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EFFECT OF CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE OF LISTED OIL AND GAS COMPANIES IN NIGERIA

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ABSTRACT

Corporate governance has received much concern worldwide because of an increase in corporate failure in many companies. Research has shows evidence that corporate governance and financial performance are related. However corporate governance has being rarely connected to oil and gas financial performance. Hence this study, examines the effect of corporate governance on the financial performance of listed oil and gas companies in Nigeria. The main objective of this study is to find out whether or not corporate governance mechanisms (Board gender diversity and Block ownership) have influence on the

Introduction

Firm financial performance has become vital aspects that need to be achieved by any companies. Eshna (2018) it is the measuring outcome of a companies' strategy and activity in monetary terms. Idayajothi, Latasri, Manjula, Banu, Malini, (2014) viewed financial performance as identifiers of financial strength and weakness of an organization from the records available in financial statement. One of the advantages of Financial Performance is profit increase which is the vital key component of financial performance. Hefert (1991) profitability is the effectiveness with which management employed both the total asset and the net assets as recorded on the balance sheet that is achieved through organization good corporate governance.

Good governance improves the organization financial performance and also helps to get the attention of more investors by enabling them realize their corporate objectives contributing to sustainable economic development of the country Hefert (1991). Corporate governance is of the utmost importance and, if carried out effectively, can avoid corporate scandals, fraud and improve the image of a company before the public as responsible company, worthy of shareholders and the capital of debt holders. Financial scandals and the collapse of institutions such as Enron, WorldCom, Commerce Bank and XL Holidays have forced firms to focus more on good corporate governance and to develop and implement several effective mechanisms to restore investor confidence. Good corporate governance has become essential to improve the performance of firms, guarantee investor rights, improve the investment atmosphere and promote economic development (Burnsed, 2009).

To address weaknesses in corporate governance, company stakeholders are concerned about firm governance because of the high-profile collapse of a number of large corporations in the last decade of the 20th century (Lin, Hutchinson, & Percy, 2015). Researchers have argued that the high rates of collapses in firms is as a result of weak corporate governance practices, for instance, Enron, Worlcom, commerce Bank, African

financial performance of listed Nigerian oil and gas companies, Return on Asset (ROA) to measure the financial performance. Secondary data of 8 listed oil and gas companies on the Nigeria stock exchange from 2011 to 2020 were considered as sample of the study out of 13 population of the study. The study adopted the ex-post facto research design. Descriptive statistics, Pearson correlation and multiple regression techniques were used for estimation. The finding from the analysis shows that board gender diversity has negative and insignificant impact on return on assets. This suggests that board gender diversity does not in any way affect the financial performance of oil and gas companies in Nigeria. The result on block ownership and financial performance shows a positive and significant impact on return on assets. This suggests that an increase in block ownership leads to significant increase in financial performance represented by ROA of the listed oil and gas companies in Nigeria.

Keywords: Corporate Governance, Financial Performance, Oil and Gas Companies, Return on Asset.

