BOARD DIVERSITY AND MARKET VALUE ADDED OF QUOTED CONGLOMERATES IN NIGERIA

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Abstract: This study ascertained the nexus between Board Diversity and Market Value added of quoted Conglomerates in Nigeria for a thirteen (13) year period spanning from 2007-2020. Specifically, three objectives were formulated. Purposively, five (5) quoted conglomerates constituted the sample size of this study between 2007 and 2020. *Ex-Post facto* research designs were adopted while secondary data were extracted from the annual reports and accounts of the sampled conglomerates and were analysed using E-Views 10.0 statistical software. This study utilised inferential statistics via Pearson correlation, Multicollinearity test, Panel Least Square (PLS) regression analysis and Hausman test. Findings from the empirical analysis showed that there is a significant and positive relationship between Gender Diversity and Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance ($\beta_1 = 0.057580$, probability value = $0.0118 < 0.05$); there is a significant but negative relationship between Board Diversity and Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance ($\beta_1 = -0.772898$, probability value = $0.0004 < 0.05$); there is a significant and positive relationship between Board Independence and Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance ($\beta_3 = 0.022075$, probability value = $0.0291 < 0.05$).. It was recommended amongst others that corporate firms should continue to strengthen policies that will improve firm-level corporate governance in order to attract investors and bolster overall growth

Keywords: Gender Diversity, Board Diversity, Board Independence and Market Value Added

Background to the Study

The board of directors is the most important decision-making body in a corporation. Its responsibilities span from making key financial and strategic decisions, such as approving changes in capital structure and mergers and acquisitions, to the difficult task of choosing the company's top executive leadership. The board is often noted as having four key functions: monitoring and controlling managers, providing information and counsel to managers, monitoring compliance with applicable laws and regulations, and linking the corporation to the external environment. There is a growing recognition that the board is a social system whose behavioural elements will influence board effectiveness, and that the chair has a key role in influencing that boardroom behaviour (Nwafor & Amahalu, 2021)). Additionally, the increased focus on board performance has led the membership of boards to come under scrutiny, particularly in regard to how board composition reflects the wider population.

In Nigeria, the Corporate Governance Code (2018) identified the need for directors to be appointed from more diverse backgrounds, in particular to increase the proportion of women and people from ethnic minorities. Diversity is seen to ensure that better quality decisions are made. Diversity is also seen as requiring excellent leadership skills. The role of the chair in managing boardroom dynamics is, therefore, crucial in achieving maximum benefit from likely changes in board composition. Effective boards are composed of individuals with different skills, knowledge, information and power. They provide a better understanding of the company's market position and more effective in problem solving. Diversity in the board of directors limits the myopia of decision-making processes, which may result in unhealthy and possibly unethical decisions. A vast literature such as, indicated that diversity related parameters; such as, gender, age, ethnicity, nationality, educational background, industrial experience and organizational membership ultimately determine the effectiveness of the board's composition. Shareholders expect management to generate value over and above the costs of resources consumed, including the cost of using capital. A company that is destroying value will always struggle to attract further capital to finance expansion since it will be hamstrung by a share price that stands at a discount to the underlying value of its assets and by higher interest rates on debt or bank loans demanded by creditors (Amahalu & Ezechukwu, 2020).

A conglomerate is a large corporation that has controlling interests in several smaller companies. Businesses in a conglomerate are often unrelated and very different from one another in terms of the products or services they offer. Companies owned by conglomerates have access to internal capital markets, enabling more ability to grow. A conglomerate can allocate capital for one of their companies if external capital markets are not offering at terms the company wants. On the other hand, the accounting disclosure of a conglomerate is complicated, since a lot of figures are released as a group, rather than separately for each business. This, therefore, makes it difficult for managers, investors, and regulators to analyse financial information. It is against this backdrop that this study ascertained the relationship between board diversity and market value added of quoted conglomerates in Nigeria.

Statement of the Problem

The multiple cases of institutional failure across the globe in recent times have brought the attention of stakeholders to the makeup of the board of directors. The consequences of ineffectiveness and inconsistencies in management decision making have severally led to corporate failure which not only affects the shareholders wealth but also, the employees, suppliers, consumers and nations as a whole. The board is the supreme decision-making unit in the company, as the board of directors has the responsibility to safeguard and maximize shareholder's wealth, oversee firm performance, and assess managerial efficiency. A diverse board encompasses many elements. Racial diversity is a priority for many boards today, as recognition of the significant underrepresentation of racial minorities on corporate boards spreads. In addition to race, director qualifications, experience, age, ethnicity, gender, and independence can all contribute to a board's diversity, improve its productivity, and strengthen its governance. Diverse groups tend to be slower at reaching a consensus. Homogeneous groups reach decisions quickly but they also tend to maintain the status quo.

