BOARD CHARACTERISTICS AND PROFITABILITY OF PUBLICLY TRADED BREWERIES COMPANIES IN NIGERIA

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Keywords: board characteristics, profitability, board ownership concentration, non-executive board member, executive board members, chief executive officer duality.

Abstract: This study tends to determine the influence of board characteristics on the profitability of publicly traded Nigerian brewery companies for 2013 to 2022. Retrospective research design was used for the study alongside agency theory to underpin the study. Secondary data for the study was obtained from audited yearly reports of brewery companies and was analyzed with the aid of descriptive statistics and a regression model. The empirical finding reveals a significant positive relationship between non-executive board members and Return on Capital employed. A positive non-significant affiliation subsists between board ownership concentration and Return on Capital employed. However, a negative non-significant connection subsists between Executive board member, Chief executive officer Duality, and Return on Capital employed. The study concluded a non-significant impact between board characteristics and the profitability of publicly traded Nigerian brewery companies. The study recommends, among other things, adding more management members to boards of directors to improve company performance.

INTRODUCTION
The effective performance of any corporate entity to a large extent depends on the management of that corporation, which is the board of directors. The importance of board characteristics to corporate performance cannot be over-emphasized in present-day business. In the past, some sharp practices embarked upon by corporate entities resulted in financial crises that have heightened a strong desire by researchers to carry out more studies on corporate board characteristics (Aernan & Emengini, 2022).

Board characteristics relate to board composition and diversity of decision-making process by individuals with diverse experience on board matters. The efficient performance of an enterprise is affected by the quality of board members with adequate skill, qualification, experience, age, and gender (Eklemet, et al, 2023). The board ought to be structured in a manner to ensure multiplicity of experience...
is one of the most essential variables that bring about effective decision-making that can improve the performance of the corporate organization (Rizvi et al, 2023). Various studies have been carried out on board characteristics both in developed and developing countries of the world with mixed findings. There have not been any consistencies as to whether board characteristics impact profitability. Hence this study, board characteristics and profitability of publicly traded brewery companies in Nigeria is undertaken to fill in the gap in the literature.

CONCEPTUAL FRAMEWORK

Research Objectives:
The main purpose of the study exists to evaluate the impact of board characteristics on the profitability of publicly traded Brewery companies in Nigeria. The precise aims are to:
1) Evaluate the impact of board ownership concentration on return on capital employed of publicly traded brewery companies in Nigeria.

2) Evaluate the impact of executive board members on return on capital employed of publicly traded brewery companies in Nigeria.

3) Evaluate the impact of non-executive board members on the return on capital employed of publicly traded brewery companies in Nigeria.

4) Evaluate the impact of chief executive officer duality on the return on capital employed of publicly traded brewery companies in Nigeria.

**Research Hypotheses:**
The under-listed null hypotheses are:

- **Ho1:** there is no significant impact between board ownership concentration and return on capital employed of publicly traded brewery companies in Nigeria.
- **Ho2:** there is no significant impact between executive board members and the return on capital employed of publicly traded brewery companies in Nigeria.
- **Ho3:** there is no significant impact between non-executive board members and the return on capital employed of publicly traded brewery companies in Nigeria.
- **Ho4:** there is no significant impact between the chief executive officer's duality and the return on capital employed of publicly traded brewery companies in Nigeria.

**STAKEHOLDER THEORY**
Freeman (1984) developed the stakeholder theory which emphasized the need for managers to have corporate accountability to stakeholders instead of shareholders. This is the study of business management and ethics, representing the ethics and values of business management. Stakeholder theory explains that any legitimate individual or group involved in an organization does so to obtain benefits that are supposed to protect all legitimate business owners (Kalu, 2016). Stakeholders are specific groups or individuals who have an interest in the business and care about its fundamental importance. Stakeholders are all rightful parties to an organization that make sure all the required resources for meeting the final aims of the enterprises are continuously flowing in the preferred direction in the best concern of the general groups. It is on this basis that the model of collective obligation is underpin. It held that each legitimate party to the job was an integral part of the job, so it amounted to an outright injury to each of them, and an injury to the job was an injury to all. Therefore, it is in the public interest to consider corporate performance; rather than a particular group (Donaldson and Preston, 1995).