Petroleum AP, Cadbury Nigeria Plc, Oceanic bank Plc, Intercontinental bank Plc, Afribank, Diamond bank that now incorporated into Access bank and lastly Keystone bank that are now called Polaris bank. Despite various studies on corporate governance and financial performance, there has been different result, for instance; Ibekwe & Harry (2018)., Ahmed (2011)., Ayodele, Aderemi, Obigbemi & Ojeka (2016), Founding's shows significant relationship, while Urhoghide and korolo (2017) and Kayitesi (2014) their studies found insignificant relationship between the variables, in other to reaffirm this research examined the Effect of Corporate Governance on Financial Performance of Listed Oil and Gas Companies in Nigeria. Studies in Nigeria and else were have identified several predictors of financial performance, Dar, Naseem, Rehman & Niazi (2011), Ibekwe& Harry (2018), Ayodele, Aderemi, Obigbemi & Ojeka(2016) and Nuraddeen & Hasnah (2016). Some of the identify predictors are (ROA, PM, ROE, NPM). However, CG has being rarely linked to oil and gas financial performance. In the view of studies that have attempted to predict Performance by CG, the scope of the variables analyzed in the studies have being very narrow or limited. Also, the period analyzed in most of the existing studies have being limited to a single year. Coupled with the non-availability of the companies analyzed on Nigeria Exchange Group, this has limited adequate understanding of the influence of CG on FP. Hence this research employed a different corporate governance variable which has not been tested together in prior studies; board gender diversity and block ownership independent variables and firm performance as dependent variable measured using return on asset (ROA). The study covered only the oil and gas companies listed on Nigerian Exchange group for the period of 10 years, 2011-2020 and excluded financial and other non-oil sector. The exclusion of firms in the financial sector was important because these companies are highly regulated by the Central Bank of Nigeria and other government agencies. Companies in the financial industry follow the rules of the regulators, so also some of the other non-oil industries. Similarly, descriptive, Pearson correlation co-efficient and multiple regressions were the methods of analysis used in the research. This, therefore, constitutes another vacuum this present research filled with the use of panel data.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

This segment reviews the existing empirical research on corporate governance mechanisms (board gender diversity and block ownership) and financial performance. However, the section developed the hypothesis base on the prior studies, the segment start with;

Board Gender Diversity and Financial Performance.

Hillman and Cannella (2007) studied that women directors are increasing in trend in a company as boards of directors, but their representation in a board is not similar. So, the sex ground is one of the board diversity qualities measurements. In other words board diversity in a company is occupied by the number of female directors on each board. Various findings of the prior empirical research based on the impact of board gender diversity on firm's financial performance have been done but their results were mixed and still inconclusive. For instance; Muhammad, Muhammad, Filza and Muhammad (2021)., Abosede. Fashagba. & Dandago. (2019)., Odunayo (2019)., Biruk and Gurdip (2019)., Udeh, Abiahu and Tambou (2017)., Malik and AbdulRazak (2017)., Yan, Kaleemullah, Bola and Kemi (2020)., Gbadebo (2021)., Uma,r A. Norfadzila Hussaini, and Habibu (2020) ., Olaoye and Adeyemi (2021)., Padam (2021).
Most of the empirical review above their findings stated that there is inverse relationship between block ownership and financial performance.

Ho1: *There is no relationship between board gender diversity and financial performance of listed oil and gas companies in Nigeria.*

Block Ownership and Financial Performance

Block ownership is referred to as the proportion of shares (usually more than 5%) owned by a certain number of shareholders. It is argued that the higher the number of shares owned by the block holders, the more mangers action will be regulated and monitored to act in the interest of the shareholders (Andow. 2017). Thus, various findings of the prior empirical research based on the impact of bock ownership on firm's financial performance have been done but their findings are mixed and still the result is inconclusive. For instance; Ahmad and Rubi (2020).,Olugbenga, Olubukunola, Osariemen and Uwalomwa (2018)., Naveen and Singh (2012)., Daniel, Nuraddeen and Ahmad (2021)., Ismail and Ali (2020)., Lai, Cuong and Baiding (2019)., Heidi and Mohamed (2017).
Most of the empirical review above their findings stated that there is inverse relationship between block ownership and financial performance.

Ho2: *There is no relationship between block-ownership and financial performance of listed oil and gas companies in Nigeria*

Theoretical Framework

The two main theories of corporate governance considered in this study were stakeholder theory and agency theory. These theories provided the foundation and theoretical underpinnings for the study and showed an understanding and appreciation of corporate governance as a crucial tool in organizational management. The theories also illustrated why corporate behavior is as it is and how a long-term improvement in the efficiency and effectiveness of firms can be sustained.

