Effect of Board Characteristics on Quality of Corporate Governance Disclosure Practices in Consumer Goods Firms in Nigeria

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Abstract

Corporate governance is the system through which the behavior of a company is monitored and controlled. The significance of corporate governance is that, in modern economies, large corporations are typically associated with a division of labor between the parties who provide the capital (shareholders) and the parties who manage the resources (management). Corporate governance is concerned with the system of directing and controlling companies, and it is the responsibility of Board of Directors to ensure compliance with the regulations set by organizations. The study examined board characteristics and quality of corporate governance disclosure practices in Nigeria consumer goods. The study covered 19 Nigeria Consumers Goods firms that are listed on the Nigeria Stock Exchange (NSE) as at 31 December, 2018. Financial information, governance information, strategic and non-financial information items as mandatory and for inclusion in the disclosure index were used to proxy corporate governance disclosures while board composition, block ownership, and ownership are the measures for board characteristics. The study adopts ex-post facto research design and covering the period of 2009 to 2018. Multiple ordinary least square were used with the aid of E-view 10 to determine the relationship between disclosure index and various board characteristics. From the findings, board composition, block ownership, and ownership concentration has a significant effect on corporate governance disclosures at 5% level of significance. Therefore, the study recommends that Nigeria consumers' goods should structure their Board characteristics well because it will help them in terms of good financial information disclosures, governance information disclosures, strategic information disclosures and non-financial information disclosures.The study is supported by stakeholder theory which assumed that managers are accountable to all stakeholders. Therefore, the disclosure of information in financial report should reflect transparency.

Keywords: Board Characteristics, Corporate Governance Disclosures, Stakeholders Theory.

INTRODUCTION

Collapse of many organizations around the world has necessitated regulators to propose laws of good conduct and financial security offering a series of recommendations perceived as best practices of governance which will help in safeguarding the investment of various investors in organizations. These laws were considered to be a standard in corporate governance. They help companies to reduce mismanagement, to remedy any deficiencies in governance mechanisms to prevent abuse of power and to manage risks. Compliance with these recommendations is the essential basis for evaluating the quality of the governance system, and therefore the protection of the reputation of the company. The concept of corporate Governance as a regulated practice emerged in Nigeria in November 2003 when the Nigerian code of Corporate Governance was initiated for public liability companies. The code which is binding on all firms was targeted at instilling basics of Corporate Governance as is found in global best practices. In 2008, a national committee was inaugurated by the Securities and Exchange Commission (SEC) to address the weaknesses posed by the 2003 code of Corporate Governance, improve mechanisms for enforceability and align the code with international best practices. The result of that committee was the code of corporate governance for public companies 2011 alternatively referred to as 'the code'.

Good corporate governance put into practice is important to guarantee the success of the organization as well as to create a healthy investment environment in an organization. However, the corporate governance codes for best practice were initiated in developed countries and only recently introduced in developing ones. Hence, its contribution towards enhancing organizational performance in a country particularly any sector of any economy is a subject to the extent to which the conditions for robust

governance practice are consistent with the existing values, past experiences and the needs of all parties involved in the financial reporting process. It is expected, therefore, to be some time before the impact of applying corporate governance can be measured in developing contexts as this needs to develop, and favourable attitudes and belief must be formed as well as efforts made to develop the human resource capabilities to apply corporate governance requirements for best practice (Hassan, 2013). It is a fundamental element in improving economic efficiency and growth as well as enhancing investor confidence (OECD, 2004). The BOD actions are subject to laws, regulations and shareholders in general meeting, and the role of shareholders in governance is to appoint the directors and auditors and to make sure that the governance structure is appropriate (Cadbury Committee Report, 1992). According to Ehsan, and Khaled, (2013) Corporate Governance disclosure is defined as the number of corporate governance related rules that a firm reports in their annual report and accounts. The quality of the corporate governance is a necessary condition to assure and maintain the confidence of stakeholders. In fact, they perceive the company of good governance quality as the less risky it is likely to contribute to the increase in its share price. Codes of conduct attach importance to the financial information quality provided by the firms. Transparency, fairness and accountability are the core values of corporate governance. Stemming from the desire to enhance access to more capital that is necessary to achieve economic development and globalise national economies, corporate governance practices have been brought in the spotlight in developing countries (Hassan, 2013).

