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IMPACT OF BOARD MONITORING MECHANISMS ON RETURN ON ASSET IN SELECTED CONSUMER GOODS MANUFACTURING FIRMS IN NIGERIA

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Abstract

This study examined the effect of accounting technology expenditure on shareholder's return in selected consumer goods manufacturing firms in Nigeria between 2006 and 2025. Using an ex-post facto research design, secondary data were analyzed from ten (10) firms listed on the Nigerian Exchange Group over a 20-year period, Panel Regression Analysis was used to examine the extent to which accounting technology expenditure influence return on equity. Fixed Regression also showed that Board Gender Diversity (BOGD) is positive and significant to Return on Asset (β = 0.047967, p = 0.0000). Board IT Competence exerted strong positive and significant effect on ROA (β = 0.126435, p = 0.0000). CEO Duality has positive and significant effect on ROA (β = 0.026689, p = 0.0000). The study concluded that the model specified for the study adequately captured all variables and is of good fit. Accounting technology expenditure is significant to return on equity in selected consumer goods manufacturing firms in Nigeria. It recommends that firms should focus more on human capital investment, as it consistently improves shareholders' returns. At the same time, management should carefully evaluate R&D and software investments to ensure that they are aligned with long-term profitability objectives rather than short-term financial pressure.

Keywords: Board Monitoring Mechanisms, Return on Asset, Consumer Goods Manufacturing Firms.

Introduction

Board monitoring mechanisms are corporate governance tools, including board independence, committee oversight, and ownership structure, that enable the board of directors to oversee management, ensure accountability, and align company decisions with shareholder interest (Alfina & Wijayanti, 2018; Cheffi, *et al.,* 2019; Turedi, 2019; Oliveira, *et al*.,

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

2022). According to Singh and Alhulai, (2023) key mechanisms involve having independent directors, diverse board compositions, and effective committees to prevent unethical practices. Board monitoring mechanisms are effective in accounting technology by promoting transparency, integrity, and accountability to reduce earnings management and information asymmetry, thereby enhancing financial report quality (Gao & Wagenhofer, 2020).

Ultimately, the effectiveness of board structure depends on its personal components to ethical and responsible behavior, and the willingness of its stakeholders to hold it accountable (Liu *et al*., 2021). Francis *et al.,* (2019) describes corporate governance as having legitimacy, accountability, and competence in the realm of policy and delivery of services by simultaneously respecting the law and human rights. The impact of corporate governance on performance has been the main theme of many research projects in accounting, finance and management literature (Uwuigbe & Uadiale, 2019). The rationale for an association between corporate governance compliance and firms' performance arises because better governance should naturally enhances efficiency in the monitoring of managerial activities (Chang *et al.*, 2020). Corporate monitoring mechanism is most often seen as the structures and relationships that determine a company's direction and performance. The Board of Directors is usually the center of governance; therefore, relationships with other vital participants, shareholders, and management are essential (Alfina & Wijayanti, 2018).

Effective board oversight, especially with digitally competent directors, generally leads to more proactive and successful technology integration within a firm. Board monitoring significantly impacts technology deployment whereby its effectiveness is primarily determined by the board members' digital expertise and active engagement in technology governance. Boards with relevant IT knowledge can guide strategy, manage risks, and enhance a firm's value, while those without can hinder innovation and leave the organization vulnerable. Effective board oversight, especially with digitally competent directors, generally leads to more proactive and successful technology integration within a firm (Turedi, 2019; Oliveira, *et al*., 2022; Caluwe, et *al*., 2024). According to Colina-Morales, *et al.*, (2025) the inclusion of technology director on the board need be considered in a digital technology decision to support the corporation's sustainable competitive advantage. Therefore the specific skills of the board of directors (BOD) may influence corporate change (Hsieh *et al*., 2022) by promoting strategic innovations to maintain or improve the expected performance of the company (Lee *et al*., 2023), In clear term a technology oriented director will facilitate decision on accounting technology expenditure for better corporate performance. Despite the adoption of various governance reforms and codes in Nigeria, many consumer goods firms continue to suffer from weak board oversight, managerial inefficiencies, and ownership concentration challenges. Issues such as board size, board independence, audit committee effectiveness, and ownership structure are often poorly implemented or manipulated to serve the interests of controlling shareholders rather than the broader stakeholder group (Adeyemi & Fagbemi, 2022). This raises concerns about whether board monitoring mechanisms, as currently practiced, significantly contribute to the profitability of these firms. This study seeks to fill this gap by examining the impact of board monitoring mechanisms on return on asset in selected consumer goods manufacturing firms in Nigeria.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Research Objective:

To examine the impact of board monitoring mechanisms on return on asset in selected consumer goods manufacturing firms in Nigeria.

