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Board Dynamics and Financial-Performance of Listed Oil and Gas Firms in Nigeria

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Abstract: This study made attempt to investigate the effect of board features on firms' financial-performance of listed oil and gas firms, in Nigeria, for a period between 2007 and 2018. Ex-post facto research design was employed using secondary data sourced from the annual reports of eight listed oil and gas firms. The results show positive effect of board composition, board size and board meeting on return-on-assets of the Nigerian listed oil and gas corporations, but statistically significant for board meeting only. It is therefore concluded that board characteristics contribute to improvement in firm performance of listed oil and gas Nigerian firms. The implication is that presence of independent non-executive board members in Nigerian listed oil and gas firms is responsive to its basic monitoring and supervisory role which is capable of taming insider trading and abuses. Additionally, the finding implies that boards meet, deliberate on, and approve matters contributing to improvement in the firms' financial performance, while the board size supports the same course. The economic consequence may not be far from improved support to revenue accruing to government revenue coffer through tax and stable employment rate spanning from improved performance of the firms. The study recommends that more board meetings where profit-oriented matters about the entity are discussed should be prioritised, and the firms should also engage experienced board members who are proficient in supervisory and scrutiny roles as a matter of policy.

Keywords: Board characteristics, board meeting, board size, oil and gas, return on assets.

JEL Classification: M41

INTRODUCTION

The advent and subsequent application of corporate-governance codes in the affairs of corporate world became expedient with the objective to address corporate shortfalls, frequent collapses, and a bid to position the entities for cross border economic advantages. The primary goal of every corporate establishment is to make profit and ensure its sustainable growth. But, there is a myriad of heterogeneous dynamics liable for good or bad financial performance of a company. Since it has been identified that corporate-governance compromise plays a huge role in corporate financial crisis and sudden collapse of firms (Johl, Kaur, & Cooper, 2015; Kabir, & Thai, 2017; Hidayat & Utama, 2017; Bw'auma, 2021), empirical and theoretical investigation to establish this claim further becomes necessary.

According to Mahadeo, Soobaroyen, and Hanuman (2012), Kabir, and Thai, (2017), and Shettima, and Dzolkarnaini (2018), development in corporate control fosters diversities in corporate entities, perhaps because of its inherent dynamisms. Definitely, application of diverse tactics to the running and governance of corporate entities would be expected to yield different results. Whereas, directors' roles in driving firms toward attaining the set target cannot be overemphasised. It appears the major mechanism accorded most attention in academic research among other corporate-governance mechanisms. This may not be farfetched as it stands to map out structure for other mechanisms such as assurance function, relationship with shareholders, business conduct and ethics, sustainability and transparency, to thrive (Kabir & Thai, 2017; Shettima, & Dzolkarnaini, 2018; Bw'auma, 2021; Chijoke-Mgbame, Boateng, & Mgbame, 2020). It ensures that the entity operates within established laws and tenets of regulatory prescriptions. Since board of directors determines the pace of other corporate-governance mechanisms, possible question that comes to mind is, how has its characteristics been positioned to drive corporate financial performance that happens to be the last result of a business entity?

Several studies have investigated the bond between (or effect of) board attributes and (on) firm performance of listed corporations in both advance and developing economies with major attention on all listed firms or a specific sector like banks, credit unions etc., such as Al-Matari, Al-Swidi and Faudziah (2014), Unda (2015), Vafaei, Ahmed, and Mather, (2015), Jadah, Murugiah, and Adzis (2016), Hidayat and Utama (2017), Shettima, and Dzolkarnaini (2018), Chijoke-Mgbame, *et al.*, (2020), Ali and Oudat (2021), Bw'auma (2021), Di Biase and Onorato (2021), Okolie and Uwejeyan (2022), and Abubakar, *et al.* (2023). But in Nigeria, weak empirical attention has been accorded oil and gas sector in this direction despite the fact that it still remains the main driver of Nigeria economy at the moment. Whereas, the sector is plague with deficit of oil/gas

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project performance (Rui, *et al*., 2018), gas flaring and oil spillage costs (Effiong & Etowa, 2012), corporate social responsibility failure resulting to violence, eco-terrorism, kidnapping and maladministration (Ekhator, 2014), among others. Meanwhile, Jadah, *et al*. (2016) has advocated for further research focusing on other non-banking organisations.