Borokhovish, Parrino and Trapani (1996) argue that independent directors bear high reputation costs that encourage them to effectively monitor managers' actions, thus limiting their opportunistic behavior. Beasley (1996) suggests that independent directors play a crucial role in influencing disclosure decisions. Patelli and Prencipe (2007) argue that independent directors play an important monitoring role in encouraging firms to disclose more information to outside investors in the presence of a controlling shareholder. In such cases, they protect the interests of minority shareholders against potential egregious behavior by the controlling owner. Though studies exist on board characteristics and quality of corporate governance disclosure practices such as Omer and Andrew (2014), Luciana and Alfredo (2014), Carlos, Sabri and Amal (2013), Hassaan (2013), Ehsan and Khaled (2013), Jouini (2013), Ramli, Nizam and Mohd (2013), Hossain (2008), Lim, Matolcsy and Chow (2007) but to the best of our knowledge, these studies were carryout mostly in developed nations were firms have good corporate governance code with less studies in developing nations. In Nigeria, studies conducted were done in banking sector such as Ajibola (2017), therefore; there is a need to carry out this study in a developing nation such as Nigeria most especially in the Nigeria Consumer Goods which have no academic articles that will advance the frontier of knowledge. Furthermore, this study used long accounting period from 2009 to 2018 which gives it adequate data for the analysis and generalization of the effect of board characteristics on the quality of corporate governance disclosure in Nigeria Consumer Goods unlike others that used relatively short period. Objectively, the study seeks to determine the effect of board characteristics on the extent of corporate governance disclosure in annual reports of Nigeria Consumer Goods firms. The Hypothesis that will be tested includes:

Ho1: Board composition has no significant effect on the corporate governance disclosure in annual reports of Nigeria Consumer Goods Firms.

Ho2: Block ownership has no significant effect on the corporate governance disclosure in annual reports of Nigeria Consumer Goods Firms.

Ho3: Ownership concentration has no significant effect on the corporate governance disclosure in annual reports of Nigeria Consumer Goods Firms.

LITERATURE REVIEW

Conceptual Framework

Corporate governance

Corporate governance is a system by which the activities of a company are directed and controlled in a lawful manner by those charged with the responsibility, in order to meet the needs and expectations of the

stakeholders. Monks and Minow (1995) defined Corporate Governance in terms of interactions between various players in the corporate environment and the processes used in achieving consensus in the allocation of corporate resources and in the determination of corporate direction to ensure improved performance. Cheung and Chan (2004) stated that corporate governance refers to the system through which the behavior of a company is monitored and controlled. The significance of corporate governance is that, in modern economies, large corporations are typically associated with a division of labor between the parties who provide the capital (shareholders) and the parties who manage the resources (management). Corporate governance is concerned with the system of directing and controlling companies, and it is the responsibility of Board of Directors (BOD) to ensure compliance with the regulations set by organizations (Cadbury Committee Report, 1992).

Corporate Governance (CG) according to Okereke, Sanni, Anyanwu and Ogunbiyi (2009) is a way of life that moulds and directs the roles, responsibilities and rights of management and Board of Directors (BoDs) of organizations / institutions with a view to achieving the corporate objectives of the organization and capturing the interests of various stakeholders. It provides decorum on the roles, responsibilities and rights of management and BoDs and the need to have respect foreach other. It involves mainly disclosure, transparency, fairness, equity, and accountability. It is complying with the rules of the 'game'. That is, doing what the law, policy, procedures and methods specified in a very strict manner with the key elements of CG (transparency, accountability, trust, respect, fairness and honesty) at the background. Corporate governance can be helpful to resolve agency problems through regular system *via* monitoring and controlling the managers, in order to reach shareholders objectives (Jensen &Meckling, 1976; M. Jensen, 2001). Corporate governance provides a structure by which the objectives of the firms are arranged, and the means for achieving those goals and control performance are determined (OECD, 2004). So, corporate governance is the mechanism by which companies are directed and controlled (Cadbury, 1992).