Numerous studies have tried to establish the importance of board diversity to enhanced firm performance, but there has been no consensus on the influence of board diversity on firm performance. Findings from extant literature have been mixed and inconclusive, ranging from significant positive relationship to negative relationship and non-significant relationship thereby creating a gap in knowledge which this study tends to fill. For instance, Khan & Wang, (2021); Okudo and Amahalu (2021) are of the view that diversity provides positive performance benefits to organizations.. Some other studies found non-significant influence board diversity on firms' financial performance (Isa, & Farouk, 2018) while, Muhammad and Huang (2019), found a negative relationship. It is against this backdrop, that this study tends ti examine the relationship between board diversity and market value added of quoted conglomerates in Nigeria

Objectives of the Study

The main objective of this study is to ascertain the relationship between board diversity and market value added of quoted conglomerates in Nigeria. The specific objectives are to:

i. Determine the extent of relationship between gender diversity and market value added of quoted conglomerates in Nigeria.
ii. Ascertain the degree of relationship between board size and market value added of quoted conglomerates in Nigeria
iii. Assess the magnitude of relationship between board independence and market value added of quoted conglomerates in Nigeria.

Research Hypotheses

Based on the objectives of this study the following null hypotheses were tested:

Ho$_1$: There is no significant relationship between gender diversity and market value added of quoted conglomerates in Nigeria.
Ho$_2$: There is no significant relationship between board size and market value added of quoted conglomerates in Nigeria.
Ho$_3$: There is no significant relationship between board independence and market value added quoted conglomerates in Nigeria.

Conceptual Review

Board Diversity

Diversity refers to a wide range of people different from each other. It refers to differences between individuals on any personal attributes that determine how people perceive one another. Diversity is a human characteristic that differentiates one person from another. This includes biological characteristics of race, gender, age, colour, national origin as well as family and society in which they were born into. Mbonu and Amahalu (2021a) define diversity as the great number of different statuses among which a population is distributed. Board diversity can be defined as the variety inherent amongst the members of boards of directors with regard to characteristics such as kinds of expertise, managerial background, personality, learning style, age, gender, education and values. Board diversity aims to cultivate a broad spectrum of demographic attributes and characteristics in the boardroom. It is a simple and common measure to promote heterogeneity in the boardroom commonly known as gender diversity which is to include female representation on the board (Mirza & Malik, 2019).

Gender Diversity

Gender diversity is equitable or fair representation of people of different genders. It most commonly refers to an equitable ratio of men and women. Gender diversity is the proportion of male and female in companies or institutions. Gender diversity focuses on the percentage and number of women on boards. Board gender diversity stems from the presence of women on board to the percentage representation of women on the board of a corporate organization. Mbonu and Amahalu, (2021b) show that as female representation on boards increased, the level of corruption in their sample companies declined. It also increases the boards' ability to monitor management more objectively as women ask hard questions that their male counterparts might not be comfortable to ask. A gender-diverse workforce provides easier access to resources, such as various sources of credit, multiple sources of information, and wider industry knowledge. Gender diversity helps companies attract and retain talented women (Okudo & Ndubuisi, 2021).

Board Size

Board size refers to the total number of directors on the board of each sample firm which is inclusive of the chief executive officer (CEO) and Chairman for each accounting year. This will include outside directors, executive directors and non-executive directors. Board size represents the total head counts of directors seating on the corporate board. Size of the board is recognized as one of the unique features of Board dynamics with considerable but strategic impact on the board independence as well as the overall quality of corporate governance (Okegbe, Eneh & Amahalu, 2019). The size of board is vital to achieving the board effectiveness and improved firm performance especially from resource dependency perspective which place more emphasis on the board ability to co-opt limited and scares resource from various external links (Al-Rahahleh, 2017). Board size affects the quality of deliberation among members and ability of board to arrive at optimal corporate decisions.

