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CORPORATE GOVERNANCE AND FINANCIAL PERFORMANCE EVIDENCE FROM LISTED INSURANCE COMPANIES IN NIGERIA

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ABSTRACT

This study examined the effect of corporate governance on financial performance of listed insurance companies in Nigeria. Corporate governance practices were proxied by board gender diversity, board independence, board meeting and firm size while financial performance was measured using Return on Asset (ROA) and Return on Equity (ROE). The population of the study consists of 23 insurance companies in Nigeria. Judgmental sampling techniques was adopted to select 19 listed insurance companies in Nigeria. Secondary data were obtained from audited annual financial reports of listed insurance firms from 2013-2023. This study adopted ex-post factor research design. Panel data analysis technique was used to test the hypotheses. The study found that board gender diversity positively influences financial performance of insurance firms, showing a statistically significant effect on Return on Equity (ROE) but an insignificant effect on Return on Assets (ROA). Board independence, on the other hand, exhibited a statistically significant negative effect on ROA and an insignificant effect on ROE, suggesting that excessive independence may hinder operational efficiency. Lastly, board meeting frequency showed insignificant effect on both ROE, and ROA, indicating that meeting frequency alone may not drive financial performance. This study recommends that insurance firms aiming to enhance financial performance and ensure fair returns to equity holders should implement a policy mandating up to 50% female representation on their boards, as increased gender diversity fosters stronger governance outcomes and turns out to improve financial performance. Additionally, a balanced composition of executive and non-executive directors is advised to deepen operational insight and drive cost efficiency, thereby improving ROA. To sustain an optimal ROE, listed insurance firms in Nigeria should also maintain a moderate proportion of independent directors, as excessive independence may inadvertently reduce equity returns. Finally, boards are encouraged to comply with the regulatory minimum of four *meetings annually, as stipulated by the Nigerian Code of Corporate Governance, to uphold effective oversight without incurring unnecessary governance costs.*

Introduction

The Nigerian insurance industry, a pivotal component of the financial services sector, has experienced notable evolution in recent decades. This transformation is underpinned by several macroeconomic and structural catalysts, including demographic transitions, regulatory reforms, increased financial literacy, and the expansion of the middle-class population (Dagunduro, Dada & Asubiojo, 2023). These factors have collectively increased the sector's visibility and strategic relevance, particularly in risk management, financial intermediation, and economic stabilization. Insurance institutions mitigate the adverse effects of uncertainties, facilitate long-term capital mobilization, and foster investment confidence—critical functions that position them as indispensable to national economic development (Shawar & Siddiqui, 2019; Doumpos, Gaganis, & Pasiouras, 2012).

Nevertheless, despite these gains, the sector continues to grapple with systemic inefficiencies and credibility concerns. Nigeria's insurance penetration rate remains significantly lower than the African average, signaling persistent structural bottlenecks, including poor product innovation, inadequate distribution frameworks, and weak public confidence (Elegunde, Ajemunigbohun & Azeez, 2020). Moreover, the industry has been plagued by recurring cases of insolvency, delayed claims settlement, and financial misreporting, all of which have compromised stakeholder trust and market depth. The proliferation of management expenses exceeding premium incomes, excessive liabilities, and unsustainable underwriting practices further underscore the urgent need for institutional reform and governance realignment (Kuye, Sulaimon & Odiachi, 2020).

Within this context, corporate governance emerges as a strategic imperative. Defined as the system by which companies are directed and controlled, corporate governance establishes the framework for accountability, fairness, and transparency in the firm's relationship with stakeholders (Garba & Abubakar, 2014). It provides the foundation upon which boards, management, shareholders, and regulators interact in shaping strategic direction and organizational performance. In insurance firms, where risk exposure, policyholder trust, and regulatory compliance intersect, robust governance structures are not merely operational necessities but existential safeguards (Ebere, Ibanichuka & Ogbonna, 2016). Notably, Nigeria's journey toward governance reform has been punctuated by the introduction of the 2018 National Code of Corporate Governance and the 2021 NAICOM Governance Guidelines for Insurance and Reinsurance Companies. These frameworks seek to institutionalize best practices across board composition, audit independence, risk oversight, and disclosure compliance (Mabawonku, 2021).