Empirical Literature

Citrawati, Mohamad and Oluwatoyin (2016) investigated the relationship between corporate governance and earnings management with disclosure quality listed in Indonesian manufacturing companies. From the analysis of the study, results evident that a significant effect exist on disclosure quality as a result of the relationship between corporate governance mechanisms and earnings management. This study shows that disclosure quality and good corporate governance can reduce earnings management manipulation.
Albassam (2014) also studied the compliance level with disclosure of the governance provisions in Saudi listed firms; and also to determine the relationship between voluntary compliance with the Saudi Corporate Governance Index (SCGC) and firm financial performance. The study used board composite corporate governance index (compliance-index model) using mixed-methods research design with the balanced panel data of 80 Saudi listed firms from 2004 to 2010. This generated a total of 560 firm-year observations that were collected manually from the sampled firms' annual reports. First, the constructed Saudi Corporate Governance Index (SCGI) showed that the introduction of the SCGC has helped improve voluntary corporate governance disclosure among Saudi listed firms. Also, this study found that board size, audit firm size, the presence of a corporate governance committee, government ownership, institutional ownership and director ownership have a positive influence on the level of compliance with the SCGC. In contrast, the analysis showed that the proportion of independent directors and block ownership are negatively correlated with the level of voluntary corporate governance disclosure. Furthermore, compliance-index model suggest that good corporate governance practices, proxied by the SCGI, are positively related to return on assets (ROA), but have no significant relationship with firm value, as measured by Tobin's Q (Q-ratio). Similarly, the results from the equilibrium-variable model are by and large mixed. Whereas CEO duality, proportion of independent directors, board sub-committees and director ownership are positively related to ROA, board size is negatively associated with ROA. On the other hand, the proportion of independent directors, board size, frequency of board meetings and director ownership are positively related to firm value, while CEO duality and the presence of board sub-

committees have no significant relationship with firm value. The results from the quantitative analysis are robust to controlling for a number of potential endogeneity problems. Finally, the findings obtained from the interview data generally suggest that the regulatory authorities and the CMA in particular need to further strengthen efforts to enhance the level of awareness and appreciation of good corporate governance practices among key internal and external stakeholders of corporate governance in Saudi Arabia.

Omer and Andrew (2014) investigated the impact of corporate characteristics and corporate governance upon the level and extent of corporate social and environmental disclosure in banks. A desk-based research method has been used and from the regression result, it was found that corporate characteristics affect disclosures in financial statement. Luciana and Alfredo (2014), undertook a study on the effects of the board's structural and compositional characteristics on the quality of accounting information of companies listed on the Brazilian Securities, Commodities, and Futures Exchange (Bolsa de Mercadorias e Futuros - BM&FBovespa). Characteristics were measure by size and independence of the board of directors and separation of the roles of chairman and executive director. Accounting information relevance and earnings informativeness were used as measures for the quality of accounting information. The sample included non-financial companies listed on the BM&FBovespa with annual stock market liquidity higher than 0.001, covering the period from 2008–2011. Data were collected directly from companies' annual reports. Data analysis was undertaken using the multiple regression technique for calculating the models of accounting information relevance and earnings informativeness. The results reveal that, for companies that trade stocks on the BM&FBovespa in the Brazilian market, the characteristics of board independence and separation of the roles of chairman and executive director positively influence the quality of reported accounting information, specifically regarding the relevance of equity. Earnings informativeness is positively affected by board independence and negatively affected by larger board size (more than nine members). The study shows that stronger governance structures have a positive effect on the quality of reported accounting information. Carlos, Sabri and Amal (2013) examined the effect of corporate governance practices on the extent of voluntary disclosure in France using a panel of 206 non-financial French listed firms during the period 2006–2009. The study found that voluntary disclosure in annual reports increases with managerial ownership, board and audit committee independence, board meeting frequency, and external audit quality. We also find that frequency of audit committee meetings and diligence of board and auditing are associated with decreased disclosure. Additional findings show that larger, more profitable, and less indebted firms have greater voluntary disclosure.