Stakeholder theory

The concept of stakeholders has gained wide spread popularity among scholars, corporate executives, and media. Stakeholders are any individual or group who are affected or can affect the achievement of the firm objectives (Al Mamun, 2013). Stakeholders can include shareholders, suppliers, customers, employees, lenders, governments, local charities, and various interest groups. Stakeholder theory balances between the interests of firm stakeholders and their satisfaction. The proponents of stakeholder theory require firm managers to design and implement proper methodologies to identify the nature of the relationship between the managers and interested parties to achieve their goals. The

economic value for any firm is created by parties who voluntarily come together, coordinate, cooperate, and then improve and enhance everyone's circumstances (Mangunyi, 2011). The proponents of stakeholder theory clarified the awareness of stakeholders' perspectives and organizational justice on the equity of corporate governance. Stakeholder theory challenges the assumption that corporate governance aligns between shareholders, of being residual risk-takers ((Conyon & He, 2016). Different scholars have given different definitions of stakeholder theory. The wider and more balanced definition considers stakeholders as those groups who are vital to the success and survival of the firm (Al Mamun, 2013). This definition is corporation oriented and is considered as part of a larger social system. Business leaders should provide to all stakeholders, directly or indirectly affect the survival of the firm, how the firm is affecting them (Al Mamun, 2013).

Agency theory

There is always separation of ownership and business which leads to Agency problem in a universal manner, agent who is the manager is expected to work for the benefit of the principal who is the owner, but reverse is the case were agent work for their own beneficial interest. Sunder (2001) observed that diversity of private interest motivates individuals to utilize the information in their possession to advance their own interests, which may differ from the interest of the organization. This theory prescribe employees are held accountable in their duty and responsibility, which mean there is a distinct between ownership and management of the organization. Agency theory provided a means of explaining the variance between the owner and the managers to a level were by only continues monitoring and adequate planned remuneration policy can bring a positive relationship between the two parties Youssef & Bayoumi (2015). Theoretically, this study stand with the agency theory were by the study depicts the relationship between corporate governance proxies and the financial performance variables. Furthermore, corporate governance is affected by board gender diversity and block ownership while the firm performance is Return on Asset.

Conceptual Framework

Velnampy and Pratheepkanth (2011) in their study of corporate governance and firm performance using selected listed companies in Sri Lanka developed a framework using two corporate governance mechanisms: Board structure and corporate governance reporting to determine the effect of overall corporate governance on the financial performance of the selected companies.

In determining the effects of corporate governance on financial performance of listed oil and gas companies, the impact of board gender diversity and block ownership has be critically examined as new independent variable and Return on Asset (ROA) as dependent which was not considered by Velnampy and Pratheepkanth (2011) model.

To further give a clearer picture of the effects of corporate governance mechanisms on the financial performance of oil and gas companies, two different variables were used which presupposes that corporate governance influence financial performance as shown in figure below.

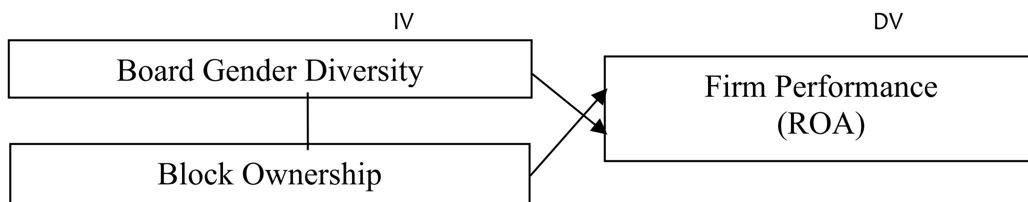

Figure2. 1: conceptual framework

Sources: adapted from Velnampy and Pratheepkanth (2011)

METHODOLOGY

The research adopted expo facto research design since the research is secondary data research. The study used secondary data of financial report of 13 listed oil and gas companies quoted on the Nigerian Exchange Group as at 2021. To find out the relationship that exists between corporate governance and financial performance variables of the companies from 2011-2020. The sample of the study was 8 oil and gas companies quoted on the floor of Nigerian Exchange Group that have available data. The DV of the research is measured by return on asset (ROA); Return on asset is a ratio which is measured as profit after tax by total asset of the oil and gas company. The independent variable for the research is corporate governance which was determined using board gender diversity and block ownership. Board gender diversity as a proxy of corporate governance was measured in this research as the ratio of female directors within the period of study to total number of directors on board and block ownership was determined or measured as the sum of 5% and above shares of shareholding. The data collected are analyzed using descriptive statistics, multiple regression and Pearson correlation co-efficient. The data was done using STATA version 14.0 software.