Also, deplorable state of corporate governance in Nigeria and (neighbouring) developing economies has been ascribed to weak boards, unproductive executive managers, corrupt practices, insider trading, misappropriation of resources, and unimplemented regulations (Adegbite, 2015; Awan & Akhtar, 2014; Jadah, *et al*., 2016; Osemeke & Adegbite, 2016; Shettima, & Dzolkarnaini 2018; Bw'auma, 2021). All these could be perpetrated by the people in charge of corporate governance, specifically the boards, thereby having its resultant consequences on corporate financial-performance. It is therefore not clear whether board-composition, size and frequency of its meeting have effect on Nigeria listed oil and gas firms. This study therefore made attempt to examine the effect of board characteristics on firms' financial-performance of listed oil and gas in Nigeria. The remaining sections present review of extant studies, methods employed, data analysis and discussion of findings, and conclusion and recommendation, in that order.

REVIEW OF EXISTING STUDIES

Board-Composition and Firm Financial-Performance

There are several measures of firm performance, but accounting measure of financial performance using return-on-assets is adopted here. According to Sinkey and Joseph (1992), return-on-assets is a measure of overall performance from accounting perspective. The measure is found appropriate because it considers possible organisation indebtedness. Also, separation between management and shareholder is a great concern to corporate stakeholders, while independence of non-executive board members is expected to ensure objectivity and curtails insider trading cum abuse of privileges. As the key constituent of corporate-governance, board-composition should be found responsive to its basic assigned roles, monitoring and supervising, providing improved performance oriented advice to decision makers to enhance corporate management and also inhibit opportunistic behaviour (Martín, & Herrero, 2018).

According to Roberts, McNully, and Stiles (2005), non-executive directors' role involves enhancing actual effectiveness of the board, and bootstring of confidence to the outside and potential investors, is very crucial. However, Kakabadse, Yang, and Sanders (2010) found no significant relationship between board effectiveness and having non-executive or independent director as head of the board, but that independence of the director is key. Paul, Friday and Godwin (2011) also documented that board composition failed to create value addition to firm performance based on 38 listed firms used. Fuzi, Halim, and Julizaerma (2016) submitted that someone with passive board experience and irrelevant background knowledge might be appointed by the executive directors to challenge their powers. This could be the basis for empirically established negative or no link amid board-composition and firm-performance (Martín & Herrero, 2018; Shukeri, Shin & Shaari, 2012; Rudkin, Zoysa, Lodh and Rashid, 2010; Johl *et al.*, 2015), suggesting that the presence of independent non-executive director does not enhance corporate financial performance. Whereas, positive relationship was recorded by Ilaboya and Obaretin (2015), Jadah, *et al.* (2016), Veklenko (2016), and Hidayat and Utama (2017). These findings provide basis for the null hypothetical drive stating no significant effect of board-composition on financial-performance of listed oil and gas firms in Nigeria.

Board-Meeting and Firm Financial-Performance

Frequency of board-meetings stands as another factor capable of affecting corporate performance. It measures board's diligence (Ilaboya & Obaretin, 2015; Johl *et al.* (2015), capturing its supervisory and scrutiny roles. Theoretically, the more meeting the board have, the more critical issues about development of the company, increased supervision, and scrutiny the board would have trashed, but not without supporting associated cost. Johl *et al.* (2015) even advocated for more board meetings based on observed failure of the meeting to translate to improvement in firm performance. For a board's meeting to bring significant improvement on its corporate performance, it should be a well-coordinated one, which tends to minimise cost with pivotal attention at improved performance. However, divergence of empirical outcomes on implication of board-meeting on firm-performance exists.