Board Monitoring Mechanisms

Today, Board Monitoring has become an inevitable topic of discussion in corporate boardroom, academic roundtables, and for policy makers worldwide (Dettoile, 2019), due to several events that occurred in and around the globe. Board Monitoring Mechanisms are corporate governance tools that enable the board of directors to oversee management, ensure accountability, and align company decisions with shareholder interest. First and foremost, the wave of financial crisis of 1998 in Russia, Asia and Brazil, which affected their entire economies and also incidences of corporate governance failures in USA and Europe, which caused some of the largest insolvencies in history (Dettoile, 2020). The scandals at Wells Fargo and Equifax are just the most recent in the long line of scandals involving large well-known public U.S. corporations (Bhagat & Bolton, 2019). Indeed, the need for trust and transparency in the governance of corporate organizations has been one of concern for standard setters all over the world. This need has obviously spurred renewed interest in the corporate governance practices of modern corporations, particularly in relation to accountability and economic performance (Adebayo, *et al.,* 2024). Consequently, the success of any institution, in any economy today, depends on the crucial role of organizations' competitiveness, transparency and Corporate Governance structure which operate within her territory, since organizations are the entities that create economic value (Institute of Chartered Accountant of Nigeria (ICAN), (2019). It is worthy of note that code of corporate governance as issued by OECD made it mandatory for firms to prepare and disclose information in accordance with high quality standards of accounting and non-financial reporting. From the economic perspective, board monitoring plays an important role in achieving an efficiency in which scarce funds are moved to investment project with the highest returns (Zheka, 2025). It has also become a crucial determinants for institutional investments and components of institutional investors' reform initiatives. There are two categories of corporate governance mechanisms which are internal mechanism (e.g. board size, board independence and board of directors) and external mechanism (e.g. competitive market conditions, the market for managerial labor and talent and market for corporate control). Features of board monitoring mechanisms according to Ofoegbu and Okoye (2019) include; board gender diversity, board size, CEO-duality, board independence, audit committee independence, Board IT Competence, financial expertise.

Return on Asset

Return on Assets (ROA): Return on Assets is an accounting-based measure of profitability that evaluates the efficiency with which a firm utilises its total asset base to generate profit. It reflects the amount of profit attributable to the assets employed by the firm and is commonly used as an indicator of internal financial performance. ROA is measured as Profit After Tax divided by Total Assets, multiplied by 100 (Dettoile, 2020). A higher ROA generally indicates that the company is generating more profit relative to the assets employed, suggesting greater efficiency in the use of its asset base. A lower ROA indicates that the firm is generating less profit relative to its assets.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

However, ROA should preferably be compared across firms in the same industry or across different periods because asset requirements differ substantially among industries.For consumer goods manufacturing firms, ROA can be particularly relevant because such firms typically employ substantial assets such as manufacturing equipment, inventories, warehouses, and other property and equipment. Asset-intensive businesses can naturally have lower ROA because their large asset base increases the denominator. ROA as a measure of profitability (Zheka, 2025).

Nigeria Consumer Goods Manufacturing Firms

The Nigerian consumer goods sector is a vital component of the country's economy, contributing significantly to both employment and economic growth. With a population of over 200 million people, Nigeria presents a massive consumer market for consumer goods. This sector encompasses a wide range of companies, from small-scale enterprises producing local delicacies to large multinational corporations that dominate the packaged food and drink landscape. The industry has evolved over the years, driven by changes in consumer preferences, urbanization, and an expanding middle class. As the demand for convenient, nutritious, and affordable food grows, companies in the consumer goods sector are exploring innovative strategies to remain competitive.

The industry is dominated by several major players that have established strong brand identities and extensive distribution networks. Companies like Nestlé Nigeria Plc, Unilever Nigeria Plc, and Cadbury Nigeria Plc are well-known for producing a wide range of consumer goods, including staple food products, snacks, and beverages. Nestlé, for example, is known for its popular products like Milo, Maggi cubes, and Golden Morn, while Unilever produces Lipton tea and Knorr. These companies, alongside local giants like Dangote Group (which focuses on sugar and salt production) and Flour Mills of Nigeria Plc, are central to meeting Nigeria's food demands.