Board Independence

Independence occurs when a board member has not been and is not currently employed by the company or its auditor and the board member's employer does not do a significant amount of business with the company. An independent director is a director of a board of directors who does not have a material or pecuniary relationship with company or related persons, except sitting fees. The presence of independent directors on a board can help to segregate the management and control tasks of a company and this is expected to offset inside members' opportunistic behaviours (Egolum, Amahalu & Obi, 2019). Independent directors are directors that have no personal or professional relationship with a company, other than being a board member. They are also often referred to as external directors (Borghesi, Chang & Mehran, 2016).

Market Value Added (MVA)

The market value added (MVA) is a performance measurement tool that computes for the increase in the value of the company's stock price. The MVA is derived by comparing the total market value of the firm and the book value of the invested capital (Tom-West, Okoye & Amahalu, 2021). Market value added (MVA) is a calculation

that shows the difference between the market value of a company and the capital contributed by all investors, both bondholders and shareholders. In other words, it is the market value of debt and equity minus all capital claims held against the company. It is calculated as:

MVA = V – K

where MVA is the market value added of the firm, V is the market value of the firm, including the value of the firm's equity and debt (its enterprise value), and K is the total amount of capital invested in the firm.

MVA = Market Value of Stocks - Book Value of Stockholders' Equity

The market value (MV) of stocks is computed by multiplying the number of outstanding shares by the market price per share (Aruna, Oshiole & Amahalu, 2020).

Gender Diversity and Market Value Added

The number of studies on board gender diversity and firm performance from different countries has increased in recent years because of the unique knowledge, information and variety of experiences, skills and networks of gender-diverse boards. A board with female members is more able to integrate the interest of multiple stakeholders, including employees, customers, suppliers and the communities with the performance-based interests of shareholders. Ginesti, Drago, Macchioni andSannino (2018); Amahalu and Obi (2020b); Omojolaibi, Okudo and Shojobi, (2019) found that the appointment of female directors can positively affect the firm's performance. Woschkowiak and Visser (2018) highlighted a negative relationship between female directors and firm performance. On the other hand, Ndulue, Okoye and Amahalu (2021). found that board gender diversity may not affect firm performance in terms of earnings quality. They also found that a higher proportion of female directors on the board of Australian firms correspond to a lower stock price volatility.

Board Size and Market Value Added

Several arguments arise in the literature on whether the size of corporate boards determines corporate performance. This argument always prevails due to the strategic position of the boardin companies' policies and strategies. For instance, Babatunde (2020); Eneh, Okegbe and Amahalu, (2019) indicated a significant negative relationship between board size and corporate performance, advocating that large board size result to ineffectiveness in communication, coordination and decision-making. Ghasemi and AbRazak (2016); Ecowas. Omojolaibi, Oladipupo & Okudo, (2019) concluded that large board size is connected with increased monitoring capacity which could lead to sharing of a variety of experiences in boardrooms.

Board Independence and Market Value Added

Enofe, Iyafekhe, and Eniola (2017) claims that independent directors have more diverse background and represents external stakeholders of companies. As such, they have a stronger orientation towards better operation strategies than their counterparts in the boardroom. In the same vein, Amahalu and Obi (2020a) indicated a positive link between board independence and improved corporate performance. Conversely, Wicaksana, Yuniasih and Handayani (2017) affirmed that independent directors are not effective in discharging their duties. Additionally, Makhlouf, Al-Sufy, and Almubaideen (2018) provided evidence of a non-significant relationship between independent directors and improved corporate performance.

Theoretical Framework

Agency Theory

Agency theory which was developed by Jensen and Meckling (1976) is a principle that is used to explain and resolve issues in the relationship between business principals and their agents. Agency theory is used to understand the relationships between agents and principals. The agent represents the principal in a particular business transaction and is expected to represent the best interests of the principal without regard for self-interest. The different interests of principals and agents may become a source of conflict, as some agents may not perfectly

act in the principal's best interests. The resulting miscommunication and disagreement may result in various problems and discord within companies. Incompatible desires may drive a wedge between each stakeholder and cause inefficiencies and financial losses. This leads to the principal-agent problem (Michael, 2021). The principal-agent problem occurs when the interests of a principal and agent come into conflict. Companies should seek to minimize these situations through solid corporate policy. These conflicts present normally ethical individuals with opportunities for moral hazard. Incentives may be used to redirect the behavior of the agent to realign these interests with the principal's concerns.