Model Specification

The study adapted the model used by Adigwe, Nwanna, and John (2016) to examine the effect of corporate governance on financial performance of listed oil and gas companies in Nigeria where Return on Assets (ROA) is made a full function of board gender diversity and block ownership. Mathematically, the model is specified below:

ROA = f (BGD, BO)………………………………………………………………. (i)

Where:

ROA: Return on Assets, BGD: Board Gender Diversity, BO: block ownership, *f* = Functional Relation

Therefore, equation specification in its logarithm form is then:

$ROAit = \beta 0 + \beta 1BGDit + \beta 2BO\ it + Uit$…….. (i)

Where: ROA= Return on Assets, BGD= Board Gender Diversity, BLO= Block Ownership

Where:

=Intercept

it = represents the combination of time and individuality

Uit = error term

FINDINGS AND DISCUSSION

Data Observation

In this respect, a total of 400 observations were obtained in which 10 were missing, 390 as available observations of the study. The missing observations were 0.025% which is not significant to affect the analysis of our data.

Table 1 Observation Result

Basis	Total Observations	Observations deleted	Balance
Cook's distance	400	10	390

Source: Extracted from Stata (version 14.0) Output, 2023

Descriptive Statistics

This reflects the basic features of the data used for this research and it provides insight into the nature of data and gives a room for further analyses. Table 2 show the characteristic and contents of data used in the research and the result shows that ROA has a mean value of 2.2351 and standard deviation of

23.984 while -71.36 and 176.27 represent the minimum and maximum value respectively. The standard deviation shows that the data of ROA are far spread across the mean of the data; by implication the ROA of companies in listed Nigerian oil and gas sector are not similar. This is further confirmed by the differences between the maximum and minimum values. Thus, the ROA of listed oil and gas companies in Nigeria varies from one company to another company.

The data of BGD has an average of 12.0341 and standard deviation of 9.1248 with minimum and maximum values of 0 and 33.33 respectively. The minimum value of the data shows that, some listed oil and gas companies in Nigeria have a single gender (male or female) in the composition of their board members, while the mean value is far away from the maximum value of the data. Also, the standard deviation is relatively low compare to the mean value which means a great variance from the mean or that the data is clustered around the mean.

However, the data of BLO has a mean of 55.756, standard deviation as 23.993 with a minimum value of 6 and maximum of 89. This result shows that the average is closer to the maximum value and minimum value implying a wide range of variation on BLO of listed oil and gas companies in Nigeria. Also, the standard deviation reflects that BLO values are clustered around the mean because it is relatively lower than the mean value. But, the minimum and maximum value reflects that some companies have very low BLO while others have very high number of BLOs.

Table 2 Descriptive Statistics

Variable	Observations	Mean	Std Dev.	Min	Max
ROA	78	2.2351	23.984	-71.36	176.27
BGD	78	12.034	9.1248	0	33.33
BLO	78	55.756	23.993	6	89

Source: Extracted from Stata (version 14.0) Output, 2023

Correlation Result

The correlation analysis seeks to determine the relationships that exist between variables used in the research. Table 4 indicates the relationship that exists between value corporate governance and financial performance of oil and gas companies in Nigeria. The relationship between ROA and Board Gender Diversity is positively related with a coefficient of 0.0557 but insignificantly related with p-value of 0.6398 respectively. This implies that an increase in ROA could be resulted from an increase in Board Gender Diversity and implies that a decrease in ROA could also be resulted from a decrease in Board Gender Diversity of listed companies in the Nigerian Exchange Group. Furthermore, the relationship between ROA and Block Ownership is positively correlated with a coefficient of 0.0811. The result also suggests that an increase in percentage of Block Ownership results to an increase in ROA or an increase in block ownership rate results to increase in ROA of companies listed in oil and gas sector in Nigerian. This is confirmed by the value of coefficient (0.3166) and p-value of 0.0063.