As a case, Al-Matari *et al.* (2014) noted a positive link between board-meeting and firm-performance (using Return-on-Assets – ROA) of listed Muscrat Security Market companies for a two-year period (2011 – 2012). Also, Kanakriyah (2021) confirmed positive effect of frequency of board-meeting on frim performance of Jordanian industrial and service firms in 2015 to 2019. Same direction of result was obtained by Al-Daoud, Saidin and Abidin (2016), and Beasley, Carcello, Hermanson, Neal, and Riley (2020). These findings are pointers to the fact that board-meeting is used to get board engaged in discussing matters that enhance firm's growth.

On the flip side, Aryani, Setiawan and Rahmawati (2017) found out that board meeting does not have effect upon firm-performance using 175 firm-year observations obtained from a purposively sampled firms listed on Jakarta Islamic Index during 2006 to 2016. Towing the same path with Aryani *et al.* (2017), Johl, *et*

al. (2015) similarly submitted that board meeting impound antithetic effect on firm-performance consistent with adverse relationship among the variables as reported by Bw'auma (2021); Ilaboya, and Obaretin (2015); and Yusoff and Alhaji (2012). These finding also suggest that corporate board-meetings could either be characterised by deliberation on issues that fail to add value to the firms' performance or held by people of low managerial acumen capable of enhancing corporate performance. Based on submission of these extant studies, this study hypothesised no significant effect of board-meeting on firm financial-performance of listed oil and gas firms in Nigeria.

Board-Size and Firm Financial-Performance

Size of a board has potential to define the final financial outcome of a corporate entity. As much as the presence of well experienced members of a board is highly important and well appreciated, its implications on the going concern fundamentals of the firms cannot be carpeted. Obviously, a poorly managed board size leads to agency cost capable of reducing firm financial-performance (Shettima, & Dzolkarnaini, 2018).

By using data sourced from listed 137-firm in Ghana and Nigeria, Badu and Appiah (2017) observed the influence of board-size on firm-performance and obtained positive relationship which is statistically significant between board-size, and firm performance. Similar result was documented by Kalsie and Shrivastav (2016) using panel data of non-financial 145-firm listed in the NSE-CNX 200 Index of India sixteen (16) industries. Also, Ilaboya and Obaretin (2015) similarly carried out a study that focused on 166-firm quoted on the Nigeria stock market between 2005 and 2012, as well as Shettima, and Dzolkarnaini (2018) focusing on microfinance institution in the same economy; Shukeri, Shin and Shaari (2012) from Malaysia based on 300 publicly listed firms; Mohammed (2018) by using data obtained from 146-listed-firm in Turkey covering 2011 and 2015; Jadah, *et al.* (2016), and they all reported positive and significant bond amid board-size and firm-performance in the same manner with Topak (2011).

On the flipside, Amedi and Mustafa (2020), and Bw'auma (2021) recorded a negative nexus concerning the two variables consistent with tenets of agency and resource dependence theory as also argued by Vafaei, *et al.* (2015). Hidayat and Utama (2017) distinctively found non-linear association between board-size and firm-performance, while positive association documented by Al-Matari, *et al.* (2014) is statistically insignificant. These varying empirical findings suggest incongruent submissions regarding the impounding role of board-size over corporate financial-performance. Thus, this study hypothesised no significant effect of board-size on firm-performance of Nigeria listed oil and gas firms.

A succinct deduction from the review of extant studies shows that so much empirical investigations have been carried out to exhume the effect of board features on firm-performance, within and outside Nigeria, developed or developing economies. However, major attention has not been directed at investigating the effect of the role of Nigerian oil and gas listed firms' board of directors on firm-performance. Also, past investigation carried out in Nigeria either captured all sectors or focused on banking, microfinance, or non-financial sector which can make it hard to accrue the submission to a specific sector. This informed the population scope target of Nigeria listed oil and gas firms in this present study.

