BOARD CHARACTERISTICS AND FINANCIAL PERFORMANCE OF LISTED CONSUMER GOODS COMPANIES IN NIGERIA

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Keywords

Board gender, Board Independence, Board Skill, Financial Performance, Return on Equity, Nigerian Consumer Goods Sector

Abstract

Research Problem
Corporate governance practices play a pivotal role in enhancing firm performance. However, persistent internal governance challenges affecting the financial performance of firms have raised concerns about the effectiveness of board characteristics such as board independence, board gender diversity, and board skills. Despite their importance, empirical evidence on the effects of these board attributes among Nigeria's listed consumer goods companies remains limited.
Methods
The study adopts an ex-post facto research design using secondary data obtained from 18 listed consumer goods firms in Nigeria covering the period from 2015 to 2024. Data were analyzed using the random panel regression technique.
Theory
The study is anchored on corporate governance theory and agency theory, which emphasize the importance of effective board structures, accountability, and alignment of management decisions with shareholders' interests in improving organizational performance.
Results
Findings reveal that board independence, board gender diversity, and board skills have positive and significant effects on the financial performance of listed consumer goods companies in Nigeria, as measured by return on equity.
Conclusion
The study concludes that ensuring optimal board independence, promoting balanced gender diversity, and strengthening relevant board skills and competencies significantly enhance the financial performance of consumer goods firms.
Key Contribution to Knowledge
This study contributes to existing literature by providing empirical

evidence on the relationship between board characteristics and financial performance among listed consumer goods firms in Nigeria, while highlighting the strategic importance of board composition and competencies in achieving improved corporate performance.

Recommendations

The study recommends that corporate boards invest in continuous director training, maintain an appropriate mix of independent directors, and adopt board policies that align board and shareholder interests in order to sustain improved financial performance.

Introduction

The long-term sustainability of corporations is increasingly linked to the advantageous characteristics possessed by their boards (Awodiran, 2019). Board characteristics encompasses attributes, mechanisms, and processes that affect how firms are directed and controlled to achieve accountability, transparency, fairness, and ethical leadership in managing stakeholder interests (Abang'a & Tauringana, 2024; Afzalur, 2018). Effective governance promotes compliance and strategic alignment, particularly in dynamic sectors such as consumer goods. A key element of corporate governance is the board of directors which oversees management, formulates strategy, and protects stakeholder interests (Institute of Chartered Accountants England and Wales [ICAEW], 2017). Among the board characteristics that has gained attention in literature include board independence, board gender and board skills. These board characteristics promotes the effectiveness of board towards improved organisational performance by facilitating the ability of the board to monitor management, mitigate conflicts of interest and drive sustainable performance (Musa et al., 2019; Hosny & Elgharbawy, 2022).

In Nigeria, the consumer goods sector plays a vital role in economic development through contributions to gross domestic products, employment, and tax revenue generation (Tracy & Sunday, 2022). However, firm performance in this sector is largely influenced by internal governance mechanisms, among others (Clement & Niyi, 2022). Board characteristics are widely recognised as critical internal determinants of organisational performance. Despite the continuing research attention on the effects of board characteristics such as independence, gender and skills on performance, empirical findings remain inconclusive. While some studies (Aidoo et al., 2024; Wenhao et al., 2022) report positive relationships with firm performance, others (Garcia-Blanton et al., 2025; Afzalur, 2018; Ahmad & Alshbiel, 2016; Nwonyuku, 2016) document negative or no effect. The inconsistencies suggest that the relationship between board attributes and performance could be industry-dependent. Literature also indicates that most of prior studies have examined board characteristics in relation to Return on Assets (ROA) among numerous proxies of performance. This study examines board characteristics effects inn relation Return on Equity (ROE) as a proxy of performance of listed consumer goods firms.

In addition, existing empirical evidence specific to Nigeria's consumer goods sector is scarce with outdated data that precede the 2018 Nigerian Code of Corporate Governance. These gaps necessitate investigation on the effects of board independence, board gender and skill on financial performance using ROE to provide updated and industry-relevant insights in the listed consumer goods

companies. The specific objectives of are to: (i) examine the influence of board gender on the financial performance (ROE) of listed consumer goods companies in Nigeria; (ii) assess the effect of board independence on the financial performance (ROE) of listed consumer goods companies in Nigeria and (iii) evaluate the effect of board skill on the financial performance (ROE) of listed consumer goods companies in Nigeria. Following this section are the literature review, methodology and results and discussion of findings, conclusion and recommendation.