Table 3 Correlation Result

	ROA	BGD	BLO
ROA	1.000		
BGD	0.0557 0.6398	1.000	
BLO	0.3166*	0.1539	1.000

	0.0063	0.1935	

Source: Extracted from Stata (version 14.0) Output, 2023

Regression Assumption Test

Normality

A normality test was carried out so as to ascertain whether the sample data are normally distributed or not. In this study, the researcher employed skewness/kurtosis test to determine the normality of the data set. Table 4.4 shows that the values of skewness/kurtosis of all variables are below ±1.96 and ±3 as recommended by Hair, (2010). In this study, all the variables under skewness test (BGD) were 0.6960, and 0.5637 while, 0.000 for BLO respectively.

Also, the result of the Kurtosis test is 0.5709 for ROA and 0.0038 for board gender diversity, respectively, while block ownership also with the value of 0.000. The result so far presented met the assumption of normality test.

Table 4 Result of Normality Test

VARIABLE	SKEWNESS	KURTOSIS
ROA	0.6960	0.5709
BGD	0.5637	0.0038
BLO	0.0000	0.0000

Source: Extracted from Stata (version 14.0) Output, 2023

Heteroskedasticity Test

Heteroskedasticity occurs when the variance of the error term differs across observations. It is a violation of homoscedasticity and often arises with panel data. For the purpose of this study, the Breusch-Pagan test was employed to check the data set for heteroskedasticity, the result presented in Table below indicates a chi-square of 0.02 and a probability of 0.8764 for the data set meant for value relevance of quality of accounting information, Therefore, concluded that the data under study has satisfied the requirement of heteroscedasticity with the p-value greater than the threshold of 0.05 (insignificance) as outlined by (Hoechle, 2007).

Table 5 Heteroskedasticity Test

Chi-Square	Prob>Chi-Square
0.02	0.8764

Source: Researcher's computation (STATA 14 Outputs, 2023).

Autocorrelation Test

The test for autocorrelation in this study as presented in the table below shows that the probability is 0.6234 for the dataset, which is greater than the threshold of 0.05, this has indicated the absent of autocorrelation problem as the rule of thumb suggested that probability value should not be significant. Hence, the null hypothesis of first-order autocorrelation will not be rejected and the alternate hypothesis of positive first-order autocorrelation for the dataset is rejected. Therefore, the assumption of autocorrelation is satisfied.

Table 6 Autocorrelation Test

F Ratio	Prob>F
0.264	0.6234

Source: Researcher's computation (STATA 14.0 Outputs, 2023).

Multicollinearity Test

The result of the VIF test as presented in Table below shows that both the VIF and tolerance values of all variables fall within the recommended threshold of less than 10 for VIF and greater than 1/10 (0.10) for tolerance value.

Table 7 reveals the absence of multicollinearity as the BGD and BLO have VIF values that are less than 10 and TV values that are above 0.10. Based on this, the models can be described as fit and robust for the study since there is no evidence of multicollinearity.

Table 7 Multicollinearity

Variable	VIF	1/VIF
BGD	1.15	0.8697
BLO	1.09	0.9163
Mean VIF	1.12	

Source: Extracted from Stata (version 14.0) Output, 2023

Model Specification Error Test

In view of this, the result of the test as showed in table below therefore depicts the Probability value of 0.4473 which is insignificant, meaning that there are other factors which influence Financial performance that are not captured in the model, but they are not excessively influential factors. This suggests the model is adequately specified.

Table 8 Model Specification Test

F Ratio		Prob>F
0.90		0.4473

Source: Researcher's computation (STATA 14 Outputs, 2023).

Regression Result

Before the regression analysis, the study has to ensure that certain necessary regression assumptions have been met (Hair, 2010). This is achieved by carrying out several tests to ensure that data collected comply with the underlined regression assumptions. The results of these tests were presented before the main regression result.

