlation coefficient with board diversity, with coefficients of 0.08 (statistically not significant), 0.18 (statistically not significant), and 0.63 (statistically significant), under how they are presented in the table. Furthermore, gender diversity exerted positive correlation coefficients with financial leverage, market-to-book ratio, and CEO-Chairman separation of 0.03, 0.00, and 0.04, respectively. At the same time, 0.57 (statistically significant) was the correlation coefficient between gender diversity and capital intensity. Financial leverage, however, showed a negative correlation with market-to-book ratio and CEO-Chairman separation with coefficients of -0.54 (significant) and -0.11 (not significant), respectively, while capital intensity and financial leverage were positively (0.004) correlated. Market-to-book ratio shared a negative correlation coefficient with both capital intensity and CEO-Chairman separation, with coefficients of-0.07 (not significant) and -0.16 (not significant). Lastly, the study found that the correlation coefficient between capital intensity and the separation of the CEO and chairman was 0.31, which is a significant positive number

Table 4. Hausman Specification Test

Test Summary	Chi-Sq.	Chi-Sq. d.f.	Prob.
Cross-section random	5.873526	5	0.3187

Researcher's Computation, 2022.

The Hausman specification test determines the appropriate regression between fixed and random effects. From the result of the Hausman test, it can be seen that the random effect is suitable with a probability figure of 0.3187. But the Lagrange multiplier test was done to determine which of the random effect and pooled regression models was best, and the results are shown in Table 4.

Board independence served as the independent variable but was accompanied by variables such as gender diversity, financial leverage, market-to-book ratio, capital intensity, and CEO-Chairman separation. The result of the pooled regression showed that board independence and gender diversity have a negative relationship with return on assets and the financial performance of the listed Consumer goods firms in Nigeria. However, financial leverage, market-to-book ratio, capital intensity, and CEO-Chairman separation positively influence these firms' return on assets. On the significance of these relationships, the results showed that gender diversity, although negatively related to financial performance, is significant. Also, financial leverage and capital intensity are statistically important, while board diversity, the market-to-book ratio, and the separation of the CEO and Chairman are not.

Table 5. Summary of Pooled Regression for Model One

Dependent Variable: ROA				
Method: Panel Least Squares				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.715092	5.516646	0.310894	0.7565
BID	-0.133682	0.116540	-1.147086	0.2540
GDIV	-0.625143	0.103616	-6.033264	0.0000
LEV	0.130851	0.060649	2.157508	0.0333
MTB	0.187417	0.357979	0.523543	0.6017
CAP	14.52622	7.341019	1.978774	0.0505
CEOSEP	1.238751	2.552031	0.485398	0.6284
R-squared	0.498579	Mean dependent var		4.503891
Adjusted R-squared	0.469370	S.D. dependent var		12.21328
S.E. of regression	8.896685	Akaike info criterion		7.270756
Sum squared resid	8152.554	Schwarz criterion		7.442605
Log-likelihood	-392.8916	Hannan-Quinn criter.		7.340459
F-statistic	17.06939	Durbin-Watson stat		0.837628
Prob(F-statistic)	0.000000			

Source: Researcher's Computation, 2022

Furthermore, the regression result showed that all the independent variables have a joint (17.06) and significant (0.0000) relationship with the financial performance of firms in the Consumer goods industry. The coefficient of determination (R2), which measures the strength of the relationship between the dependent and independent variables, was found to be 49.86 %. Thus, it can be deduced

that the variations in the independent variables account for approximately 49.86 % of the variations in the dependent variable.

4.2 Discussion of Finding

The study is centred on the effect of some firms' specific characteristics on the financial performance of listed Consumer goods firms in the Nigerian stock market. The dependent variables representing the financial performance of these Consumer goods firms are the return on assets, revenue growth, and debt-to-equity ratio. Three distinct models are formulated, and each model presented explains the relationship between each dependent variable and its corresponding dependent variables. In the first model, the return on assets is the proxy for the financial performance of these listed firms. In contrast, board diversity, gender diversity, financial leverage, market-to-book ratio, capital intensity, and CEO-Chairman separation are the independent variables. The pooled regression result revealed a negative relationship between board diversity return on assets, such that a unit increase in board diversity leads to about a 13.36 % decrease in the efficiency of the firm's assets. However, this relationship was statistically insignificant at the required significance level. Also, gender diversity was found to have a negative but significant relationship with the return on assets of these firms. It means that if more women are on the board of directors, the firms' return on assets will go down by 62.51 %.

Financial leverage, market-to-book ratio, capital intensity, and CEO-Chairman separation positively influence firms' return on assets in the agriculture industry. The relationship between financial leverage and return on assets is such that a unit increase in the inclusion of debt into the firm's capital structure will bring about a 13.08 % increase in the return on assets. It implies that the use of debt capital in the capital mix of these firms possesses a significant and positive relationship with financial performance. Companies in this industry prefer to make use of more debt capital to improve performance. Although the market-to-book ratio also positively influences these firms' financial performance, the relationship is insignificant. Also, the separation of the CEO from the chairman of the board of directors is positively linked with an improvement in the financial performance of these firms. In the same vein, the capital intensity was found to possess a positive and significant relationship with the financial performance of firms in the agriculture industry. The relationships between capital intensity, the separation of the CEO from the chairman, and the financial performance of firms in the industry show that accountability and responsibility are shared to achieve an increase in the efficiency of the assets used by the firms. So, we can say there is a negative link between the number of people on a board and how well a company in the agriculture industry does financially.

4.3. Managerial Implications

The implications of the findings from this study are how the management of these firms can adjust the weaknesses of some of these firms' characteristics and improve performance. It is obvious from the result of the study that board independence, which measures the percentage of members on the board of directors who are also involved in the transactional and operational activities of the firm, has a negative impact on the financial performance of these firms. This implies that the management of the firms in the agriculture industry would do better by having board members who are not actively involved in the operations of the firms. By doing this, insensitive and biased decisions wouldn't be made based on what these board members could get out of it, and performance could be improved.

5. Conclusion and Recommendations

The study concludes that board independence has no positive relationship with firms' financial performance. Also, gender diversity has no positive relationship with the financial health of firms in the industry. Financial leverage, market-to-book ratio, capital intensity, and the separation of the CEO from the chairman are said to influence the financial performance of Consumer goods firms positively. Similarly, the study also concluded that the inclusion of women into the composition of the board of directors has a positive relationship with the financial performance of firms. From the results of this study, the following recommendations are provided for policy-making:

1. Firms in the agriculture industry should not operate with an independent directorship in the composition of their board of directors. This will improve the financial performance of firms in the industry.
2. Also, when deciding who should be on the board of directors in the Consumer goods industry, it's essential to think about how many women are on the board. It will help these companies do better financially.

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