DATA AND METHODS

The study adopts *ex-post facto* research design owing to the fact that after event secondary data were employed. The data were obtained from publicly available annual reports of the firms. Population consists all the listed eight oil and gas firms on the Nigerian Stock Exchange (NSE) as at December 31, 2018. The study considered all the 8 oil and gas firms as at the time data were collected. The study covered a period of 12 years, covering 2007 to 2018. This period was selected in order to explore the post-effect of the 2007 code of corporate-governance issued by the Nigerian Security Exchange Commission (SEC) on financial-performance of listed firms. Consistent with Nigerian Code of Corporate Governance – NCCG (2007), the study focused on board attributes, a subset of board of directors which is part of the corporate-governance mechanisms as contained in the code.

The model adapted from Ilaboya and Obaretin (2015) is as presented in equation 1, expressing board characteristics as function of financial-performance of the firms under review. That is,

$ROA_{it} = \beta_0 + \beta_1 BC_{it} + \beta_2 BM_{it} + \beta_3 BS_{it} + U_{it}$……. Equ. 1

Where:

$\beta_1 - \beta_3$ = Coefficients of the explanatory variables (BC, BM, BS);
ROA= Return-on-Asset of firm *i* at time *t*;
BC_{it} = board composition variables of firm *i* at time *t*;
BM_{it}= board meeting variables of firm *i* at time *t*;
BS_{it} = board size variables of firm *i* at time *t*;
U_{it} = Stochastic variables
Table 1 presents summary of operationalisation of variables investigated.

Table 1: Measurement of variables

S/N	Variables	Description	Measurement	Source
1	Return-on-Asset	It shows how efficient a firm's management is able to generate earnings from company's economic resources or assets.	Measured as a ratio of net income to total asset.	Al-Matari, *et al.* (2014)
2.	Board Composition	This is the directors mix in terms of skill, independence, tenure, and diversity in the board.	Measured as the proportion of independent directors over total number of directors.	Muchemwa, Padia & Callaghan (2016); Namoga (2016); Müller (2014).
3.	Board-meeting	Number of times directors attend meeting.	Measured as frequency of board-meeting attended by the members of the board. .	Al-Daoud, Saidin and Abidin (2016), Beasley, Carcello, Hermanson, Neal, and Riley (2020)
4.	Board-size	Number of directors.	Measured as number of directors on board.	Kalsie & Shrivastav (2016), Badu & Appiah (2017).

Source: Authors' Compilation (2020)

Data analysis was conducted using panel regression. Descriptive statistics involves mean, median, variance and standard deviation. Also, correlation and regression analyses were performed and hypotheses stated were tested using panel regression. Meanwhile, required diagnostic tests were done ensure that the regression estimation represents Best Linear Unbiased Estimator (BLUE).

RESULTS AND DISCUSSION OF FINDINGS

Table 2 presents the descriptive form of the dataset employed.

Table 2: Summary of descriptive statistics

Variable	Mean	Min	Max	Std. Dev	Kurtosis	Skewness
ROA	6.1217	1.7217	19.48	13.4062	8.4643	-2.140
BS	8.4936	4	16	9.2329	3.0809	-0.858
BC	0.6262	0.4	0.75	0.0857	2.4184	-0.2591
BM	6.1505	3	14	0.1042	2.1110	0.0151

Source: Authors' computation (2020)

Proxy of financial-performance used (which is return-on-assets) shows an average of 6.12%, suggesting that on average, Nigerian oil and gas listed firms present a good ratio. The mean score is similar to 0.06 reported by Al-Matari *et al.* (2012) Minimum, and maximum ROA of 1.72%, and 19.48% respectively with a standard deviation of 13.40 obtained in this study shows that that performance across the firms in the oil and gas sector differ significantly within the accounting periods considered, while the skewness and kurtosis statistics shows that financial performance is negatively skewed with high kurtosis depicting that the data set is mesokurtic.