Both random and fixed effect regression were run for the studies, but the study found that the fixed effect result is better than the random effect, so the researcher adapted the fixed effect regression. The regression results reveal that the R-squared of 0.33 which is the multiple coefficient of determination that gives the proportion or percentage of the total variation in the dependent variable explained by the explanatory variables jointly. Hence, it indicates that 33% the corporate governance if judiciously put in place could influence the financial performance of the listed oil and gas companies in Nigeria. This can be observed in the table 9 below given the value of R-squared of 33% at 5% significant level (F statistics = 0.000), hence the finding of the study is relied upon.

Table 9 Regression Analysis Showing the Relationship between Corporate Governance Mechanisms and ROA (78 Observations)

Variable	Coefficient	T	P-value
BGD	-0.6764	-0.33	0.741
BLO	0.2564	2.09	0.040
Constant	0.9834	1.93	0.057
R-squared	**0.3300**		
F statistics Adj R-squared	**0.0000** **0.2895**		

5% Significance level. **Source: STATA (14) Output, 2023.*

Hypothesis Testing

$H0_1$: There is no relationship between board gender diversity and return on asset of listed oil and gas companies in the Nigeria

The result related to hypothesis one as depicted in the same table 4.9 prove that the board gender diversity is insignificantly related with financial performance with probability value of 0.741 and a positive coefficient value of 0.2564 which indicates that the earlier stated hypothesis three that stated that board gender diversity has no significant impact on return on assets of listed oil and gas companies in Nigeria is to be relied upon. Therefore the null hypothesis is accepted and alternative hypothesis which states that BGD has significant impact on ROA of listed oil and gas companies in Nigeria was rejected. This finding is empirically in line with the findings of Olaoye and Adeyemi (2021), Gbadebo (2021), Umar. Norfadzila. Hussaini., and Habibu (2020), Yan, Kaleemullah, Bola and Kemi (2020), Malik and AbdulRazak (2017), Udeh, Abiahu and Tambou (2017), and contradicted with the results of Abosede. A Fashagba. & Dandago. (2019), Odunayo (2019).

$H0_2$: There is no relationship between block ownership and return on asset of listed oil and gas companies in the Nigeria.

Table 4.9 presented also reveals a coefficient of 0.2564 and a p-value of 0.040 with indicates that block ownership has positive and significant relationship with return on assets, given the p-value of 0.040 indicates that BLO exerts significant as well as positive impact on ROA. Hence, the result is contradicted the hypothesis 4 ($H0_4$) that states BLOWN has no significant impact on ROA of the listed oil and gas companies in Nigeria. Therefore, the null hypothesis is to be rejected as it is not in accordance with what was earlier proclaimed therefore the alternative hypothesis was accepted. This result is not supported with the findings of Daniel, Nuraddeen and Ahmad (2021), Lai, Cuong and Baiding (2019), Heidi and Mohamed (2017). But it is in line with that of Ahmad and Rubi (2020).Naveen and Singh (2012).

Discussion of Results

The explanations and implications on the effect of corporate governance on financial performance of oil and gas companies in Nigeria from the regression result are presented below.

Board gender diversity and return on assets

The regression result in table 4.9 also reveals that the board gender diversity has negative and insignificant impact on return on assets. This suggests that board gender diversity does not in any way

affect the financial performance of oil and gas companies in Nigeria. The relationship between BGDIV and ROA is insignificant; this implies that financial performance of oil and gas companies in Nigeria is not connected with the gender diversity of board member.

In conclusion, the finding is in harmony with the findings of Olaoye and Adeyemi (2021), Gbadebo (2021), Umar. Norfadzila. Hussaini., and Habibu (2020), Yan, Kaleemullah, Bola and Kemi (2020), Malik and AbdulRazak (2017), Odunayo (2019), Udeh, Abiahu and Tambou (2017).