Empirical Review

Sabo (2018) examined the impact of corporate board gender diversity on financial performance of listed building materials companies in Nigeria. The population of the study comprises of 12 listed building materials companies in Nigeria out of which 9 companies within the period 2005 to 2015 were selected to be the sample of the study. The multivariate regression was used in analyzing the data. The findings of the study disclosed that board gender has negative and npn-significant impact on financial performance. The age of the companies which is the control variable has positive and significant impact on financial performance.

Alghadi, Ahmad and Adilah (2019) examined the influence of corporate governance on company cash holding by explaining the relationship between board gender, multiple directorship and cash holding using a sample of 87 non-financial companies including industrial and service companies that were listed on the Amman Stock Exchange from 2011 to 2017. By using Ordinary Last Square regression model (OLS). The findings indicated that board gender, multiple directorship positively influenced cash holdings

Dele, Akinwole and Ajide (2020) examined the effect of board size and its independence on the performance of listed entities in Nigeria. It further determined the effect of board diligence and board diversity on the performance of quoted firms in Nigeria. The study which covered a ten-year period (2009–2018) made use of secondary data sourced from published annual reports and accounts of 35 purposively selected listed companies on the Nigerian Stock Exchange (NSE). The Pooled Ordinary Least Square (OLS) and Generalised least square method of regression techniques were employed in analyzing the data obtained. The study concluded that board size and board diligence have impact on the performance of quoted companies in Nigeria, while board independence and gender diversity do not have effect on the performance of quoted firms in Nigeria.

Khan and Wang (2021) explored board diversity and its impacts on financial performance from selected commercial banks (CB) in China. The data sample for the research comprised selected CBs in China for the period from 2008 to 2019. Applying selection standards provided a data sample of 17 commercial banks. The study employed the generalized method of moments (GMM) regression model constructed on 170 observations to identify the variables' relationship. The findings showed that female independent directors positively and significantly affect bank financial performance. It was also found that the existence of female directors alone does not positively and significantly improves banks' financial performance.

Methodology

Research Design

This study utilised *Ex-post Facto* research design in ascertaining the relationship between board diversity and market value added of quoted conglomerates in Nigeria.

Population of the Study

The population of this study comprised of the six (6) conglomerates listed on the floor of the Nigerian Exchange Group (NGX) as at 31st December 2020. The conglomerates include: A.G. Leventis Nigeria Plc; Chellarams Plc; John Holt Plc; SCOA Nigeria Plc; Transnational Corporation of Nigeria Plc; UACN Plc.

Sample Size and Sampling Technique

Purposive sampling technique was adopted to select five (5) conglomerates with up to date and complete annual reports and accounts for the studied period (2007-2020). The sampled conglomerates are: A.G. Leventis Nigeria Plc; John Holt Plc; SCOA Nigeria Plc; Transnational Corporation of Nigeria Plc; UACN Plc.

Source of Data

Primarily, this study made use of secondary data. The data were sourced from publications of the Nigerian Exchange Group (NGX), fact books and the annual report and accounts of the sampled quoted conglomerates.

Table 1 Variables Definition and Measurement Units

Variable Type	Indicators	Variable Symbols	Definition and Measurement
Independent Variable (Board Diversity)			
	Gender Diversity	GDV	Number of Women on Board / Total Number of Directors on Board
	Board Size	BDS	Total Number of Directors on the Board
	Board Independence	BIND	Number of Independent Directors / Total Directors on the Board.
Dependent Variable			
	Market Value Added	MVA	Market Value of Stocks - Book Value of Stockholders' Equity
Control Variable			
	Firm Size	FSZ	Logarithm of Total Assets
	Leverage	LEV	Total Debt / Shareholders' Equity

Model Specification

This study adapt and modify the model of Borlea, Achim and Mare (2017):

$$ROCE = \beta_0 + \beta_1 BDS_{it} + \beta_2 FD_{it} + \beta_3 GDV_{it} + \mu_{it} \qquad - \qquad - \qquad - \qquad \text{equ (i)}$$

Where:
BDS = Board Size
FD = Foreign Directorship
GDV = Gender Diversity
ROCE = Return on Capital Employed
Thus, the specific constructs for this study's model is:

$$MVA_{it} = \beta_0 + \beta_1 GDV_{it} + \beta_2 BDS_{it} + \beta_3 BIND_{it} + \beta_4 FSZ_{it} + \beta_5 LEV_{it} + \mu_{it}$$