Nonetheless, the practical outcomes remain mixed. While these guidelines promise structural alignment, enforcement inconsistencies and board-level deficiencies continue to impair the translation of governance principles into performance outcomes. Boardroom crises, poor strategic supervision, and compromised internal controls have persisted as latent threats to organizational sustainability and market integrity (Lavín Fernández & Mazza, 2024). These persistent weaknesses raise critical questions regarding the effectiveness of corporate governance mechanisms in enhancing financial performance. Financial performance, typically proxied through indicators such as Return on Assets (ROA), Return on Equity (ROE), and Tobin's Q—serves as a barometer for managerial efficiency, resource utilization, and overall firm health (Anuonye, 2014; Almajali, Alamro & Al-Soub, 2012). It also holds macroeconomic significance, influencing investor confidence, capital market dynamics, and economic resilience.

However, there remains substantial scholarly ambiguity regarding the nature and directionality of the governance–performance nexus. While studies such as that of Caldeirinha, VFelício, da Cunha, & Luz, (2018) and in Pakistan (Moazzam, Hina & Ahmed, 2024) affirm significant governance-performance correlations, others in the Nigerian context report divergent findings. For instance, Adekunle and Aghedo (2014) identified a negative nexus between board composition and ROA, while Dagunduro et al. (2023) found board gender to positively influence both ROE and firm value. These discrepancies highlight a broader research gap: the limited and inconclusive empirical attention devoted to governance-performance linkages within Nigeria's insurance sector. Although theoretical arguments suggest that well-structured governance frameworks enhance accountability and strategic coherence, thereby improving performance outcomes, empirical validation within the Nigerian insurance landscape remains sparse and fragmented. Moreover, the dynamic pressures confronting the industry, ranging from heightened competition and economic volatility to digital disruption and regulatory scrutiny, necessitate a re-evaluation of governance models in light of emerging realities.

Therefore, this study seeks to investigate the effect of corporate governance mechanisms on financial performance of insurance companies in Nigeria. In doing so, it addresses two critical imperatives: first, to empirically assess how governance structures such as board independence, board gender diversity, and board meeting frequency influence firm performance; second, to contribute to ongoing policy and academic discourses on reforming Nigeria's insurance governance architecture for enhanced competitiveness and sustainability. Given the strategic importance of the insurance industry to Nigeria's economic transformation agenda, and the urgency of governance reforms in strengthening institutional resilience, this inquiry is both timely and essential. It offers a platform for rethinking corporate governance not merely as a regulatory obligation but as a strategic enabler of performance, trust restoration, and value creation in the Nigerian insurance ecosystem.

The remainder of the article is set out as follows. Section 2 reviews the literature, provides a theoretical framework for the study and develops the hypotheses. Section 3 describes the research design and data. Section 4 shows the research findings and discusses the results. Section 5 highlights the recommendations, contributions, limitations of the study and suggests agenda for future research.

Literature Review and Hypothesis Development

Corporate Governance

Corporate governance, though variably defined across scholarly and institutional discourses, broadly refers to the structured framework of rules, practices, and relationships by which corporations are directed and controlled to ensure accountability, transparency, and strategic alignment with organizational goals. It encapsulates both control which include monitoring managerial conduct, and direction, which include shaping long-term strategy and sustainability (Alo Bari, Tordee & Igbara, 2019). Core to its function is the interaction among the board of directors, management, shareholders, and other stakeholders, fostering organizational integrity and stakeholder trust. In the context of insurance firms, corporate governance mechanisms, have been proxied using board independence, size, gender diversity, and frequency of meetings. Effective governance serves as a critical lever for enhancing institutional performance and market credibility, with empirical studies (e.g., Bae & Goyal, 2010) affirming its positive impact on equity valuation and financial resilience.