Furthermore, descriptive statistics result shows that on an average, number of persons that constitute the board is 8, which is slightly lower than 9 reported by Ilaboya, and Obaretin (2015) but higher than 7 observed by Al-Matari, Al-Swidi, Fadzil and Al-Matari (2012), with a maximum of 16 persons on a board and a minimum of 4 persons on a board. More so, the data are normally distributed with a skewness value within the range of ±1.96 and a kurtosis value of approximately 3. Also, on an average, the board is composed of 62% non-executive directors with a minimum of 40% non-executive board members to a maximum of 75% and a high dispersion in terms of variation as the standard deviation clearly shows that the standard deviation does not cluster around the mean. However, the data is not normally distributed.

The result obtained also revealed that the boards had six meetings during the period under review with a minimum of three, and a maximum of 14 meetings. The data across all variables shows that virtually all the data obtained are not normally distributed. However, Ordinary Least Square assumption holds that for regression purpose, normality of data distribution holds no significance as the normality of the residual is of paramount significance. Thus, the normality of residual was conducted using Shapiro Wilks test of normality.

Correlation Matrix

The correlation coefficient represents linear connect among variables (explained and explanatory) and also between the explanatory variables themselves and also show symptoms of multi-collinearity. Table 3 shows correlation matrix among the variables which

signifies that examined independent variables can influence or affect the outcome variables. The explanatory variables are also associated however, with no strong relationship among them which shows no symptoms of multi-collinearity. Nevertheless, the issue of multi-collinearity was further looked into by using variance-inflation-factor (VIF).

Table 3: Correlation matrix

Variables	ROA	BS	BC	BM
ROA	1.000			
BS	-0.092	1.000		
BC	-0.261	-0.093	1.000	
BM	-0.368	-0.073	0.258	1.000

Source: Authors' Computation (2020)

Multicollinearity test results using VIF as shown in Table 5 reveals value less than 10, signifying lack of multicollinearity among the variables. The study can therefore rely on regression coefficient to predict the effect of independent variables on dependent variable. Hence, the final outcome of the study is considered free from harmful effect of multi-collinearity.

Table 4: Multi-collinearity Test Result

	Tolerance and VIF values	
	VIF	**1/VIF**
ROA		
BS	1.03	.970
BM	1.16	.858
BC	1.19	.841
Mean VIF	1.13	

Source: Authors' computation (2020)

Using Shapiro-Wilk test, normality test result in Table 5 shows that the residuals are normal in distribution. The criterion for making decision is the p-value. A p-value which if greater than 0.05 (p>5%) and considered insignificant shows that residuals are well distributed while a p-value lesser than 0.05 (p<5%) and considered significant indicates that the error terms are not normally distributed and thus, violates OLS assumption. In the result on Table 5, the p-values = 0.357 shows that residuals are normally distributed.

Table 5: Shapiro-Wilk W test for normal data

Variable	Obs	W	V	Z	Prob>z
ROA					
Resid	71	0.991	0.591	-1.146	0.874

Source: Authors' computation, (2020)

Based on Shapiro-Wilk test, result in Table 5 shows that the residuals are normally distributed (p-values = 0.874).

Table 6: Heteroskedacity Test

	Chi2 (1)	Prob > chi2
ROA	7.98	0.0947

Source: Authors' computation (2020)

Result of heteroscedasticity test conducted is presented in Table 6 and the result revealed that there is absence of heteroscedasticity given the probability values of 0.0947, which is statistically insignificant. This implies that error-term does vary across the residuals and as such, homogeneously not distributed. Hence, the test meets OLS linearity assumption, and result of regression would be suitable for analysis purpose. Also, serial correlation test result obtained shows that there exists no issue of Auto/serial correlation as the P-values = 0.837 and found insignificant statistically at 0.05 level.