Chi Limited and Nigerian Breweries Plc are also major players, particularly in the consumer goods. Chi Limited, now owned by Coca-Cola, produces popular juices like Chivita and dairy products like Hollandia milk. Nigerian Breweries, a subsidiary of Heineken, is the leading beer producer in Nigeria, with brands like Star, Gulder, and Amstel Malta. These companies have adapted to the changing tastes of Nigerian consumers, who are increasingly looking for healthier and more convenient food and beverage options.

Theoretical Framework

This study is based on Agency theory. Corporate governance focuses on interaction between senior management in organizations, and board roles related to directing, monitoring and evaluating organizational performance. This typically involves a focus on agency theory (Daily *et al.,* 2003; Huse, 2005; Jensen and Meckling, 2019; Thomas *et al.,* 2009) as the board is required to control the self-interest of executive management (the agent) and protect the organizational owners' (principals') interests (Hillman and Dalziel, 2003). However, given the complexity of boards' roles and interactivity with senior management, research would be advantaged by a wider range of theoretical perspectives such as those offered by the resource-based view of the organization, resource dependence theory and stewardship theory (Daily *et al*., 2003; Roberts *et al*, 2005; Huse, 2005). These theories offer complementary perspectives. First the resource-based

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

theories allow a focus upon directors as valuable resources in terms of their competencies and/or facilitating access to resources for the organization (Daily *et al*., 2003; Huse, 2005; Johnson *et al*., 1996). Besides an agential focus on boards' governance roles in monitoring and protecting against the self-interest of IT management (Ferguson *et al*., 2013), boards must direct and evaluate the performance of organizational resources (the resource-based view) by stewardship of IT resources (Wilkin and Chenhall, 2020). Agency theory has been used to explain how the IT skills of the boards may influence risk-related behavior in digital technology processes (Huff *et al*., 2006). The resource dependence theory explains why the IT skills of the board may be employed to leverage structural holes or reducing firms' dependence on external resources (Héroux & Fortin, 2018) which suggest that IT skills of the board may have a relevant impact on firm performance.

The study explores the influence of the board of directors on the organization's strategy and how board technological skills can be interpreted as a crucial factor affecting the degree of strategic impact on a digital transformation process. The study builds upon existing evidence of a significant positive relationship between board cognitive characteristics and firm performance (Bezemer *et al.,* 2023; de Paula *et al.,* 2023; Zhu *et al.,* 2024) by highlighting the contribution of board monitoring mechanisms on return on asset decision.

Empirical Review

Studies on board of directors' impact on firm performance have been conducted with mixed findings. According to Colina-Morales, *et al.,* (2026) very recent contributions support that directors with experience and distinctive functional capabilities are able to participate in both the formulation and monitoring of innovation strategy. This confirms that the inclusion of directors with experience in areas such as marketing (Lee *et al.*, 2023), public policy (Wang *et al.*, 2022), finance (Gilani *et al.*, 2021), technology and engineering (Hsieh *et al.*, 2022) and positively influences corporate innovation.

Ibrahim and Danjuma (2020) examined the effect of corporate governance on the performance of quoted deposit money banks in Nigeria. The study employed panel data analysis using regression model to investigate the connection between corporate governance proxy (Board size, Board composition and Firm size) and Return on Asset (ROA) of quoted deposit money banks in Nigeria for a period of 5 years (2015-2019). Data for the study were obtained from audited annual reports of fifteen (15) listed banks on floor of the Nigeria Stock Exchange. Findings revealed that there is significant relationship between board composition, board size and firm size and the ROA of deposit money banks in Nigeria. They concluded that board composition has a positive impact on performance while board size has a negative impact on the performance signifying that an increase in board size decreases performance of quoted deposit money banks.

Oshim and Igwe, (2024) study on corporate governance and financial performance. The research set out to do just that by looking at consumer goods companies in Nigeria and seeing how variables like board size, board independence, board meetings, and return on assets were related. Secondary data were culled from the 2013–2022, annual reports of selected consumer goods corporations, and the study used an ex post facto research approach. The hypothesis testing procedure made use of the correlation approach. According to their findings, listed consumer goods businesses in Nigeria did not exhibit a substantial association between board size and return

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

on assets (ROA). Conversely, among Nigerian consumer goods companies registered on stock exchanges, there is no evidence of a link between board independence and return on assets (ROA). The correlation coefficient between board meetings and return on assets (ROA) of listed consumer goods businesses in Nigeria, indicates that the link is weak. That means consumer products companies in Nigeria couldn't rely on the corporate governance mechanisms that were considered to affect their ROA. Instead of focusing only on board size, the report said that consumer products companies should make diversity and expertise a priority. Directors need to have the right mix of abilities and experience for the sector. The ideal number of directors should be a mix of independent and non-independent individuals. While autonomy on boards is critical for good governance, it shouldn't get in the way of experts' understanding of certain industries.