Financial Performance

Financial performance refers to the overall financial health and efficiency of a firm in utilizing its resources to generate returns, typically assessed through profitability, liquidity, solvency, and efficiency indicators. Among these, profitability remains the most widely employed metric, often captured through ratios such as Return on Assets (ROA), Return on Equity (ROE), and Return on Capital Employed (ROCE). ROA evaluates a firm's ability to generate net income from its total assets, serving as a key indicator of asset utilization efficiency, while ROE measures how effectively shareholder equity is employed to produce profit, reflecting the return on investors' capital. Both ratios are vital in assessing managerial effectiveness and investor appeal, especially in industries like insurance where financial performance influences not only firm valuation but also public trust and economic stability. Mehari and Aemiro (2013) highlight the importance of comprehensive performance evaluation, given the dynamic interplay of internal governance structures, firm-specific characteristics, and external macroeconomic factors. Thus, Balugani, Butturi, Chevers, Parker, and Rimini, (2020), noted that robust financial performance assessment is indispensable for gauging firm resilience, signaling investment attractiveness, and enhancing corporate governance accountability within the insurance sector.

Board Gender Diversity and Firm Financial Performance

Board gender diversity and firm financial performance nexus remains a contested terrain within corporate governance scholarship, with divergent theoretical interpretations underpinning the empirical outcomes. From the resource-based view (RBV), gender-diverse boards are seen as a source of heterogeneous human capital, fostering richer perspectives, enhanced creativity, and superior decision-making, all of which can bolster financial performance (Carter et al., 2003). Proponents of this view argue that female directors contribute unique insights, risk aversion, and stakeholder-oriented values that enhance firm reputation and governance effectiveness, which in turn translate into improved profitability and firm value (Erhardt, Werbel, & Shrader, 2003).

This aligns with Hillman, Cannella, and Harris (2002), who theorize through the resource dependence lens that women directors expand firms' access to critical external networks and legitimacy, which can lead to enhanced financial outcomes. Empirical evidence supporting this positive linkage is found in the work of Campbell and Mínguez-Vera (2008), who report that gender diversity on Spanish corporate boards is positively associated with firm value. Conversely, agency theorists and social identity theorists caution that increased gender heterogeneity on boards may generate task conflict, group polarization, and communication breakdowns, thereby impeding strategic consensus and organizational cohesion (Adams & Ferreira, 2009).

In their seminal study, Adams and Ferreira (2009) empirically found that while gender-diverse boards exhibit better monitoring, they are also correlated with lower firm performance, particularly in well-governed firms, suggesting an over-monitoring effect that hinders managerial discretion. Similarly, Rose (2007) observes a non-significant relationship between gender diversity and performance in Danish firms, suggesting that tokenism and symbolic appointments may dilute the potential gains. Thus, while the theoretical case for gender diversity is compelling, empirical findings reflect context-dependent outcomes, shaped by firm-specific governance environments, cultural norms, and institutional frameworks. *Therefore, on the basis of the uneven outcomes as noted in the literature, hypothesis one is stated as;* board *gender diversity has no significant effect on financial performance among listed insurance firms in Nigeria*.