Block ownership and return on assets

On contrary, the result on block ownership and financial performance shows a positive and significant impact on return on assets. This suggests that an increase in BLOWN leads to significant increase in financial performance represented by ROA of the listed oil and gas companies in Nigeria. The relationship between block ownership and financial performance is significant; this implies that companies with larger block ownership on their board perform better financially than those without on their board. This result is not supported with the findings of Daniel, Nuraddeen and Ahmad (2021), Lai, Cuong and Baiding (2019), Heidi and Mohamed (2017). But it is in line with that of Ahmad and Rubi (2020). Naveen and Singh (2012).

SUMMARY, CONCLUSION AND RECOMMENDATION

Summary

A lot of studies have been done on corporate governance and financial performance but on financial institutions and other non oil and gas sector. Hence, this study examined the effect of corporate governance on financial performance of listed oil and gas companies in Nigeria using two independent variables; board gender diversity and block ownership and one dependent variable return on asset.

Two main theories of corporate governance considered in this study were stakeholder theory and agency theory. These theories provided the foundation and theoretical underpinnings for the study and showed an understanding and appreciation of corporate governance as a crucial tool in organizational management. The theories also illustrated why corporate behavior is as it is and how a long-term improvement in the efficiency and effectiveness of firms can be sustained.

The study adopted the ex-post facto research design; the data were sourced from annual report of 8 sample quoted oil and gas companies in Nigerian for the period of 2011-2020. The data collected were analyzed using descriptive, multiple regression and Pearson correlation co-efficient. The correlation co-efficient helped to examine the association between the corporate governance mechanisms and financial performance of oil and gas companies and extents were they associated. Multiple regressions were used to establish the appropriate relationship between the variables and their various degree of significance to the companies. The return on asset (ROA) through STATA was observed against two proxies of corporate governance (Board gender diversity and Block ownership).

The first objective of this study was to assess the relationship between board gender diversity and financial performance of listed oil and gas companies in Nigeria. The regression result reveals that the board gender diversity has negative and insignificant impact on return on assets. This suggests that board gender diversity does not in any way affect the financial performance of oil and gas companies in Nigeria. The relationship between BGD and ROA is insignificant; this implies that financial performance of oil and gas companies in Nigeria is not connected with the gender diversity of board member.

The second objective of this study was to examine the relationship between block ownership and financial performance of listed oil and gas companies in Nigeria. The result on block ownership and

financial performance shows a positive and significant impact on return on assets. This suggests that an increase in BLO leads to significant increase in financial performance represented by ROA of the listed oil and gas companies in Nigeria. The relationship between block ownership and financial performance is significant; this implies that companies with larger block ownership on their board perform better financially than those without on their board

Conclusion

From analysis of the result, the board gender diversity has negative and insignificant impact on return on assets. This means that board gender diversity does not in any way affect the financial performance of oil and gas companies in Nigeria. The relationship between BGD and ROA is insignificant; this implies that financial performance of oil and gas companies in Nigeria is not connected with the gender diversity of board member. Moreover, the result on block ownership and financial performance shows a positive and significant impact on return on assets. This suggests that an increase in BLO leads to significant increase in financial performance represented by ROA of the listed oil and gas companies in Nigeria. The relationship between block ownership and financial performance is significant; this implies that companies with larger block ownership on their board perform better financially than those without on their board.

Recommendation

Following the findings and conclusion from the study, the study makes the following recommendation that:

This research recommended that in constituting a board of directors, gender should not be an important issue to consider but personnel with high reputation and vast knowledge should be important criteria and also the study further recommended that, the percentage of block holders should be increase because an increase in block ownership leads to increase in return on asset of listed oil and gas companies in Nigeria.

Suggestion for Future Studies

This study suggests a series of suggestions for future research. More research could be undertaken to introduce more or different variables and also assess either moderating or intervention variables of corporate governance on the financial performance of oil and gas companies in Nigeria. The study is restricted to only one sector of the economy that is oil and gas, using more sectors and lager population may give different results. The current study used quantitative measures of financial performance of oil and gas firms. A similar study could be carried out based on the measurement of both qualitative and quantitative performance. This could expand the scope of the present study.

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