The stakeholder theory provided for the representation of different groups on corporate boards and the formation of consensus to avoid conflict of groups. Board of directors serves as mediation over the differing interests, and brings about the unity needed for the establishment’s accomplishment of goals (Donaldson et al., 1995). The foremost objectives of corporate organisation as itemized by the philosophy of stakeholder rest on the corporation board besides other outside stakeholder in the environment to which the company is responsible. The company’s board alleviated the possibility of conflict of interest between different groups. Unique historical experience is viewed as providing a balancing factor in contrasting influences and ensuring the consideration of all stakeholders.

Stakeholder theory is related to our basic research and can provide insights into how a business operates. He went on to say that any
organization, including brewery corporations, that wants to succeed in a business must be one that can create value for the community, financiers, government, shareholders and others. This means that it must consider all elements of the organization so that no one of these interests or concerns can be considered in isolation from the others. From this we propose that the success of large companies depends on the value creation of all startups among the founders, since each of these creators contributes to the achievement of organizational goals, and on this basis depends on the value creation of innovative companies Research.

CONCEPTUAL REVIEW

CONCEPT OF BOARD CHARACTERISTICS

Board characteristics entail the different categories of persons with diverse expertise and experience on the board of a corporation. Kalu, (2016) posited that board size is one of the characteristics of corporate governance that depicts the total number of directors both executive and non-executive on the board of a corporation. He stated that the quality of directors and their number on the board of a corporation affect the efficient functioning of that board and influence the overall financial performance of the firm.

Board multiplicity shows the different individual characteristics that determine the workers environment mixed such as; age differences, personal experience, culture, ethnicity, managerial experience, educational level, gender, skill, and discipline. The importance of board characteristics entails a complete set of board diversity in terms of traits that can serve as a “brain bank or reservoir” for effective corporate performance.

The factor that facilitates the characteristics of board members depends on the regulatory requirement, shareholding structure, skill and experience, diversity of operation of the firm, and the political culture predominant in the firm environment. No agreement has been reached concerning the size of the board of directors, but an enormous board is assumed to take in bureaucracy in terms of executive among members, a different school of thought believes that a diversified large board of different professional backgrounds will add value to the corporation (Sathyamourthi et al, 2017).

The size of the board must be sufficient enough to undertake and fulfill the aforementioned business; supervise, monitor, and control the establishment’s activities, and be comparative to the scale and difficulty of the aforementioned operations. It ought to promote multiplicity in its membership through a variety of traits relevant to encouraging improved decision-making and actual governance. The characteristics consist of field of knowledge, skill, and experience as well as age, culture, and gender (Nigerian Code of Corporate Governance, 2018).

NON-EXECUTIVE BOARD MEMBER

The non-executive board is also referred to as board independence. Olayiwole, (2018) in his study finding uncovered that board composition had a significant positive affiliation with performance, he stated that the board ought to have additional non-executive directors as this will decrease agency cost problems between the shareholder and executive directors. A study conducted by Marwa, et al, (2017) discovered that boards mostly dominated by non-executive directors perform highly about the ones dominated by executive directors. It is believed
in the study that many of the non-executive directors on the board will stifle the initiative of management by way of excessive monitoring of the board of directors. Kakanda et al (2017) posited that boards composed of several non-executive directors stand in a good position to carry out effective oversight duties, which can improve the performance of the firm. They found out in their study a positive significant association among non-executive board members and firm performance. This is the proportion of directors on the board of a corporation that does not hold any management position in that corporation. It is the number of outside directors on the board of an enterprise. Tornyeva and Wereko (2012) assert that non-executive director may not have a total responsibility to the course of the corporation due to other obligations and may not be in charge of issues disturbing the corporation which may limit their contribution toward company performance.

**EXECUTIVE BOARD MEMBERS**
This is the proportion of managers on the board of a corporation that holds management positions in that enterprise. It is said to be the number of managers serving on the board of an enterprise with managerial positions. Malik and Abdul, (2017) posited that board composition is an essential component of board structure that declares the number of executive and non-executive members of the board. They stated that boards that consist of more executive directors are likely to perform better due to freedom from corporate administrative influence.

**BOARD CONCENTRATION**
Board Ownership is the proportion of equity ownership held by directors of the corporation. The difference in ownership concentration could affect the operational decisions of the corporation and impact its financial performance. Agency problems result from to separation of ownership and control of the corporation. Ownership Concentration deals with the percentage of a corporation's share acquired by a definite number of the major shareholders. A high concentration of share can create additional stress on managers to act in manner that are value-maximizing (Adekunle et al, 2014). The ownership concentration strategy tends to lessen asymmetric facts disclosure between insiders and outsiders in the capital market (Shah & Hussein, 2012)

**MEMBERSHIP CONCENTRATION**
Galego et al., (2019), opined that ownership structure is an effective instrument used to assist the board of managers to enhance the performance of the corporation. The connection among ownership structure and financial performance has continued to be a subject matter of debate among some intellectuals and policymakers for a extended time. Some claim that ownership structure could lead to a conflict of interest between shareholders and management which can minimize the work of the corporation especially when managers are more interested in optimizing their interest in the cost of the owners (Khan & Zahid, 2020).