Board Independence and Firm Financial Performance

A lingering debate within corporate governance literature concerns the influence of board independence on firm financial performance, a discourse complicated by competing theoretical paradigms and empirical incongruities. Grounded in agency theory, the dominant position posits that independent directors enhance performance by mitigating managerial opportunism and strengthening oversight mechanisms. Jensen and Meckling (1976) contend that independent board members act as effective monitors who align managerial behavior with shareholder interests, thereby improving firm value. Echoing this view, Weisbach (1988) finds that firms with more independent boards are more likely to dismiss underperforming CEOs, suggesting a governance environment conducive to improved performance. Similarly, Bhagat and Black (2002) argue that independence increases transparency and accountability, leading to better resource allocation and heightened investor confidence. However, stewardship theory provides a contrasting theoretical lens, suggesting that excessive independence may erode board cohesion and undermine managerial autonomy, ultimately impairing strategic decision-making (Donaldson & Davis, 1991). This perspective has been earlier echoed in the findings of Baysinger and Butler (1985), who report that over-reliance on external directors may reduce firm-specific knowledge within the board, hindering effective performance oversight. Further, Coles, Daniel, and Naveen (2008) demonstrate that in complex firms, higher proportion of independent directors' correlates negatively with performance, suggesting that the costs of reduced information symmetry may outweigh the benefits of independence. The resource dependence theory adds further dynamics, asserting that the performance impact of independence may depend on the board's ability to leverage external networks and strategic resources (Pfeffer & Salancik, 1978), a view supported by Hillman, Cannella, and Paetzold (2000), who emphasize the dual role of independent directors as both monitors and boundary-spanners. These theoretical divergences and empirical contradictions suggest that board independence does not exert a uniform influence on performance. *Therefore, on the basis of the uneven outcomes as noted in the literature, hypothesis one is stated as; board independence has no significant effect on financial performance among listed insurance firms in Nigeria*.

Board Meeting Frequency and Firm Financial Performance

Board meeting frequency, a widely recognized proxy for board diligence, has drawn substantial scholarly interest regarding its influence on corporate financial performance, yet theoretical perspectives and empirical findings remain markedly divided. Rooted in agency theory, proponents argue that increased board meetings enhance monitoring intensity, reduce managerial opportunism, and promote strategic oversight, thereby improving firm outcomes. Jensen (1993) contends that frequent board interactions serve as a disciplinary mechanism, curbing agency costs and aligning managerial behavior with shareholder interests. Empirical support for this assertion is evident in the study of Ntim and Osei (2011), who found a positive relationship between board meeting frequency and firm performance among South African firms, attributing the improvement to active governance engagement. Similarly, Laksmana (2008) asserts that more frequent board meetings reflect proactive governance and result in more informed decisions, positively influencing firm profitability. Conversely, stewardship theory offers a counter-narrative by emphasizing managerial trust and intrinsic motivation, implying that excessive board oversight may disrupt executive autonomy and stifle strategic innovation. In this light, Vafeas (1999) presents evidence that firms with unusually frequent board meetings actually experience declines in performance, likely due to inefficient time allocation and signaling of internal dysfunction. Likewise, Jackling and Johl (2009) argue that beyond an optimal threshold, increased meeting frequency may become a reaction to organizational crises rather than a driver of performance, thereby reflecting symptoms of governance failure rather than efficacy. Thus, the board meeting frequency–performance nexus is theoretically ambivalent, shaped by context-specific governance dynamics and contingent upon whether frequency signifies proactive engagement or reactive dysfunction. *Therefore, on the basis of the uneven outcomes as noted in the literature, hypothesis one is stated as; board meeting frequency has no significant effect on financial performance among listed insurance firms in Nigeria*

Theoretical Framework

Agency Theory

Agency theory serves as a foundational framework for understanding the inherent tension between shareholders (principals) and corporate managers or executives (agents), emphasizing the challenges that arise when the interests of those who own the firm diverge from those tasked with its day-to-day management (Machira et al., 2016). Rooted in the assumption that individuals act in self-interest, the theory highlights the potential for agency problems, particularly when managers pursue personal goals that conflict with shareholder value maximization. It underscores the necessity of governance mechanisms, such as effective oversight, incentive-aligned compensation, and regulatory structures, to mitigate these conflicts and ensure that agents act in the best interests of principals.

Corporate governance, therefore, operates as the legal and institutional framework through which the accountability, transparency, and alignment between owners and managers are maintained. Within the context of this study, agency theory aptly underpins the analysis of corporate governance practices in financial institutions, especially regarding board structural oversight which are critical levers in safeguarding shareholder value and enhancing financial performance in the insurance sector.