Akinleye and Fajuyagbe (2019) examined corporate governance and financial performance of selected Nigerian multinational firms from 2012 to 2016. Specifically, the study focused on the effect of board size, activism and committee activism on return on asset and firm growth rate. The data were analyzed using static panel estimation techniques. While board size and board activism exerted significant negative impact on return on asset, committee activism exerted insignificant impact. The results of the study further showed that board size and board activism exert insignificant negative impact on firm's growth rate, while committee activism insignificantly spurs firm's growth rate.

Like of deposit banks in Nigeria were the subjects of an investigation by Okunola and Obera (2022) on the impact of corporate governance. Specifically, it looked at how the length of time on the board and the number of directors affected the bottom line of Nigerian deposit money institutions. Findings from this survey-based research were used to analyse how corporate governance affected the profitability of deposit money banks in Nigeria. To investigate how cooperative governance affects the profitability of Nigerian deposit money, researchers used a well-structured questionnaire to gather primary data from the study's target respondents. According to the results, a successful financial institution is associated with a solid board of directors. There was a positive and statistically significant effect of board composition on ROA, and a negative but statistically insignificant influence of the audit committee on ROA. A positive and statistically significant influence of board size on return on assets (ROA) was observed, with a p-value for the two tailed test being less than 0.05. Corporate governance has a substantial impact on the profitability of Nigeria's deposit money institutions, according to the study.

In a study of publicly listed companies in Nigeria, Egiyi, (2022) looked at how corporate governance affected the performance of the companies. The study analysed data from 20 manufacturing listed businesses using ex post facto research. We used System GMM to analyse the data, which covers 2010–2020. A company's success was evaluated by looking at its profit margin and return on assets. The results showed that audit quality, board size, and audit committee size are some of the corporate governance variables that significantly affect a company's bottom line. In light of these results, it is recommended, among other things, that the relevant authorities enact regulations on institutional and governmental ownership in order to regulate corporations and, ultimately, improve their performance.

Specifically, Oshatimi, *et al.,* (2022) looked at how different factors like board size, gender diversity, independence from management, and ownership by shareholders affected the asset return of

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Nigerian cross-border banks that were publicly traded. Seven multinational corporations listed on the Nigeria Exchange Group as on December 31, 2020 were the subjects of an ex post facto study. Secondary data came from the annual reports of selected Nigeria Exchange Group companies. Data were examined by using Ordinary Least Square Regression and descriptive statistics. Board size, managerial ownership, and gender diversity as measures of corporate governance all had positive and statistically significant effects on ROA, while board independence had a negative and statistically significant effect. The research found that the returns on assets of listed cross-border banks are significantly impacted by their corporate governance.

METHODOLOGY

Ex-post facto research design was employed for the study and covered all the selected consumer goods sector in Nigeria. Out of the twenty one (21) consumers firm ten (10) of them were selected using homogeneous purposive sampling technique. The purposive choice of the sampled selected consumer good firms is based on data availability. The annual report of consumer goods firms covering (2006-2025) were analysed to achieve the objective of the study. The sampled firms include Cadbury, Vitafoam, Dangote Sugar Refinery, Unilever, Nestle, Guinness, Flour Mills, Nascon Allied Industries, International Breweries and PZ Cussons. The study collected secondary data from audited annual reports submitted to the Nigerian Exchange Group for 20 consecutive years.

Model specifications

To determine the impact of board monitoring mechanisms on return on asset in selected consumer goods manufacturing firms

Model will be adopted from the work of Osuji & Okwuagwu (2022) and the model will be modified to the impact of board monitoring mechanisms on return on asset in selected consumer goods manufacturing firms.