Panel Regression Results, Hypothesis Testing and Discussion

Results of panel random- and fixed-effect regression conducted are presented in the Table 7. Both models are significant statistically at 0.05 with explanatory power of about 15%. All the variables were also found to impound positive effect on the financial-performance of Nigerian listed oil and gas firms for the period under investigation.

Table 7: Summary of Regression Result (FE and RE)

	Fixed-effect model		Random-effect model	
Variables	**Coefficient**	**p-value**	**Coefficient**	**p-value**
BC	0.086	0.811	0.085	0.181
BM	0.500	0.918	0.485	0.001
BS	0.013	0.236	0.004	0.787
Constant	-1.844	0.000	-1.845	0.000
Adjusted R2		0.147		0.149
F-Stat.		3.44		11.75
p-value		0.0223		0.0083

Source: Authors' computation, (2020)

As indicated in Table 8, the study conducted Hausman specification test after fixed- and random-effect tests were carried out. The essence of Hausman specification test is to choose the more preferred model between the fixed- and random-effect models.

Table 8: Hausman (1978) specification and LM test

ROA	Coef.
Hausman	
Chi-square test value	1.45
P-value	0.695
LM test	
Chi-square test value	0.00
P-value	1.000

Source: Authors' computation (2020)

Hausman specification test conducted produced p-value of 0.695, which is statistically insignificant. The implication is that the variation across entities is assumed to be random and correlated with independent variables included in the models. Thus, result of the random-effect model was considered suitable for analysis. Further test was conducted to choose between random-effect and pooled OLS. LM result indicates that pooled OLS is to be interpreted as shown by the p-values of 1.000 which is statistically insignificant. Therefore, pooled OLS-regression result presented in Table 9 was interpreted.

Table 9: Pooled OLS Linear regression

ROA	**Coef.**	**St. Err**	**t-value**	**p-value**	**[95% Conf**	**Interval]**	**Sig**
BC	0.085	0.063	1.34	0.185	-0.042	0.211	
BM	0.485	0.145	3.34	0.001	0.195	0.775	***
BS	0.004	0.014	0.27	0.788	-0.024	0.032	
Constant	-1.846	0.025	-74.30	0.000	-1.895	-1.796	***
F-test		3.916	SD dependent var			0.159	
Adj R^2		0.111	Number of obs			71.000	
			Prob > F			0.012	

**** p<0.01, ** p<0.05, * p<0.1*

Source: Authors' computation, (2020)

The regression result revealed that the explanatory variables jointly and significantly affect financial-performance of listed oil and gas firms in Nigeria stock market using return-on-assets with p-value of 0.012, and F-stat of 11.42 thereby showing that the model is well fitted. The result further unveil the model explains 11.1% of the dynamics affecting financial-performance of the listed firms. The regression result is used to test stated hypotheses as indicated in Table 10

Table 10: Test of Hypotheses

ROA	**Coefficient**	**Hypotheses**	**P-value**	**Decision on Null hypotheses**
BC	0.085	I	0.185	Fail to reject
BM	0.485	II	0.001	Reject
BS	0.004	III	0.788	Fail to reject

Source: Authors' computation, (2020)

The results presented in Table 9 and 10 show that there exists a positive effect of board composition (0.085) on firm-performance which indicates that as more non-executive directors is present on the board, there would be about 8.5% rise in the firms' financial-performance measured by return-on-asset (ROA). However, effect of board-composition on performance is not statistically significant as the Z-score (1.34) and P-value of 0.185 indicate that board-composition have no significant effect on firm-performance. It means a unit increase in board-composition may positively account for the changes in firm-performance though not to a significant extent. This findings is consistent with the submissions of Ilaboya, and Obaretin (2015), Hidayat and Utama (2017), study carried out by Veklenko (2016), and Di Biase and Onorato (2021) who examined the impact of board composition on firm's performance in continental Europe, but in contrast with Paul, *et al.* (2011) who noted that board composition creates no value addition, Rudkin, *et al.*, (2010) who considered 90 non-financial firms listed on the Dhaka Stock Exchange (DSE) during the period 2005 to 2009. As such, the study fails to reject the null hypothesis which states that board-composition has no significant effect on firm-performance of listed oil and gas firms in the Nigeria Stock Exchange.