Empirical Review

Agbaje, Adebayo, and Owoniya (2024) studied corporate governance and performance of listed firms in Nigeria. The study covers the period of 9years, from 2013-2021. Board size, non-executive directors and return on asset were the variables that was analyzed using descriptive and Inferential Statistics. The findings revealed that board size had a positive significant effect on return on assets, while the number of non-executive directors had a negative significant effect of return on assets, demonstrating that corporate governance had a significant effect on the firm performance.

Moazzam, Hina and Ahmed (2024) examined antecedents of financial performance of insurance companies in Pakistan from 2018 to 2022. Dependent variable used was return on assets while the independent variables were firm size, investment income, premium growth, loss ratio and capital ratio. The tool used for analysis was descriptive statistics. The finding showed there is significant negative associations between ROA and firms' size, as well as loss ratio. However, investment income, premium growth, and capital ratios show insignificant relationships with ROA, emphasizing the multifaceted nature of profitability determinants within the insurance sector.

Agbaje, Adebayo and Adeboboye (2024) investigated the influence of risk management committee dynamics on financial performance among insurance companies in Nigeria over the 2013 to 2022 period. Descriptive and inferential statistics were used to analyze the variables: risk committee size, risk committee meetings, risk committee independence, risk committee gender diversity and return on assets. The study revealed that risk management committee size and risk committee meeting frequency positively impact financial performance. Risk committee independence and gender diversity had insignificant effects on financial performance.

Mohammed, Danladi and Musa (2023) studied the relationship between gender diversity and corporate performance of listed insurance firms in Nigeria from 2011 to 2021. The independent variables were female diversity, board size, firm size, and firm age while return on assets (ROA) was the dependent variable. It was revealed that financial success of business is influenced by female directors and board size. A board with gender inclusion will contribute to influencing the financial performance of listed insurance firms in Nigeria. The study found a positive, and statistically significant association between board size against financial performance (ROA) of listed companies.

Kenny, Mohamad and Amalia 2023) studied the effect of corporate governance regulation of the profitability of insurance companies in Indonesia for one year (1yr). The variables were return on assets (ROA), board gender diversity, audit committee meeting, board size and board independence while the methodology used for analysis was ordinary least square and descriptive statistics. The study revealed that regulatory reform is negatively related to the company's profitability and this reduces performance.

Obilikwu and Kassah (2023) investigated the effect of board meeting frequency on financial performance of listed companies in Nigeria, for the period 2013 to 2021. The variables employed were board meetings, return on assets and return on equity. It used multiple regression analysis. The result revealed that board meeting frequency is positively related to financial performance. Board meeting frequency improves financial performance and recommended that board meetings should be held on a regular basis (at least quarterly), but they should also add value to the operations of the companies.

Kariuki (2023) studied corporate governance mechanism and efficiency of insurance firms of insurance firms in Kenya. The paper assessed linkage amongst corporate governance mechanism and efficiency for insurers in Kenya over 8 eight years period from 2013 to 2020 using two- stage DEA bootstrapped methodology. The DEA efficiency scores indicate that the mean technical efficiency for insurers in Kenya was 33.8%. This is an indication that Kenyan insurers are technically inefficient, using more inputs to produce outputs than necessary and would, therefore, benefit from cutting cost of inputs as well as restructuring their scale of production to achieve economies of scale. The inferential statistics indicated that technical efficiency and size of the board were inversely related while board independence, gender diversity and audit quality have significant positive effect on insurer's technical efficiency. However, CEO duality and intensity of board activities were determined to have insignificant negative association with technical efficiency. Therefore, large boards are not efficient as expected from the agency theory due to the free rider problem. Further, board diversity through increased ratio of women on the board was observed to enhance efficiency.

Research Methods

Sampling Technique

This study adopted *ex-post facto* research design to examine the impact of board attributes on financial performance of insurance firms in Nigeria, using historical data from listed companies on the Nigerian Exchange Group. The research targeted a population of sixty-seven (67) insurance firms, from which a judgmental sample of nineteen (19) companies was selected based on availability of relevant information. Data were sourced from audited financial statements spanning 2013 to 2023.