Hassaan (2013) ascertained the impact of corporate governance structures on the levels of compliance with mandatory IFRSs disclosure requirements by companies listed on the Amman Stock Exchange (ASE) using a disclosure index derived from mandatory IFRSs disclosure requirements for the fiscal year 2007. The study measures the levels of compliance by a sample of 75 non-financial companies listed on the ASE. Results provide evidence of the lack of influence of corporate governance best practices on the levels of compliance with mandatory IFRSs disclosure requirements as it is not yet part of the cultural values within the Jordanian context. Ehsan and Khaled (2013) examined the relation between corporate governance mechanisms and the disclosure level of corporate governance information in the Saudi Arabian’s listed companies. The study used 97 financial reports and accounts of Saudi Arabian listed companies in 2006 and 2007. The study uses the content analysis approach to analyze the content of the reports. In addition, a multiple regression model is used to identify the determinants of corporate governance disclosure. In the regression model, corporate governance disclosure score is the dependent variable, while the firm characteristics (firm’s profitability, liquidity, debt ratio and size) and corporate governance mechanisms (board independence, audit committee size) are the independent variables. The study found that board independence, audit committee size, profitability, liquidity and gearing are the main determinants of corporate governance disclosure in Saudi Arabia. The study did not find any statistically significant association between firm size and corporate governance disclosure.

Jouini (2013) explored the relationship between the system of governance and the quality of financial information for a sample of French companies listed in the SBF 250 for a period from 2004 to 2008. The Quality of financial information is approximated by discretionary accruals. Corporate governance is appreciated by a global index with 64 items and three sub-indices relating to the characteristics of the board, ownership structure and quality of the control system. The results show that the quality of financial information is positively related to the quality of the board and the quality of the ownership structure. The use of an overall governance index gives more significant results for the three models and affirms the positive relationship between the quality of governance system and the quality of financial reporting.
Ramli, Nizam and Mohd (2013) study the effects of corporate governance mechanisms on the quality of directors-related information (DRI) disclosure of Malaysian Top 100 companies, after controlling variables of firm-specific characteristics such as firm size and auditor size. Directors-related information disclosure was measured using scoring worksheet developed by Ramli (2001) to score the items in the corporate annual reports. Consistent with expectations, the Spearman correlation showed there are statistically proven the positive associations between board independence, board diversity managerial ownership and DRI disclosure at 5 percent level, with the exception of CEO duality. The result appears to suggest that there were positive impact of the CG mechanisms on the quality of DRI disclosure among Malaysian Top 100 largest companies. However, the regression model reported R2 of 38.1 percent which means that almost 62 percent of those factors influencing the DI disclosure have not been captured by the model.

Hossain (2008) examined the compliance of mandatory corporate governance disclosure of the Indian banking companies. The study covered all the 38 banks in India that are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), using 46 items of information as mandatory and for inclusion in the disclosure index, and run a linear regression model to examine the relationship between disclosure index and various corporate attributes. The findings revealed that a high level of compliance existed in the Indian banks and that the variables of size, ownership, board composition, and profitability, have significant impact in the corporate governance disclosure. Lim, Matolcsy and Chow (2007) examined the association between board composition and voluntary disclosure in annual reports in Australian firms. The study found that independent boards positively influence the overall level of voluntary disclosure in annual reports and more voluntarily provide key forward-looking and strategic information. Cheung, Connelly, Limpaphayom and Zhou (2007) study the degrees of corporate disclosure and transparency of publicly listed companies in Hong Kong and Thailand. The analysis uses the disclosure and transparency scores extracted from a survey instrument designed to rate disclosure practices of publicly listed companies by using the OECD Corporate Governance Principles as an implicit benchmark. Empirical results show that financial characteristics explain some of the variation in the degrees of corporate disclosure for firms in Hong Kong but not for firms in Thailand. Further, corporate governance characteristics, such as board size and board composition show more significant associations with the degrees of corporate disclosure in Thailand than in Hong Kong. The results are broadly consistent with the notion that good corporate governance leads to better corporate disclosure and transparency in less developed markets.

Theoretical Framework

Stakeholder Theory

Stakeholder theory emerged in the 1970s as a result of criticism of the shareholder model (Sternberg, 1997). According to Freeman (1984), stakeholders are individuals and groups who can affect, or are affected by, corporate activities. Solomon (2010, p.15) explains the theoretical basis of stakeholder theory as the companies which are large, and their impact on society so pervasive, that they should discharge accountability to many more sectors of society than solely their shareholders. Not only are stakeholders affected by companies, but they in turn affect companies in some way. Stakeholder theory assumes that managers are accountable to all stakeholders (Chen & Roberts, 2010).