Where:

β_0 = Constant term (intercept)
β_{it} = Coefficients of Board Diversity for conglomerate i in period t
μ_{it} = Error term/unexplained variable(s) of conglomerate i in period t
MVA_{it} = Market Value Added of conglomerate i in period t
GDV_{it} = Gender Diversity of conglomerate i in period t
BDS_{it} = Board Size of conglomerate i in period t
$BIND_{it}$ = Board Independence of conglomerate i in period t
FSZ_{it} = Firm Size of conglomerate i in period t
LEV_{it} = Leverage of conglomerate i in period t
i = individual firms (1,2,…5)
t = time periods (1,2,3,… 14)

Data Presentation and Analysis

Table 2 Pearson Correlation Matrix

	MVA	GDV	BDS	BIND	FSZ	LEV
MVA	1.0000					
GDV	0.2710	1.0000				
BDS	-0.6186	0.2701	1.0000			
BIND	0.1259	0.4742	0.3775	1.0000		
FSZ	-0.6132	0.3038	0.6953	0.4347	1.0000	
LEV	-0.5186	-0.3596	0.2421	-0.2429	0.2036	1.0000

Source: E-Views 10.0 Correlation Output, 2021

Interpretation on Correlation Matrix

The result of the Pearson Coefficient analysis in table 4.2 indicates that MVA positively correlates with GDV and BIND at correlation coefficients of 0.2710 and 0.1259, but inversely associates with BDS, FSZ and LEV as revealed by the coefficient factors of -0.6186, -0.6132 and -0.5186 respectively.

Table 3: Multicollinearity Test

Variance Inflation Factors
Date: 11/24/21   Time: 18:34
Sample: 2007 2020
Included observations: 14

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	31.09078	22240.30	NA
GDV	6.231634	11.11241	1.503337
BDS	113.3369	46.58166	3.870073
BIND	0.096840	30.18727	2.191719
FSZ	0.269765	17.23087	1.953728
LEV	0.000443	8.199256	1.457599

Source: E-Views 10.0 Output, 2021

Table 3 shows that the Centered VIF for GDV = 1.503337; BDS = 3.870073; BIND = 2.191719; FSZ = 1.953728; LEV = 1.457599 are all below 10.0 which is an indication that there is no multicollinearity problem in the model, therefore the model is fit for regression purpose.

Test of Hypotheses

Table 4 Panel Least Square Regression Analysis testing the relationship between GDV, BDS, BIND, FSZ, LEV and MVA

Dependent Variable: MVA
Method: Panel Least Squares

Date: 11/24/21   Time: 18:35

Sample: 2007 2020

Periods included: 14

Cross-sections included: 5

Total panel (balanced) observations: 70

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	22.25369	10.87287	2.046717	0.0448
GDV	0.057580	0.022227	2.590559	0.0118
BDS	-0.772898	0.206319	-3.746125	0.0004
BIND	0.022075	0.009897	2.230458	0.0291
FSZ	1.852934	1.043179	1.776238	0.0804
LEV	0.056913	0.021814	2.609048	0.0113
R-squared	0.704945	Mean dependent var		0.651354
Adjusted R-squared	0.642832	S.D. dependent var		0.480728
S.E. of regression	0.445074	Akaike info criterion		1.300665
Sum squared resid	12.67783	Schwarz criterion		1.493393
Log likelihood	-39.52328	Hannan-Quinn criter.		1.377219
F-statistic	13.99519	Durbin-Watson stat		1.705397
Prob(F-statistic)	0.000000			