Model Specification

Based on the theoretical literature and prior empirical studies on corporate governance /financial performance nexus, this study specifies a model that captures the stated specific objectives. This study replicated similar model employed by Wang (2019) but with slight modifications to suit the specific objectives of this study. The econometric form of the model of this study is expressed as follows.

$$ROA_{it} = \beta_0 + \beta_1 BGD_{it} + \beta_2 BOI_{it}\, \beta_3 BOM + \mu_{it} \ldots . (1)$$
$$ROE_{it} = \beta_0 + \beta_1 BGD_{it} + \beta_2 BOI_{it}\, \beta_3 BOM + \mu_{it} \ldots . (2)$$

Where;

ROA	=	Return on Assets
ROE	=	Return on Equity
BGD	=	Board Gender Diversity
BOI	=	Board Independence
BOM	=	Board Meeting
β_0	=	Constant
β_1- β_6	=	Slope Coefficient
μ	=	Stochastic disturbance
i	=	ith firm
t	=	time-period

Table 1 **Operationalization of Variables**

Variable	Acronym	Measurement	A priori expectation
Return on Assets	ROA	Net profit / total assets * 100	
Return on Equity	ROE	Net profit / equity * 100	
Board Gender Diversity	BGD	The proportion of female directors to total directors in the Board	+
Board Independence	BOI	Percentage of none executive directors to total directors in the Board	+
Board Meeting	BOM	No of times of Board meetings in a year	+

Source: Researchers' Compilation (2025)

Results and Discussion of Findings

Descriptive Statistics

Each variable is examined based on its mean, standard deviation, maximum and minimum values over the study period using descriptive statistics with results presented in Table 2.

Table 2 **Descriptive Statistics Result**

stats	ROA	ROE	BGD	BOI	BOM
mean	3.011292	6.601148	15.37574	69.59086	4.754808
p50	3.25	6.9	11.11	70	4
max	21.5	84.74	50	91.67	10
min	-22.05	-109.87	0	38.46	3
sd	5.876222	16.49554	11.56143	10.11799	1.091237
N	209	209	209	209	208

Source; Researchers' Computation (2025)

The summary statistics in Table 2 reveal significant variability in the financial performance of listed insurance firms in Nigeria. The average Return on Assets (ROA) is 3.01, with a wide dispersion indicated by a standard deviation of 5.88, which exceeds the mean. Similarly, the mean Return on Equity (ROE) is 6.6, with a notably high standard deviation of 16.49, further stressing the broad variation in financial performance across firms. In terms of governance indicators, board gender diversity (BGD) averages 15.38%, with a maximum of 50% female representation and a standard deviation of 10, suggesting moderate variation in gender inclusion. Board independence (BOI) averages 69.6%, peaking at 91.7%, with a standard deviation of 10.1, indicating a generally strong presence of non-executive directors. Board meeting frequency (BOM) averages five meetings annually, ranging from a minimum of three to a maximum of ten, reflecting variations in board engagement levels.

Test for Normality of Data

Table 3 **Normality of Data Result**

Variable	Obs	W	V	z	Prob>z
ROE	209	0.76985	35.678	8.243	0.00000
ROA	209	0.92297	11.942	5.719	0.00000
BGD	209	0.93354	10.303	5.379	0.00000
BOI	209	0.98794	1.869	1.442	0.07465
BOM	208	0.92137	12.138	5.755	0.00000

Source: Researchers' Computation (2025)

The normality result in table 4.2.2 above provides that the joint probability of return of assets (ROA) = 0.000, return on equity (ROE) = 0.000, board gender diversity (BGD) = 0.000, board meeting (BOM) = 0.000, are all not normally distributed since their joint probability values are less than 5% critical value. Meanwhile, the table indicates that the joint probability of board independence (BOI) = 0.07 is normally distributed as its joint probability value is higher than 5% critical value. Further diagnostic and model selection results indicate that the data used in the study is statistically sound for analysis. The mean Variance Inflation Factor (VIF) of 1.03 is well below the threshold of 10, confirming the absence of multicollinearity among independent variables. However, the heteroscedasticity test shows a probability value of 0.0016, which is below the 5% significance level, indicating the presence of heteroscedasticity and thus, a violation of the constant variance assumption. To address this, the random effects model is adopted. The Hausman test result (Prob > Chi^2 = 0.521) supports the use of the random effects model, as the probability exceeds the 0.05 threshold. The model's F-statistic of 14.11 and p-value of 0.039 confirm its overall significance, while the