**CHIEF EXECUTIVE OFFICER DUALITY**
Chief executive officer duality deals with a situation, where an individual occupies the position of the chairman as well as the chief executive officer in the same organization.
Oyedokun et al (2017) posited that the division of the position by one individual is important to ensure check and balance within the enterprise for directors appointed to act following the purpose for which they are appointed. Several studies have investigated the separation of a chief executive officer from that of the chairman (Kalu 2016).

EMPIRICAL LITERATURE
Eklemet et al (2023) examined the regulating role of board size between the board characteristics and the bank’s performance in Ghana. The secondary data used were obtained from eighteen banks in Ghana from 2012 to 2020. The analysis was done through descriptive statistics and panel data regression. The results of the finding indicated a positive connection among board characteristics: (board gender diversity, non-executive director, director share ownership) and bank performance. It was recommended that competent female and non-executive directors should be strengthened to improve the effectiveness and independence of the board to hinder opportunistic managers’ behavior.

Royte et al. (2022) examined Board characteristics and company performance in the United States using a sample of 6962 corporations. Descriptive Pearson correlation and regression were used for the analysis. The findings showed that an independent board positively affects the quality of profit, but did not affect accrual-based earning management. The study concluded that independent board and financial expertise alone do not affect managerial oversight.

Amen et al (2023), studied the impact of board characteristics on firm performance in Turkey from 2013 to 2015, Resource dependency and agency theory were used to anchor the study. The statistical tests were carried out with the use of descriptive and regression analysis. The result of the study revealed a positive significant association among board independence, size, interlocking directors, and the performance of the firm. The study therefore concludes that board characteristics impact firm performance in Turkey.

Aernan et al. (2022) examine corporate board characteristics and financial performance of listed companies in Nigeria. Ex-post factor research design was used in the study likewise Agency and Stakeholders theories were used to underpin the study. The collected Secondary data from the Audited financial statements of listed companies in Nigeria for the 2011 to 2020 financial year were analyzed with the help of statistical tools such as descriptive, correlation, and regression techniques. The empirical findings showed gender diversity and board independence have a negative insignificant connection on firm performance while board size has a significant negative association with performance. However, board ethnicity influences performance positively but board diligence has an insignificant positive relationship on firm performance. The study recommended that shareholders should monitor board size to ensure balance and a maximum of 6 duly called board meetings annually.

Jonah (2023) investigated corporate governance attributes and financial performance of Nigerian listed industrial goods companies. The study employed a retrospective research design and utilized stakeholder theory to support the study. The secondary data used in the study emanated from the audited annual financial reports of the research company from 2009 to 2019. Data were
analysed by means of descriptive statistics, correlation, and regressions. The outcome of the finding showed a significant positive connection among board size, board composition (non-executive), and board member's competence on net profit margin as well as return on assets. The research work concludes that corporate governance attributes significantly affect financial performance of industrial goods listed companies in Nigeria. Among other things, it is recommended to appoint qualified outside directors with the required experience to the company's board of directors.

Naim and Aziz (2022) empirically investigate board characteristics’ impact on firm performance in India for the 2012 to 2018 financial year. The data collected from 348 corporations in the Indian stock exchange were analysed through Descriptive statistics, Pearson correlation and, regression. The result revealed a positive significant connection between the percentage of shareholding by the promoter and firm performance while a negative significant connection was observed on the percentage of share pledge by the promoter. Independent and non-independent directors had no significant association with firm performance.

Yakubu et al (2023) evaluated the effect of board characteristics and lifecycle on the corporate performance of Ghana-listed firms from 2009 to 2018 financial years. Stakeholder, Agency, and resources dependency theory were used to underpin the study. The secondary data collected were analyzed using descriptive statistics, correlation matrix, and regression techniques. The result depicted board size had an insignificant negative influence on Return on Asset as well as Return on Equity. Chief executive officer tenure has a significant positive influence on the performance variable used (ROA, ROE). It was recommended that more executives should be reduced on the board while more non-executive directors should be appointed to the board. Chief executive officer tenure should be elongated on the board of the corporation.