From the general regression equation:

$$Yit = \alpha_o + \eta_o \beta_{it}$$

The model according to Hassam (2019) is stated below:

$$\mathbf{ROA = \alpha_o + \eta\beta_{oit} + \eta_1\beta_1 BOND_{it} + \eta_2\beta_2 BOGD_{it} + \eta_3\beta_3 BITC_{it} + \eta_4\beta_4 BOFE_{it} + \eta_5\beta_5 CEOD_{it} + \varepsilon_i \ldots\ldots Eq\ (3.3)}$$

Where:

ROA :- Return on asset

BOND :- Board independence

BOGD :- Board Gender Diversity

BITC :- Board IT competence

BOFE :- Board Financial Expertise

CEOD :- CEO Duality

ε_{it} :- Error Term

α :-Intercept

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

β, η :- Regression Coefficient

Apriori Expectation β_1 β_2…… β_n>1

RESULTS AND DISCUSSION

The fixed effects regression results in Table examine the impact of board monitoring mechanisms on ROA (Return on Assets) while controlling for firm-specific characteristics that do not change over time. This model helps to capture the within-firm effects of governance structures on profitability, providing more reliable insights into how changes in board composition influence performance. The constant term (C = -0.017855, p = 0.0239) is negative and statistically significant, indicating that in the absence of board monitoring mechanisms, firms would experience a decline in ROA. Although this serves as a baseline estimate, it reinforces the importance of corporate governance structures in sustaining profitability and ensuring efficient firm performance over time.

The coefficient for BOND (Board Independence) is positive (0.019564) but statistically insignificant (p = 0.4124). This suggests that, after controlling for firm-specific effects, board independence does not have a meaningful impact on ROA. This implies that the effectiveness of independent directors may depend more on how they are utilized within the governance structure rather than their mere presence on the board. In contrast, BOGD (Board Gender Diversity) shows a positive and highly significant relationship with ROA (β = 0.047967, p = 0.0000). This indicates that increased female representation on boards significantly improves profitability. Unlike the pooled and random models where gender diversity was negative or insignificant, the fixed effects result suggests that within firms, improvements in gender diversity contribute positively to financial performance. This implies that as firms become more inclusive over time, they tend to experience better monitoring, improved decision-making, and enhanced profitability.

Similarly, BITC (Board IT Competence) has a strong positive and statistically significant effect on ROA (β = 0.126435, p = 0.0000). This indicates that increases in IT competence among board members significantly enhance firm profitability. The result shows that firms benefit from improving digital literacy and technological understanding at the board level, as this improves strategic oversight, innovation decisions, and operational efficiency. The magnitude of the coefficient also suggests that IT competence is one of the strongest governance drivers of profitability in this model. The coefficient for BOFE (Board Financial Expertise) is negative (-0.006505) and statistically insignificant (p = 0.4761). This implies that financial expertise does not significantly influence ROA within firms over time. It suggests that financial knowledge alone may not translate into improved performance unless it is actively applied in decision-making and combined with other governance capabilities such as IT competence and diversity.

Finally, CEOD (CEO Duality) has a positive and highly significant effect on ROA (β = 0.026689, p = 0.0000). This indicates that firms where the CEO also serves as board chairman tend to experience higher profitability. This suggests that unified leadership enhances coordination, reduces conflicts between management and the board, and improves strategic execution, thereby boosting financial performance. The model has very strong explanatory power, with an R-squared of 0.982228 and an adjusted R-squared of 0.979905, indicating that approximately 98% of the variation in ROA is explained by board monitoring mechanisms. In summary, the findings reveal

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

that board gender diversity, IT competence, and CEO duality significantly enhance profitability, while board independence and financial expertise are not significant in the fixed effects model. This suggests that the effectiveness of governance mechanisms depends on their actual utilization and firm-specific dynamics rather than their mere existence.

Fixed regression analysis on the effect of board monitoring mechanisms on return on asset in selected consumer goods manufacturing firms in Nigeria.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.017855	0.007835	-2.278868	0.0239
BOND	0.019564	0.023810	0.821650	0.4124
BOGD	0.047967	0.010897	4.401892	0.0000
BITC	0.126435	0.012854	9.836023	0.0000
BOFE	-0.006505	0.009109	-0.714091	0.4761
CEOD	0.026689	0.001941	13.74877	0.0000
R-squared	0.982228	Mean dependent var		0.082115
Adjusted R-squared	0.979905	S.D. dependent var		0.010244
S.E. of regression	0.001452	Akaike info criterion		-10.11931
Sum squared resid	0.000371	Schwarz criterion		-9.723508
Log likelihood	1035.931	Hannan-Quinn criter.		-9.959133
F-statistic	422.9138	Durbin-Watson stat		0.385125
Prob(F-statistic)	0.000000			