Literature Review

Financial Performance

Performance relates to the measurement of a financial and non-financial achievements based on key indicators (Ngo & Nguyen, 2023). Financial Performance (FP) represents a measure of organisational success that reflects the extent to which a firm achieves its financial objectives (Ramaiah et al., 2022). FP assesses effectiveness with which a firm utilises its economic resources to achieve strategic goals (Musa et al., 2019). FP indicators are used to evaluate a company's financial health over time in comparison with other firms in the same industry to serve as the barometer of managerial efficiency and organisational effectiveness, to provide insights into profitability (Abdulwahab et al., 2023). Mahmood et al. (2022) asserts that FP is critical toward evaluating how effectively firms are capable of converting its resources gains to the shareholders. Common metrics used to measure financial performance are Return on Assets (ROA), Return on Equities (ROE) and Earnings per Share (EPS) (Eshna, 2022). Challenges such as misaligned weak board oversight, and self-serving managerial decisions continue to hinder firm performance (Awodiran, 2019; Tracy & Sunday, 2022) with peculiar high exposure of the consumer goods sector arising from operational inefficiencies, vulnerability to macroeconomic shocks and inconsistent governance practices (Clement & Niyi, 2022). Boards of firms that possess the necessary characteristics, are no doubt, well equipped to mitigate the negative effects of most challenges that face corporate entities. Thus, the need to put in place boards with the relevant characteristics cannot be over-emphasised.

Board Independence

Board independence refers to the extent to which directors operate without undue influence to facilitate objective decision-making (Rao & Chari, 2021). Board independence ensures that deliberation on decision-making is unbiased and transparent in a manner that prioritises the overall well-being of all stakeholders (Aidoo et al., 2024). Independent directors without controlling ties to management enhance transparency, accountability and effective oversight by monitoring executive actions (Subrata, 2023). The presence of independent board members facilitates effective management oversight as well as mimimise excessive power of major shareholders as they are able to offer impartial perspectives in the interest of all shareholders. (Umukoro et al., 2019). The presence of independent directors improves governance quality for better financial performance (Ngor-Chol, 2022). The Nigerian Code of Corporate Governance (NCCG] (2018) mandates the inclusion of independent directors to strengthen board effectiveness. This mandatory inclusion of independent directors faces weak enforcement due to cultural influences and limited availability of qualified female professionals to act as independent directors in most emerging markets (Ngor-Chol, 2022).

Board Gender

Board gender refers to the presence of female among the board of directors of corporations (Carter et al, 2019). Board gender

refers to the proportion of female directors among the board of directors at any given period. (Chung & Zhang, 2020). Board gender as a board characteristic advocates the inclusion of both male and female genders on a company's board of directors in a manner that balances the representation of both genders to reverse historical gender inequalities in corporate boardrooms where women have remained under-represented. Advocates of board gender believed that women are more cognisant of human behaviour, risk-averse, trustworthy and collaborative than their male counterparts that allow them to take into consideration the interests of all stakeholders in decision making (Barber & Odean, 1998). The United Nations declaration of the International Women's Year in 1975 on gender equality in all human endeavours, catalysed National Gender Policy of 2006 in Nigeria with advocacy for certain proportion of female representation in politics, appointment and corporate leadership (Garcia-Blanton et al., 2025) besides NCCG (2018) mandate on gender diversity in the boardroom of Nigerian firms. Despite the policy directives, there have been concerns about the under-representation of women on corporate boards due to male domination occasioned by unequal opportunity for female in corporate boards relative to their male counterparts (Post et al., 2021).

Board skills

Board skills and expertise encompass the knowledge and competencies directors bring to governance processes of a corporation. Board skills emphasise the knowledge and experience that directors bring to the boardroom that are relevant to the company's operations and strategic goals that span across areas of accounting, finance, management, insurance, information technology (IT) and strategic planning and management among directors in a boardroom to enhance its decision-making and oversight capabilities (Abang'a & Tauringana, 2024). Board skills and expertise also include, but not limited to, interpersonal, leadership, and technical capabilities that enhance strategic decision-making and oversight obtained through educational qualifications, professional expertise, industry experience, and specialized training, widely recognized as influential on board effectiveness (Hosny & Elgharbawy, 2022). Board skills and expertise assist a board to perform dual roles of monitoring management and providing strategic advice (Abang'a & Tauringana, 2024). The possession of requisite skills and expertise enhances the board ability to pilot the affairs of the company on complex issues such as audit recruitment and forecasting for sustainable organisational performance (Akinwole & Ajide, 2020).