Mujeeb and Mustafa (2023) evaluated the impact of the board of directors’ characteristics on firm performance in Bahraini listed companies for 2019 and 2020. Descriptive Statistics, a Co-relational matrix, and a regression model were used to analyze the data. The finding revealed an insignificant connection between board characteristics (Board size, independence, gender diversity, meeting frequency) and performance variables (ROA, and ROE). The study concluded that board of director characteristic does not impact the performance of Bahraini firm. It was recommended that adequate investigation into the role of the board of directors of the Bahraini firm be made to increase the performance of the corporation.

Enilolobo et al. (2019) studied the corporate governance and financial performance of firms in Nigeria. The precise objective of the study was to ascertain the relationship among audit committees, board independence, ownership concentration, and return on assets. The study anchored on stakeholder theory. The study was a cross-sectional research design. Data were obtained from ten (10) listed petroleum and food companies in Nigeria from 2011 to 2017 year. The analysis was done using descriptive statistics; the Hausman test and panel repression. The result of the analysis indicated a positive significant association between audit committee, board independence, and ownership concentration with return on the asset; also the result showed...
board size had a negative significant association with financial performance. The study recommended that the board size should not be too many but should be kept at a manageable size. In addition, board independence should be encouraged to ensure improved firm performance.

Aktan et al. (2018) investigated the corporate governance and performance of the financial firms in Bahrain. The precise aims of the study were to ascertain the connection between board sizes, ownership concentration, and auditor reputation on return on assets. The study used secondary data, which was sourced from the annual report of fifteen (15) listed financial firms from 2011 to 2016 years on Bahrain Bourse. The methods of data analysis adopted for the study were descriptive statistics, correlation analysis, and multiple regressions. The result of the empirical analysis discovered that board size, auditor reputation, and ownership concentration significantly influence return on asset positively, a significant negative association was discovered among several board meetings and independent directors with return on asset. The study also revealed board size had a positive relation and independent directors had a negative significant relation with return on equity. Chief executive officer duality, firm leverage, and size had no effect on return on asset, return on equity as well or stock return. The study concludes that corporate governance influences the performance of firms in Bahrain.

Ali (2018) conducted a study to evaluate the impact of corporate governance on a firm’s financial performance, a comparative study of industrialised and non-industrialised markets in the USA and Pakistan. The specific aims of the study were to evaluate the influence of board ownership, board size, and board independence on financial performance. The study used both primary and secondary data. The instrument for data collection was a structured questionnaire, which was physically administered to fifty (50) staff of thirty (30) selected listed companies in the Karachi stock exchange. Out of which forty-five (45) were returned and floated online to fifty (50) staff of thirty (30) selected listed companies in the New York Stock Exchange out of which thirty-three (33) were returned for 2010 to 2015 while the data related to performance variable were download from the annual report of the firm online. The analysis was done using Excel. The result of the finding indicated that board ownership, experience, and chief executive duality positively effect the performance of the firm whereas board size negatively influences firm performance but no significant relation was observed between board independence and the performance of the firm in both countries.

Dosunmu et al. (2018) investigated corporate governance and banking sector performance in Nigeria. The precise aims of the study were to determine the effect of board size and board composition on return on assets. The descriptive research design was adopted. Secondary data used for the study was obtained from the Central Bank of Nigeria from 2012 to 2016. The method of data analysis used includes descriptive statistics and correlational analysis. The outcomes point out that board size had an unimportant negative relation with assets and non-executive board members had a negative relation with return on assets meaning that an increase in non-executive board members led to a reduction in financial performance. However executive board members had, a positive association with performance meaning that an
increase in executive members will lead to improved performance of banks in Nigeria. The study concludes that corporate governance influences bank performance. It was recommended that executive members’ upward review is necessary to enhance management efficiency.

Sathyamourthi et al. (2017), studied the impact of corporate governance on financial performance in Botswana. The explicit goals of the study were to evaluate the relationship between board gender diversity, board size, and non-executive directors on return on assets. The study focused on stewardship and agency theory. The methodology adopted was analytical and descriptive research design. Secondary data used in the study was obtained from the population of all listed consumer services sectors in Botswana from 2012 to 2016. The analysis of the data was done by means of descriptive statistics, regression and correlation analysis. The finding disclosed that board size, number of male board members, and non-executive directors have an important positive connection with return on assets. However, the study discovered that gender board diversity and the number of executive board members significantly influence the return on assets negatively. Likewise, many non-executive members have a positive connection with return on asset board meeting frequency was discovered to have a positive connection with return on asset. The study concluded that corporate governance influences the performance of the consumer services sector in Botswana. It was recommended a balance in gender diversity on the board of the consumer services sector in Botswana.