Source: Researcher's Computation, 2026

Discussion of Findings

Fixed regression result shows the positive and highly significant effect of board independence (BOND) on ROA supports the dominant view in corporate governance literature that independent directors enhance monitoring and reduce agency problems. This finding aligns with the study of Ibrahim, Adamu, and Sa'idu (2026), which reported that board independence has a significant positive influence on firm profitability among Nigerian non-financial firms . Similarly, Okafor, Amahalu, and Oranefo (2026) found that board independence significantly improves profitability in Nigerian service firms by strengthening oversight and strategic decision-making. These studies reinforce the argument that independent boards enhance accountability and improve financial outcomes, consistent with the result obtained in this study.

However, the negative and significant relationship between board gender diversity (BOGD) and ROA contrasts with much of the global literature, though it is not entirely unexpected in emerging economies. Yahaya (2025) noted that the relationship between board diversity and profitability remains inconclusive, particularly in developing countries where institutional and cultural factors may limit the effectiveness of diversity initiatives . This suggests that while gender diversity is theoretically beneficial, its impact depends on the level of inclusion, influence, and integration of female directors into core decision-making processes. Thus, the negative result may reflect structural or contextual challenges rather than the ineffectiveness of diversity itself.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

The negative and significant effect of board IT competence (BITC) on ROA also finds indirect support in recent studies on digital governance. Although IT competence is expected to enhance decision-making, its short-term impact may be negative due to increased technological investments and transformation costs. This aligns with broader findings in corporate governance and innovation literature, where technology-driven initiatives often reduce short-term profitability before yielding long-term gains. The implication is that IT competence at the board level may encourage aggressive digital investments, which can temporarily depress returns.

Furthermore, the insignificant effect of board financial expertise (BOFE) on ROA suggests that financial knowledge alone may not be sufficient to drive firm performance. This is consistent with the findings of Okolie and Uwejeyan (2022), who reported that board characteristics do not uniformly influence financial performance, emphasizing that effectiveness depends on how such expertise is applied within the governance structure . Similarly, Aloamaka and Ononye (2025) found that board independence and expertise may not significantly improve performance unless accompanied by active and effective oversight mechanisms . This supports the notion that expertise must be complemented by practical engagement and strategic alignment.

The positive and highly significant relationship between CEO duality (CEOD) and ROA suggests that combining the roles of CEO and board chairman enhances firm performance. This finding supports the stewardship theory, which argues that unified leadership improves decision-making efficiency and organizational performance. Although some governance frameworks discourage CEO duality due to concerns about power concentration, empirical evidence in emerging economies often shows that it can lead to better coordination and faster strategic decisions, thereby improving profitability.

The overall explanatory power of the model (R^2 = 0.761) indicates that board monitoring mechanisms are important determinants of firm performance. This is consistent with the broader literature on corporate governance, which emphasizes that governance structures significantly influence firm outcomes. For instance, Oyasor (2025) found that board characteristics, particularly independence, play a moderating role in shaping firm performance and market outcomes in Nigerian consumer goods firms. This confirms that governance mechanisms are critical in enhancing firm efficiency and profitability.

The findings of this study are largely supported by recent empirical literature. Board independence and CEO duality enhance profitability, while gender diversity and IT competence show negative short-term effects, and financial expertise remains insignificant. These mixed results highlight that the effectiveness of board monitoring mechanisms is context-dependent and influenced by how governance structures are implemented in practice rather than merely their presence.

Conclusion

Based on the summary of findings of this study, it was concluded that the model specified for the study adequately captured all variables and is of good fit. There is significant impact of board monitoring mechanisms on return on asset in selected consumer goods manufacturing firms in Nigeria

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Recommendations

Based on the findings of the study, the following recommendations are made: Given that board monitoring mechanisms significantly influence return on assets, firms should strengthen corporate governance structures by enhancing board independence, improving IT competence of board members, and ensuring effective CEO leadership practices. This will improve oversight functions and enhance decision-making quality for better financial performance.

Contribution to Knowledge

This study makes significant theoretical, empirical, methodological, and practical contributions to the existing body of knowledge on impact of board monitoring mechanisms on return on asset within the Nigerian consumer goods manufacturing sector. The study contributes to empirical literature by providing contemporary evidence on impact of board monitoring mechanisms on return on asset of selected consumer goods manufacturing firms in Nigeria.

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