The number of assumptions underlying stakeholder theory is: First, corporations should be operated not only for the financial benefit of their owners, but also for the interests of the relevant broader society (Mitchell, Agle, & Wood, 1997; Chen and Roberts, 2010). Second, executive directors are equally accountable to all stakeholders, not only the firm's owners and creditors, but also other corporate stakeholders, such as employees, government, local community, customers and suppliers (Clarke, 1998). Third, stakeholder theory is strongly connected to notions of morality in business and corporate social responsibility (Letza, Sun, & Kirkbride, 2004; Westphal and Zajac, 2013). Although stakeholder theory has been widely embedded in governance codes (Aguilera & Cuervo-Cazurra, 2009), it has been criticised from two perspectives (Sternberg, 1997): firstly, the assumptions of stakeholder theory conflict with the central objective of the firm as seeking to maximise the wealth of shareholders; and it also conflicts with the agent-principal relationship, which suggests that managers are primarily accountable to shareholders. As such, stakeholder theory is arguably incompatible with the basic principles of corporate governance. Nevertheless, stakeholder theory remains a key corporate governance theory (Clarke, 1998; Solomon, 2010; Chen & Roberts, 2010).

METHODOLOGY

Ex-post facto research design is adopted in this study and the data for the study is obtained from the annual financial reports of Nigeria Consumer Goods firms listed on the Nigeria Stock Exchange during the period of 10 years from 2009-2018. Multiple Ordinary Least Square is used to determine the relationship between board characteristics and quality of corporate governance disclosure practices in Nigeria Consumer Goods.

$CGD_{it} = \beta0 + \beta_1 BC_{it} + \beta_2 BO_{it} + \beta_3 OC_{it} + e_{it}$

Where:

CGD_{it} = Corporate governance disclosures (Corporate governance disclosures listed in the annual statement) of firm i at time t
BC_{it} = Board composition (number of board executive and non executive of the board)of firm i at time t
BO_{it} = Block ownership of firm i at time t
OC_{it}=Ownership concentration of firm i at time t
$\beta0$= constant
β_1- β_3 = Coefficients of the explanatory variable
e_{it} = error term

RESULTS AND DISCUSSION

Descriptive statistics

	CGD	BC	BO	OC
Mean	64.45810	65.07944	1.977654	64.45810
Median	67.00000	66.67000	1.000000	67.00000
Maximum	86.00000	93.33000	5.000000	86.00000
Minimum	34.00000	0.000000	1.000000	34.00000
Std. Dev.	11.69376	15.77411	1.199041	11.69376
Skewness	-0.568458	-0.636982	0.964603	-0.568458
Kurtosis	3.306725	3.921562	2.770447	3.306725
Jarque-Bera	10.34216	18.43897	28.15171	10.34216
Probability	0.005678	0.000099	0.000001	0.005678
Sum	11538.00	11649.22	354.0000	11538.00

Sum Sq. Dev.	24340.44	44290.40	255.9106	24340.44
Observations	179	179	179	179

Descriptive statistics in this study is the brief descriptive coefficients that summarize the data set used. It represents the entire population of the study. It covers the mean, median, maximum, minimum, standard deviation, skewness and kurtosis with 179 observations of the data used in the study.

Variance Inflation Factor Result

Variance Inflation Factors
Date: 08/14/20 Time: 10:56
Sample: 1 179
Included observations: 155

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
BC	0.000199	20.29948	1.017722
BO	0.030005	3.573239	1.012449
OC	0.000332	29.70679	1.023393
C	2.083800	45.04036	NA

Variance inflation factors (VIF) in this studyexplained the multicollinearity (correlation between predictors) that exists in a regression analysis. In table above, it shows how independent variables are correlated in explaining the dependent variable. All the VIF of the variables are within the acceptable range of 1 and 5, which signifies that the variables are moderately correlated.

Board Characteristics on theExtent of Corporate Governance Disclosure

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

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.000000	3	1.0000

* Cross-section test variance is invalid. Hausman statistic set to zero.