Source: E-Views 10.0 Panel Regression Output, 2021

Interpretation of Regression Result

Table 4 reveals an adjusted R^2 value of 0.642832. The adjusted R^2, which represents the coefficient of multiple determinations imply that 64.28% of the total variation in the dependent variable (MVA) of quoted conglomerates in Nigeria is jointly explained by the explanatory variables (GDV, BDS, BIND, FSZ and LEV). The adjusted R^2 of 64.28% did not constitute a problem to the study because the F- statistics value of 23.99519 with an associated Prob.>F = 0.000000 indicates that the model is fit to explain the relationship expressed in the study model and further suggests that the explanatory variables are properly selected, combined and used. The value of adjusted R^2 of 64.28% also shows that 35.72% of the variation in the dependent variable is explained by other factors not captured in the study model. This suggests that apart from GDV, BDS, BIND, FSZ and LEV there are other factors that mitigate MVA of quoted conglomerates in Nigeria. The results in table 4.4 illustrated that GDV has a positive and significant relationship with MVA measured with a beta coefficient (β_1) = 0.057580; t- value of 2.590559 and p- value of 0.0118 < 0.05 which is statistically significant at 5%: GDV has a negative but significant relationship with MVA measured with a beta coefficient (β_2) = -0.772898; t- value of -3.746125 and p- value of 0.0004 < 0.05 which is statistically significant at 5%: BIND has a positive and significant relationship with MVA measured with a beta coefficient (β_3) = 0.022075; t- value of 2.230458 and p- value of 0.0291 < 0.05 which is statistically significant at 5%.

MVA = 22.25369 + 0.057580 GDV - 0.772898 BDS + 0.022075 BIND + 1.852934 FSZ + 0.056913 LEV + μ
This beta coefficient revealed that if GDV, BIND, FSZ and LEV increase by one unit, then the sampled conglomerates MVA would increase by 5.76%, 2.21%, 185% and 5.69% respectively. In the same vein, an increase

in BDS will cause MVA to reduce by 77.29%. In addition, Durbin-Watson test is implied to check the auto correlation among the study variables. The Durbin-Watson value is 1.705397 which is less than 2 provide an evidence of no auto-correlation among the variables.

Decision

Based on the empirical evidence that suggests that there is a GDV, BDS and BIND has a significant relationship with MVA of quoted conglomerates in Nigeria at 5% level of significance, thus, the alternative hypothesis of the study is accepted.

Table 5 Hausman Test Comparing GDV, BDS, BIND, FSZ, LEV and MVA

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	18.719731	5	0.0091

Source: E-Views 10.0 Hausman Output, 2021

From the Hausman test result in table 5, the p-value is 0.0091, this is statistically significant at the conventional level of 0.05. Thus, the Fixed Effect Model (FEM) is more appropriate than the Random Effect Model (REM) in analysing the relationship between board diversity and market value added of quoted conglomerates in Nigeria at 5% significant level.

Findings, Conclusion and Recommendations

Summary of Findings

Based on the analysis of this study, the following findings emerged:

i. There is a significant and positive relationship between Gender Diversity and Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance ($\beta_1 = 0.057580$, probability value = 0.0118 < 0.05)

ii. There is a significant but negative relationship between Board Diversity and Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance ($\beta_1 = -0.772898$, probability value = 0.0004 < 0.05)

iii. There is a significant and positive relationship between Board Independence and Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance ($\beta_3 = 0.022075$, probability value = 0.0291 < 0.05).

Conclusion

This study ascertain the relationship between board diversity and market value added of quoted conglomerates in Nigeria from 2007-2020. Panel data were sourced from the annual reports and accounts of the sampled conglomerates firms. Inferential statistics using Correlation analysis, Multicollinearity test, Panel Least Square regression and Hausman test were employed via E-Views 10.0 statistical software. Data analysis revealed that a significant relationship exists between Board Diversity and Market Value Added of quoted conglomerates in Nigeria. As disaggregated components; there is a significant and positive relationship between Gender Diversity and Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance ($\beta_1 = 0.057580$, probability value = 0.0118 < 0.05); there is a significant but negative relationship between Board Diversity and

Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance (β_1 = -0.772898, probability value = 0.0004 < 0.05); there is a significant and positive relationship between Board Independence and Market Value Added of quoted Conglomerates in Nigeria at 5% level of significance (β_3 = 0.022075, probability value = 0.0291 < 0.05). The study concludes that the components of board diversity considered in this study are important variables in explaining market value added of quoted conglomerates in Nigeria.

Recommendations

The following recommendations were made in line with the findings and conclusion of this study:

i. Considering the positive relationship between gender diversity and market value added, this study recommends firms to incorporate more women on the board, so as to improve financial performance.

ii. In order to reverse the negative relationship between board size and market value added, firms should discourage larger board as this will enable members to effectively monitor the management, take informed decisions; reduce agency cost of monitoring and invariably leading to better financial performance.

iii. Based on the positive relationship between board independence, firms should continue to strengthen policies that will improve firm-level corporate governance in order to attract investors and bolster overall growth

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