Empirical Review

Board independence

Aidoo et al. (2024) investigated the relationship between board independence and performance of seven Ghanian listed manufacturing firms proxied by ROA and ROE from 2010 to 2022 with extracted data from annual reports and found a significant positive relationship. Harvey Pamburai et al. (2015) examined impact of board independence on firm performance using regression analysis on firms listed on the Johannesburg Stock Exchange and found a positive and significant relationship between board independence and firm performance. Wenhao et al. (2022) found that board independence positively and significantly influenced firm performance among Asian firms. Almaqtari et al. (2022) sampled 38 Indian banks listed on the Bombay Stock Exchange during 2010-2019 and found that the higher number of outside directors the lowers the financial performance proxied by ROA over the study period. Afzalur (2018) employed a three-stage least squares model on

Bangladeshi firms and found a negative relationship between board independence and performance.

Doku et al. (2023) also examined the effect of board independence on the stock return volatility of 22 listed Ghanian sampled firms with panel-corrected standard error (PCSE) regression model. The study found significantly positive effect of board independence on stock performance of the sampled firms. Ngo et al. (2023) examined the relationship between board independence and financial performance of listed Vietnamese firms by employing Generalised Method of Moments (GMM) model to analyse data extracted from 2016 to 2020. The study found a positive relationship between board independence and financial performance of the Vietnamese firms. In Nigerian, Oyewale et al. (2016) adopted a mixed-method approach combining questionnaire and secondary data, and found that board. Other studies report negative findings. For instance, Umar et al. (2020) applied panel regression on Nigerian banks and reported a negative but insignificant relationship. Okoyeuzu et al. (2021), using GMM and panel techniques, also found that board independence does not influence performance. From the literature, this study hypothesized as follow:

H_{01}: There is a significant positive relationship between board independence and financial performance (ROE) of listed consumer goods firms in Nigeria.

Board Gender

Researchers have examined board gender and firm performance nexus across various industries and countries with mixed results. Dang et al. (2020) investigated the relation between board gender and firm profitability with sample of S&P 500 firms during 2004-2015 and found that the presence of women on corporate boards has a positive and significant effect on firm profitability. McKinsey (2020) found that among third quartile firms, those with 25 percent or more female board members are more likely to out-perform industrial average ROA and ROI compared to companies in the fourth quartile. Eastman et al. (2016) also found that companies that has three or more women on their boards report average ROE of 10.1% per year with lower volatility in financial performance compared to 7.4% among those without any female board members. Other Studies shave document negative relationship between board gender and firms' performance. Ahmad and Alshbiel (2016) examined listed Jordan banks and found that a firm with female Chief Executive Officers earn lower performance when compared with those with male counterparts. Kangyi et al. (2024) examined the effect of board gender on firm performance of 1990 publicly listed Japanese companies from 2006 to 2023 using two-stage least squares (2SLS) regression model. The study found that that companies with a higher proportion of female directors under-perform relative to those with fewer or no female directors. The finding was ascribed to risk-averse nature of women and their low tendency to venture into risky investments with high return rate.

Studies on board gender diversity have been conducted by Boloupremo and Umbe (2024) to examine the relationship between board gender and financial performance of listed manufacturing firms Nigeria firms between 2014 and 2023. The results showed a significant positive relationship between board gender and financial performance measured by ROA suggesting increased board gender leads to improved financial performance. Olutoye and Akinyomi (2014) examine the effect of board gender diversity on the ROE of 10 randomly selected banks in Nigeria and found positive but insignificant relationship between the proportion of females on the board of directors and the performance. Mustapha et al. (2024) investigated the influence of board

gender on performance of 15 quoted consumer goods firms from 2012 to 2021 with fixed effects regression model and found a positive outcome. Garcia-Blanton et al., 2025 found inclusion of 30% female directors in the boardroom and board committees of large European firms the 2015-2022 has no effects of their financial performance. Based on the literature reviewed above, this study hypothesised as follow:

H_{02}: There is a significant positive relationship between board gender and financial performance (ROE) of listed consumer goods firms in Nigeria.