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
BC	0.000000	0.000000	-0.000000	NA
BO	-0.000000	0.000000	-0.000000	NA
OC	1.000000	1.000000	-0.000000	NA

Cross-section random effects test equation:
Dependent Variable: CGD
Method: Panel Least Squares

Date: 08/14/20 Time: 11:01
Sample: 2009 2018
Periods included: 10
Cross-sections included: 19
Total panel (unbalanced) observations: 179

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.02E-12	1.00E-13	-10.16103	0.0000
BC	2.51E-16	7.33E-16	0.342986	0.7321
BO	-5.44E-14	1.24E-14	-4.378208	0.0000
OC	1.000000	1.39E-15	7.21E+14	0.0000

Effects Specification

Cross-section fixed (dummy variables)

R-squared	1.000000	Mean dependent var	64.45810
Adjusted R-squared	1.000000	S.D. dependent var	11.69376
S.E. of regression	1.20E-13	Akaike info criterion	-56.54397
Sum squared resid	2.27E-24	Schwarz criterion	-56.15222
Log likelihood	5082.685	Hannan-Quinn criter.	-56.38512
F-statistic	8.00E+28	Durbin-Watson stat	0.797887
Prob(F-statistic)	0.000000		

The choice of either Fixed Effect or Random Effect is based on the computational convenience. Based on the Hausman test with P-value of 1.0000 fixed effect model is appropriate for the study.

Fixed Effect Regression

Dependent Variable: CGD
Method: Panel Least Squares
Date: 08/14/20 Time: 10:58
Sample: 2009 2018
Periods included: 10
Cross-sections included: 19
Total panel (unbalanced) observations: 179

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BC	-3.21E-15	1.06E-15	-3.036308	0.0028
BO	-4.36E-14	1.79E-14	-2.433853	0.0161
OC	1.000000	2.00E-15	5.00E+14	0.0000
C	-1.26E-12	1.45E-13	-8.740441	0.0000

Effects Specification

Cross-section fixed (dummy variables)

R-squared	1.000000	Mean dependent var	64.45810
Adjusted R-squared	1.000000	S.D. dependent var	11.69376
S.E. of regression	1.74E-13	Akaike info criterion	-55.81252

Sum squared resid	4.73E-24	Schwarz criterion	-55.42077
Log likelihood	5017.220	Hannan-Quinn criter.	-55.65367
F-statistic	3.85E+28	Durbin-Watson stat	0.752760
Prob(F-statistic)	0.000000		

The fixed effect regression model above reveals that a negative relationship exists between board composition and corporate governance disclosure as evident by the intercept of -3.21E-15. Also, negative relationshipexists between board ownership and corporate governance disclosure as evident by the intercept of -4.36E-14.On the other hand, ownership concentration has a positive relationship with corporate governance disclosures with a coefficient of 1.000000. All the board characteristics are significant at 5% level. Board composition has a p-value of 0.0028. Furthermore,block ownership has a p-value of 0.0161 and ownership concentration p-value is 0.0000. The R2 is 1.000000 whichshows that the explanatory variables (board composition, block ownership, and ownership concentration) can explain dependent variable (corporate governance disclosures) to the extent of 100%. The model is fit because it has F-statistics of 0.000000.

CONCLUSION AND RECOMMENDATIONS

The study examined board characteristics and quality of corporate governance disclosure practices in Nigeria consumer goods. From the analysis of the multiple regression result, the study concludes that board composition, board ownership, and ownership concentration is significant at 5% level of significance. Meanwhile, board composition and block ownershiphave a negative relationship with corporate governance disclosures while ownership concentration, has a positive relationship with corporate governance disclosures.The findings of the regression is consistent with the study of Albassam (2014), Omer and Andrew (2014), Luciana and Alfredo (2014), Carlos, Sabri and Amal (2013), Ehsan and Khaled (2013), Jouini (2013), Ramli, Nizam and Mohd (2013), Hossain (2008), Lim, Matolcsy and Chow (2007) that board characteristics has a significant effect on corporate governance disclosures.

The study is supported by stakeholder theory which assumed that managers are accountable to all stakeholders. Therefore, the disclosure of information in financial report should reflect transparency.

Therefore, the study recommends that Nigeria consumers' goods should structure their Board composition, block ownership and ownership concentration because it will help them in terms of good financial information disclosures, governance information disclosures, strategic information disclosures and non-financial information disclosures.Well structure of board characteristics means delegation of responsibilities to many stakeholders which will reduce misappropriation and mismanagement of funds of an organization. It will also reduce fraud in an organization.

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