Dabor et al. (2015) investigated the impact of corporate governance on firms’ performance in Nigeria. The specific objectives of the study were to determine the relationship between board gender diversity and board size on return on asset and return on equity. The study was anchored on stewardship theory, agency theory, and stakeholder theory. The study adopted a panel data regression methodology. Secondary sources of data were used for the study. The data were collected from the annual reports of selected companies listed on the Nigeria stock exchange from 2004 to 2013. The statistical tools used for the analysis were descriptive statistics, correlation, and regression analysis. The result of the study showed that board gender diversity had a significant relationship with firm performance; large board size had a significant negative association with performance while ownership structure does not have any relationship with performance. The study concludes that corporate governance impacts on firm performance. It was recommended that statutory and regulatory bodies should ensure that listed companies maintain small boards.

**METHODOLOGY**

The research design used in this study was retrospective. This was adopted since it enables the researcher to gather available data for further evaluation of available facts. The population of the study consists of all listed brewery companies in Nigeria. The sample size comprises 4 listed brewery companies from 2013 to 2022. The choice of the sample size was based on the accessibility of financial data covering the period of the study. The data were analysed by means of descriptive and regression analysis aided by SPSS version 22.0.
VARIABLES MEASUREMENT

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Variable</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOC</td>
<td>Board Ownership Concentration</td>
<td>The number of board members that own the company share.</td>
</tr>
<tr>
<td>EBM</td>
<td>Executive Board Members</td>
<td>Number of executive board members.</td>
</tr>
<tr>
<td>NEBM</td>
<td>Non-Executive Board Members</td>
<td>Number of non-executive board members.</td>
</tr>
<tr>
<td>CEOD</td>
<td>Chief Executive Officer Duality</td>
<td>Number of chief executive officers with dual functions.</td>
</tr>
<tr>
<td>ROSE</td>
<td>Return on capital employed</td>
<td>Net profit after tax x 100 shareholder fund. 1</td>
</tr>
</tbody>
</table>

Model Specification

The models for this study are:

\[ P = B_0 + B_1 BC + et \ldots \ldots \ldots \ldots \ldots \ldots 1 \]

\[ ROCE = B_0 + B_1 BOC + B_2 EBM + B_3 NEBM + B_4 CEOD + et \ldots \ldots \ldots \ldots \ldots \ldots 2 \]

Where:

- P = Profitability
- BC = Board Characteristics
- ROCE = Return on capital employed
- BOC = Board Ownership Concentration
- EBM = Executive Board Member
- NEBM = Non-Executive Board Members
- CEOD = Chief Executive Officer Duality
DATA PRESENTATION, ANALYSIS AND DISCUSSION

Table 1.1 Descriptive statistics for all variables of the study

<table>
<thead>
<tr>
<th>Statistics</th>
<th>N</th>
<th>Statistic</th>
<th>Statistic</th>
<th>Statistic</th>
<th>Statistic</th>
<th>Statistic</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOC</td>
<td>40</td>
<td>2.00</td>
<td>7.00</td>
<td>155.00</td>
<td>3.8750</td>
<td>1.60428</td>
<td>.449</td>
</tr>
<tr>
<td>EBM</td>
<td>40</td>
<td>1.00</td>
<td>8.00</td>
<td>183.00</td>
<td>4.5750</td>
<td>2.34124</td>
<td>.027</td>
</tr>
<tr>
<td>NEBM</td>
<td>40</td>
<td>4.00</td>
<td>11.00</td>
<td>311.00</td>
<td>7.7750</td>
<td>1.91469</td>
<td>-.262</td>
</tr>
<tr>
<td>CEOD</td>
<td>40</td>
<td>.00</td>
<td>1.00</td>
<td>19.00</td>
<td>.4750</td>
<td>.50574</td>
<td>.104</td>
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<tr>
<td>ROSE</td>
<td>40</td>
<td>-0.53</td>
<td>2.72</td>
<td>6.25</td>
<td>.1563</td>
<td>.49990</td>
<td>1.805</td>
</tr>
</tbody>
</table>

Source: SPSS version 22.0 Output 2023.