Board Skills and Financial Performance

Empirical literature has focused on board skills and performance relationship. Aidoo et al. (2024) investigated the relationship between board skills and performance of seven Ghanian listed manufacturing firms proxied by ROA and ROE from 2010 to 2022 with extracted data from annual reports and found a significant positive relationship. Hosny and Elgharbawy (2022) examined FTSE 350 firms and reported a positive relationship between board skills and performance. Nugraha (2023) found no significant effect of board skills on performance among Indonesian firms. Ullah et al. (2023) assessed the effect of board skills on performance of conventional and Shariah based firms sampled from Indonesia, Malaysia, Pakistan and Bangladesh between 2009 and 2018. The study found that board skills have positive effect on ROA, ROE and Tobin's Q of conventional and Shariah based firms which assist them to create long term value for their owners. Sidki et al. (2024) examine the effect of politically appointed board members on the financial performance of State Owned Enterprises (SOEs) operating as utility firms in Germany from 2011-2016 with 3350 firm-observations. The study found that board skills of the politically appointed directors do not affect the financial performance of the SOEs providing utilities in Germany.

In Nigeria, Gambo et al. (2019) used regression analysis on insurance firms and found that board skill significantly enhances financial performance. Orjinta et al. (2026) examined the effect of board skills on performance of 13 listed deposit money banks in Nigeria between 2013 and 2024. Results of ordinary least square regression revealed that board skills have positive and significant effect on return on investment of the banks. Jibril et al. (2023) employed regression analysis on Nigerian consumer goods firms and found that board skill and experience positively influence financial performance. Oyidih et al. (2023) examined the effect of board skills on the performance of 13 listed deposit money banks on the Nigerian Exchange Group with extract of data from 2010-2022. Random effect regression results showed that board skills positively affects the return on assets as proxy of financial performance of deposit money banks during the period of the study. Contrarily, Nwonyuku (2016) found a negative effect of board skills on profitability among listed food and beverage firms in Nigeria. In view of the finding reported in the above literature, this study hypothesized as follow:

H_{03}: There is a significant positive relationship between board skills and financial performance (ROE) of listed consumer goods firms in Nigeria.

Methodology

The study adopts an ex post facto research design, which is appropriate for investigating cause-and-effect relationships using historical data where variables cannot be manipulated. This design is suitable when a study focuses on board characteristics such as board gender, board independence, and board skills that are naturally occurring and cannot be controlled experimentally. The ex post facto approach

allows for the analysis of relationships between these governance variables and firm performance using secondary data obtained from corporate financial reports. This design is widely used in accounting and finance research due to its ability to provide empirical insights based on real-world data. The population of the study comprises all twenty-one (21) listed consumer goods companies in Nigeria. A census sampling technique was initially adopted to include the entire population and enhance the robustness of the analysis. However, due to incomplete or unavailable data, three firms were excluded. Consequently, the final sample consists of 18 companies. The selection was based on the availability and completeness of data relating to financial performance and board characteristics of study. The study relies exclusively on secondary data sourced from the annual reports of the sampled companies, obtained from their official websites. These reports provide comprehensive information on financial performance and corporate governance variables. The use of annual reports is justified because they are prepared in compliance with regulatory standards and are subject to audit, making them reliable and credible sources of data. A structured data extraction process was employed to ensure consistency and accuracy. The reliance on secondary data also enhances objectivity and allows for the analysis of historical trends without researcher interference.

Model Specification

The study adapts the model of Abdulazeez et al. (2016), modifying it to reflect the specific variables of interest. While the original model focused on board size, board composition, and CEO duality, this study replaces these with board gender (BG), board independence (BI), and board skill (BS) as key explanatory variables. To improve the robustness of the model, control variables of firm size (FSZ), firm age (FAG) and leverage (LEV) measured as the ratio of total debt to total assets are incorporated.

The functional relationship is expressed as:

$$\mathbf{ROE = f\ (BO, BI, BS, FSZ, FAG, LEV)}$$

The econometric model is specified as:

$$\mathbf{ROE_{it} = \beta_0 + \beta_1 BI_{it} + \beta_2 BG_{it} + \beta_3 BS_{it} + \beta_4 FSZ_{it} + \beta_5 FAG_{it} + \beta_6 LEV_{it} + \varepsilon_{it}}$$

Measurement of Variables

Financial performance is measured using ROE calculated as earnings before interest and tax divided by outstanding shareholders equities (Ramaiah et al., 2022). Board independence (BI) is measured by the number of non-executive directors on the board (Musa et al., 2019; Doku et al., 2023). Board gender (BG) is measured by the number of female directors on the board (Dang et al., 2020). Board skills (BS) is proxied by the qualifications and expertise of board members (Hosny & Elgharbawy, 2022). To improve the robustness of the analysis, control variables of firm size (FSZ), measured as the natural logarithm of total assets; firm age (FAG), measured as the number of years since incorporation and leverage (LEV) measured as the ratio of total debt to total assets are incorporated. The a priori expectation is that board gender, independence, and skill will positively influence financial performance, as they enhance alignment of interests, monitoring effectiveness, and decision-making quality.