Also, effect of board-meeting on the firms' financial performance is statistically significant as the Z-score (3.34); P value of (0.001) indicates that board-meeting has significant effect on return-on-asset. This implies that as additional one board meeting is held, it will inform positive improvement in financial-performance of the listed oil and gas firms and it is statistically significant at 0.01. This finding corroborate the findings by Shettima, and Dzolkarnaini (2018); Kanakriyah (2021); and Beasley, *et al.* (2020) who submitted that board meeting has a significant effect on firm performance, but at variance with the study of Yusoff and Alhaji (2012), Okolie and Uwejeyan (2022), and Abubakar, *et al.* (2023). Therefore, the study rejects the null hypothesis which states that board-meeting has no significant effect on firm-performance of listed oil and gas firms in Nigeria Stock Exchange.

The study documents positive effect of board-size on ROA of the sample firms and the effect is not statistically significant as the Z-score (0.27); P value of (0.788). This indicates that the size of the board has no significant effect on firm financial-performance of Nigerian oil and gas listed firms. The implication is that a unit increase in board-size will lead to an increase in the firm financial-performance but not to a significant extent. This finding is in line with the findings of Topak (2011); and Badu and Appiah (2017), but in contrast with Amedi and Mustafa (2020); and Hidayat and Utama (2017). As such, the study failed to reject the null hypothesis which states that board-size has no significant effect on financial-performance of listed oil and gas firms in the Nigeria Stock Exchange.

CONCLUSION AND RECOMMENDATIONS

This study investigated the effect of characteristics of board on the financial-performance of oil and gas listed firms in Nigeria within a period between 2007 and 2018. Results of analyses provided basis for a conclusion that board-composition, board-meeting and board-size have positive effect on the financial-performance of the Nigerian listed oil and gas firms. This submission implies that the presence of independent non-executive members of the board of Nigerian oil and gas firms is responsive to its basic monitoring and supervisory role, capable of taming insider trading and abuses. It also suggests that meetings of the board were directed at handling issues that enhance the performance of the firms while the board size is reasonably supporting performance improvement. Although the effect is not largely significant based on its explanatory power, the effect of board meeting cannot be downplayed as its effect is found to be statistically significant. The implication is that frequency of the board-meetings yields positive and statistical significant effect on the financial performance of oil and gas listed firms in Nigeria. This is an indication that the board meets, deliberate on, and approve matters contributing to improvement in the firms' financial-performance using return on assets. Economic consequence is that more oil and gas firms are not likely to bring setback to revenue accruing to government coffer through tax or rise in worrisome unemployment rate as a result of sudden collapse if improved attention is accorded the composition of its boards, frequency of meetings and size of the board, in a way that improves the firms' financial-performance, consistently.

The study therefore recommends that more board-meetings where more profit-oriented matter of the firms are discussed should not be ignored. As a matter of policy, the firms should seek to engage experienced board members who are very proficient in supervisory and scrutiny roles. Involvement of the regulatory bodies in this process could be made a matter of paramount policy. Also, it is recommended that independent non-executive directors should ensure more communication and information flow effectiveness, while appointment of independent non-executive directors should not be based on family ties, political associates, or on other subjective approach. And also, board should be dominated by outside director as contained in the Nigerian Securities and Exchange Commission Code of Best Practice for Nigerian Quoted Firms. More resourceful persons should be appointed as members of the board with main attention on diversity, knowledge and meeting as well as 'intellectual honesty' of the persons.

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