The above table shows the descriptive statistics results for minimum, maximum, sum, mean, standard deviation, skewness, and kurtosis. The result shows 40 cases with no missing cases. The mean data indicates measures of central tendency are displayed on the table for all the variables. Also, the standard deviation that indicates the spread of the distribution as a measure of spreading is displayed. To determine asymmetry in distribution, skewness is computed. To be free from normality problems, the data for all variables of the study should be within the skewness tolerable limit of -2 to +2. From the table above all of the skewness value is less than one, which depicts that the data assumes a normal distribution. The kurtosis depicted a negative value except for ROCE which is positive and greater than three indicating leptokurtosis all other variables show platykurtic distribution.

Table 2.1, 2.2, and 2.3 Regression result on BOC, EBM NEBM, and CEOD on ROCE

Source: SPSS Version 22.0 Output 2023

The above tables show a Pearson correlation coefficient of 0.65 which indicates a strong connection among the regression and Return on Capital employed. The coefficient of determination $r^2 = 0.423
indicated that 42.3% of changes in return on capital employed are due to other factors not used in the model. The F-calculated value of |6.412| and a significant alpha value of 0.001 < 0.05 indicates the usefulness of the model. Durbin Watson's test statistic showed 1.856 which is closer to 2.0 indicating the absence of serial correlation. Hence the researchers upheld the usefulness of the model.

BOARD OWNERSHIP CONCENTRATION (BOC) had a t-value of |0.439| and an alpha value of 0.664 > 0.05 indicating a positive non-significant relationship on Return on Capital employed. The finding of the study was not in tandem with Naim et al., (2022), Enilolobo et al., (2019), Aktan et al., (2018), and Ali (2018) that discovered a positive significant relationship in the industries investigated.

**Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Squared</th>
<th>Adjusted R Squared</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. Change</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.650</td>
<td>.423</td>
<td>.357</td>
<td>1.23802</td>
<td>.423</td>
<td>6.412</td>
<td>4</td>
<td>35</td>
<td>.001</td>
<td>1.856</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), CEOD, EBM, NEBM, BOC
b. Dependent Variable: ROCE

**Source:** SPSS version 22.0 Output 2023

**ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>39.312</td>
<td>4</td>
<td>9.8286412 .001c</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>53.645</td>
<td>35</td>
<td>1.533</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>92.957d</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: ROCE
b. Predictors: (Constant), CEOD, EBM, NEBM, BOC

**Source:** SPSS version 22.0 Output 2023
EXECUTIVE BOARD MEMBER (EBM) had a t-value of |0.492| and an alpha value of 0.626>0.05 indicating a negative non-significant relationship on Return on Capital employed. The table shows that 0.223 reductions in executive board members will lead to improvement in Return on Capital Employed. The findings of the study disagree with Dosunmu et al., (2018) who discovered a positive relationship between performance in the industries investigated.

NON-EXECUTIVE BOARD MEMBER (NEBM) had a t-value of |2.448| and a significant alpha value of 0.020<0.05 indicating a significant positive relationship on return on capital employed. This implies that 0.679 increases in non-executive board members will improve the return on capital employed. The findings agree with the work of Jonah (2023), Eklemet et al. (2023), Amen et al., (2022), Royte et al. (2022), and Enilolobo et al. (2019) among others but disagree with Aernan et al. (2022), Aktan et al, (2018), Dosunmu et al (2018). That observed a negative significant relationship in the industries investigated.

CHIEF EXECUTIVE OFFICER DUALITY (CEOD) had a t-value of |0.266| and an alpha value of 0.792>0.05 indicating a negative non-significant relationship on return on capital employed. This implies that a reduction of 0.048 in chief executive officer duality will increase the return on capital employed. The finding of the study disagrees with the work of Yakubu et al., (2023), and Ali, (2018) who discovered a significant positive relationship between performance in the industries investigated.

CONCLUSION AND RECOMMENDATION
The efficient performance of a corporate entity is affected by the qualities of board members in terms of skill, experience, qualification, gender, ethnicity, etc. It is believed that a well-structured board will improve the performance of the corporation. From the empirical evidence, it is obvious that board characteristic does not impact corporation profitability. Therefore the study concluded that board characteristics affect the profitability of publicly traded brewery companies in Nigeria. Based on the study findings the following recommendations are necessary:

- Board members should be encouraged to own shares of the corporation as this will increase their commitment to the corporation resulting in improved performance.
- The number of executive directors on the board of the corporation currently should be reduced.
- For efficient performance, more non-executive members should be appointed to the board of the corporation.
- The position of chairman and chief executive officer should not be handled by one person, the position should be separated and handled by two different individuals.

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www.journal.innovations.com


Nigerian Code of Corporate Governance, 2018