Method of Data Analysis

Data analysis was conducted using E-Views 12 Statistical Software. The analysis began with descriptive statistics to summarize the characteristics of the variables, including measures of central tendency and dispersion. This approach enabled the study to capture the effect of governance variables across different

performance measures. To ensure the validity of the regression results, several diagnostic tests were conducted. Normality tests were performed to confirm that the residuals follow a normal distribution. Multicollinearity was assessed using the Variance Inflation Factor (VIF) to ensure that independent variables are not highly correlated. Heteroscedasticity of the model was rested with Breusch-Pagan test to verify the constancy of error variance. All statistical tests were conducted at a 5-percent level of significance. Subsequently, random effect regression was employed to examine the impact of board gender, board independence, and board skill on financial performance.

Results of Data Analyses

Table 1: Descriptive Statistics

	ROE	BI	BG	BS
Mean	0.058	2.554	1.706	0.691
Median	0.050	4.561	2.570	0.710
Maximum	0.990	6.502	2.901	0.930
Minimum	-0.600	1.340	1.001	0.170
Std. Dev.	0.125	1.103	0.239	0.137

Source: Author's computation, 2026

Form the results in Table 1, ROE has a mean of 5.8% and standard deviation of 0.1251 with maximum and minimum values of 0.9900 and −0.6000, respectively and median of 5% being close to the mean suggests the distribution is relatively balanced. Board independence (BI) reported of 2.5 across the sample on average with standard deviation of 1.1 which suggests moderate dispersion. Board gender (BG) reported mean of 1.706 indicating less than two female directors per firm with standard deviation of 0.24 indicating low variability in gender diversity of the boardrooms of listed consumer goods company. Finally, board skills (BS) averages 0.691 indicating that nearly 70% of directors across the sampled firms possess skills required to function, with minimum and maximum values of 17% and 93% respectively and standard deviation of 14% moderate dispersion.

Table 2: Correlation Matrix

Variable	ROE	BI	BG	BS	FSZ	FAG	LEV
ROE	1.000	0.203	0.108	0.190	0.234	0.456	0.234
BO	0.020	1.000	0.108	0.398	0.563	0.389	0.027
BI	0.110	0.108	1.000	0.631	0.345	0.512	0.412
BS	0.205	0.399	0.263	1.000	0.241	0.120	0.243
FSZ	0.234	0.356	0.421	0.361	1.000	0.451	0.510
FAG	0.316	0.179	0.351	0.387	0.159	1.000	0.340
LEV	0.214	0.361	0.454	0.491	0.429	0.230	1.000

Source: Author's computation, 2026

The correlation statistics in Table 2 show the direction of the correlation between board characteristics BI, BG, and BS) and ROE. The correlation statistics indicate moderate bi-variate correlations between the independent variables. All bivariate correlation estimates are less than 0.5 threshold suggested by Tabachnick and Fidel (2013). Therefore, the data is free from multi-collinearity threats.

Table 3 Regression Results for ROE

Predictor	Coefficient	Std. Error	t-Statistic	Prob.
Constant				
BI	0.206	0.055	3.728	0.015
BG	0.341	0.052	6.557	0.008
BS	0.264	0.076	3.474	0.022
FSZ	0.395	0.055	7.181	0.008
FAG	0.157	0.075	2.093	0.036
LEV	0.289	0.069	4.179	0.016
Model Statistics				
R-squared	0.370			
Adjusted R-squared	0.248			
F-statistic	3.037			0.000
Durbin Watson	1.887			

Source: Author's computation, 2026

Hypotheses Testing and Discussions of Findings

The regression results presented in Table 3 reveals the combined effects of board gender, board independence and board skill on the financial performance of listed consumer goods companies in Nigeria, measured by ROE. The overall explanatory power of the models is reflected in the R-squared values. The ROE model has an R-squared of 0.370, indicating that approximately 37 percent of the variation in return on assets is explained by the combined effects of board gender, board independence, and board skill. The model is statistically significant at the 1 percent level, as indicated by the F-statistic ($F = 3.037$, $p < 0.001$), showing that board characteristics jointly influence ROE, even though individual effects are not significant. The Durbin-Watson statistics estimate of 1.887 indicates no threat of autocorrelation in the residuals of the regression estimates.