R^2 value of 0.21 suggests that the model explains 21% of the variation in the financial performance of insurance firms, with the remaining variation attributed to other factors outside the model.

Table 3 **Financial Performance Regression Result**

Variables	**ROA MODEL**		**ROE MODEL**	
	Fixed Effect	Random Effect	Fixed Effect Result	Random Effect Result
BGD	-.0269 (0.726)	0.007 (0.908)	0.270 (0.043) **	0.209 (0.050) **
BOI	-0.0969 (0.038) **	-0.147 (0.044) **	-0.080 (0.573)	-0.135 (0.263)
BOM	-0.3856 (0.597)	-0.138 (0.835)	1.259 (0.320)	0.317 (0.773)
F-statistics	5.55 (0.0371) **	14.11 (0.039) **	12.30 (0.0218) **	18.53 (0.024) **
R^2	0.104	0.21	0.201	0.248
Hausman P-value	0.5218		0.395	

Note' *, **, *** means – statistical significance at 10%, 5% and 1% level respectively, Brackets () represents P-values

Source: Researchers' Computation (2025)

The outcomes presented in table 3, provide a clear perspective on the relationship between corporate governance mechanisms and financial performance in Nigeria's insurance sector. Board gender diversity exhibits a weak link with Return on Assets (ROA), possibly due to limited influence or underrepresentation in strategic decisions (Adams & Ferreira, 2009). However, a stronger positive relationship is observed with Return on Equity (ROE), reinforcing prior arguments that gender-diverse boards enhance decision quality and shareholder value through diverse perspectives and meticulous oversight (Gul et al., 2011). In contrast, board independence demonstrates a negative linkage with both ROA and ROE, challenging agency theory's assertion that independent directors enhance performance by curbing managerial opportunism (Fama & Jensen, 1983). While independence may improve monitoring, its effectiveness may be constrained by contextual limitations, such as limited access to firm-specific knowledge (Boone et al., 2007). Board meeting frequency presents a dual outcome which indicated negative insignificant link with ROA but positive insignificant linkage with ROE. The insignificance of board meetings on both ROA and ROE implies that mere frequency may not translate into performance gains unless coupled with effective governance processes.

Conclusion and Recommendation

This study examined the influence of key board attributes to include board independence, board gender diversity, and board meeting frequency on financial performance of insurance firms listed on the Nigerian Exchange Group, using Return on Assets (ROA) and Return on Equity (ROE) as performance indicators. Drawing on panel data from 2013 to 2023 and applying the random effects model to address violations of OLS assumptions, the analysis revealed that board gender diversity and board meeting frequency are significant determinants of financial performance within the sector. These findings reinforce existing corporate governance literature, which advocates for a more inclusive and active board structure to drive strategic oversight and financial outcomes. Based on these findings, the study strongly recommends that insurance firms should adopt policies to increase female representation on boards to at least 50%, enhancing board dynamism and equity performance. A balanced composition of executive and non-executive directors is also essential to align governance with operational realities and improve ROA through more informed oversight. Further, while independent directors are vital for accountability, their proportion should be moderated to prevent diminishing returns on equity, as excessive independence may hinder strategic alignment. Lastly, to promote governance efficiency without incurring unnecessary operational costs, boards should adhere strictly to the four-meeting minimum stipulated by the Nigerian Code of Corporate Governance. These recommendations, if implemented, can enhance board effectiveness and drive sustainable financial performance in Nigeria's insurance industry.

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