The results showed that BI has a positive but statistically significant effect with financial performance with estimates ($\beta = 0.206$, p-value = 0.015), indicating that increases in the proportion of independent board members influences the firms' overall performance (ROE). This findings is in tandem with previous studies (Doku et al., 2023; Ngo et al., 2023; Wenhao et al., 2022) that also reported positive and significant effect of board independence with financial performance. The finding is not consistent with that of Almaqtari et al. (2022), Umar et al. (2020) and Afzalur (2018) that reported negative relationship between BI and financial performance. The positive finding may be related to the fact that NCCG (2018) mandates the inclusion of independent directors in corporate boardrooms as their presence ensures that board deliberations to make decisions are conducted in impartial, unbiased and transparent manner that prioritises the overall well-being of all stakeholders (Aidoo et al., 2024).

Similarly, board gender (BG) shows a positive and significant estimates (β = 0.341, p= 0.022), suggesting that a higher presence of female directors on the board enhances ROE. This findings is in line with earlier studies (Boloupremo & Umbe, 2024; Dang et al., 2020; Eastman et al., 2016) that also reported positively significant effect of board gender on financial performance. Contrarily, the finding is inconsistent with findings of Kangyi et al. (2024) and Ahmad and Alshbiel (2016) that document inverse relationship between BG and financial performance. The plausible reason for the positive findings may be explained by the belief that women are more cognisant of human behaviour, risk-averse traits, trustworthy and collaborative than their male counterparts that allow them to take into consideration the interests of all stakeholders in decision making (Barber & Odean, 1998)

Board skill (BS) also reveals a positive and significant effects with estimates (β = 0.264, p-value = 0.008), which indicates that professional and educational qualifications, and technical expertise by directors have impact on ROE of listed consumer goods firm in Nigeria. This findings is similar to findings of other studies (Jibril et al., 2023; Ullah et al., 2023; Gambo et al., 2019) that earlier reported positively significant effect of board skills on financial performance. However, the finding is not in line with negative effect of board skills on financial performance found by Nwonyuku (2016) and no effect of board skills on financial performance documented by Sidki, Boerger and Boll (2024). The finding of the study can be attributed to assertion that possession of requisite skills enhances the ability of the board to manage complexity related to issues that affect sustainable organisational performance (Akinwole & Ajide, 2020). In summary, the findings suggest that board independence, board gender and board skills influence financial performance of consumer goods firms listed in Nigeria underscoring the importance of aligning board characteristics with firm strategy and industry-specific operational requirements to achieve optimal financial outcomes.

Conclusion

This study examined the effects of board characteristics (board independence, board gender, and board skills) on the financial performance of listed consumer goods companies in Nigeria, using ROE as performance proxy. The results indicate that board independence, board gender and board skills do have a statistically significant impact on ROE. This suggests that these board characteristics in this study are vital for towards achieving and sustaining adequate financial performance in the Nigerian consumer goods sector. The findings emphasise the significance of indecency, gender diversity and skills in the boardrooms of corporations to strategically monitor, guide and effectively utilise expertise for enhanced financial performance. The finding of the study also underscores that the effective roles of board characteristics in the context of a growing and dynamics sector with evidence from the consumer goods context in emerging market settings like Nigeria.

Recommendations

Based on the findings, the following recommendations are proposed to enhance the effectiveness of board characteristics in improving financial performance:

i. Consumer goods firms should ensure that independent directors have genuine decision-making authority, access to critical information, and active participation in strategic oversight at the board level. This would enhance their roles to go beyond formal compliance to ensuring meaningful engagement in monitoring of the management team.

ii. Consumer goods firms should maximize the number of female directors in their board to guarantee improved performance through adequate representation of female board members in their boardroom to tap maximally from benefits associated from female inclusion in the over all interests of all stakeholders in the firms.

iii. Consumer goods firms should ensure that the appointment of board members that possess skills aligned with the specific operational and strategic needs of their firms are facilitated. In addition, consumer goods firms are advised to promote trainings of the directors regularly in their areas of expertise to enhance the performance of their firms.

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