BOARD GENDER DIVERSITY AND SIZE: IMPLICATION ON THE MARKET PRICE PER SHARE OF LISTED MANUFACTURING COMPANIES IN NIGERIA.

By

Aishat Salawudeen[1] *and* **Kabiru I. Dandago**[2]
[1]Department of Accounting, University of Abuja
[2]Department of Accounting. Bayero University Kano
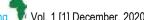E-mail: ayizworld@gmail.com.

ABSTRACT

This study examines the effect of board gender diversity and board size on the market price per share of listed manufacturing companies in Nigeria. The study population consists of sixty-three manufacturing companies whose shares are listed on the Nigerian stock exchange between 2008 and 2018. A sample size of fifty-one firms was selected using some filters. The data were collected from annual reports and accounts of the sampled companies for eleven years from 2008 to 2018. Multiple regression with Ordinary Least Square (OLS) estimation technique was used to test the study hypotheses through STATA software version 13.0. Board size and board gender diversity have a significant positive impact on the market price per share. However, It is, therefore, recommended that for the effective and efficient discharge of the responsibilities of the board of directors of listed manufacturing firms, there should be an appropriate balance of skills and diversity (including experience and gender) without compromising competence, independence and integrity of the board and not just its size. Emphases should be on the quality of members on the board (male or female), as this will go a long way in creating enabling atmospheric conditions for enhanced productivity and profit maximization that could enhance the wealth of the shareholders.

Keywords: Board Gender Diversity, Board Size and Market Price per Share

1.0   INTRODUCTION

The board of directors' role in corporate governance has recently re-emerged as a topical research topic following the collapse of US giant business enterprises like Tyco, Enron Corporation, WorldCom in the USA, and Parmalat in Italy, Adelphia Communication Corporation in Pennsylvania (Sterling, 2002). The board structure is a mechanism of corporate governance that becomes a contemporary matter for the reason that it has a massive contribution to the sustainable company's financial performance, build the shareholder confidence, the optimization of the shareholders' wealth through an efficient and effective financial decision of the companies' board. Board character is substantially central in achieving and maintaining shareholders' trust and confidence regarding their affairs, especially financial decisions (Suwabe, 2006). However, cases of financial scandals around the world by various institutions, particularly Cadbury Nigeria Plc, Oceanic Bank Nigeria Plc, Intercontinental Bank Nigeria Plc and recently Diamond Bank of Nigeria Plc

have re-candled interest in corporate governance for a possible solution to unethical business practice (Adegbite, 2010).

The Nigerian code of corporate governance 2018 specified that the board should be of sufficient size to fulfill its business effectively, oversee, monitor, direct, and control the Company's activities and be relative to its operations' scale and complexity. The Board for a serious company should assume responsibility for its composition by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity, and independence to objectively and effectively discharge its governance role and responsibilities. Existing empirical evidence from around the world has mixed results, suggesting that board characteristics indeed impact shareholders' wealth. Shittu, Ahmad, and Ishak (2016) argued that board gender diversity had been associated with shareholders' wealth because; when the board is diversified with female directors, strategy decisions will be less aggressive and more risk-averse. Marinova, Plantenga, and Remery (2010) reveal that if the fraction of women on the board is few, there will be a negative effect on shareholders' wealth owing to ineffective financial decisions. Chen, Leung, and Goergen (2017) revealed that firms with a larger fraction of female directors on their boards have a greater efficient and effective decision and effectively promote shareholders' wealth.

Also, board size has conflicting views about its influence and direction on previous studies' wealth. Shittu, Ahmad and Ishak (2016) and Yusuff and Adamu (2012) argued that an increased number of board members positively affect shareholders' wealth because when the board has a better composition, it can combine expertise skills to take an effective decision. Ahmad and Hamdan (2015) and Cheema and Din (2013) argued that large or small size of directors sitting on the board do not affect shareholders' wealth of firms because the quality of the decision made by the members of the board is what matters and not the size of the board. However, Ghosh (2006) and Zahra and Pearce (1989) posited that a large board of eight to nine members would perform better than a small board of five members due to their resources, capabilities and broader external contractual relationships. Therefore, the board's size may have a significant influence in determining its direction and effect on shareholders' wealth.

The board's size is the total number of board members, including executive directors, non-executive directors, independent directors, female directors, and foreign directors. The ideal size of a board is likely to differ from organization to organization and from country to country in the business environment. The board's size depends on the complexity of the business needs and the organization's resources to match the cost of maintaining them. However, the code of corporate governance in Nigeria prescribes board members of not less than five. However, according to Jensen (1993), the optimal board size is seven to eight and according to Lipton and Lorsch (1992) eight to nine. Thus, the optimum board size is that which improves the wealth of the shareholders.

In this paper, the researchers' interest is to examine the relationship between board size and shareholders' wealth. Also to address the question of whether or not board gender diversity, as presented by the number of woman directors, improves shareholders' wealth

as propagated by studies such as Yermack (1996) which shows that a larger board, in general, destroys shareholders' value because of the costs involved in coordinating the decision making the process of a large number of people. Also, Carter, Simkins, and Simpson (2003) suggest that a more diverse board is associated with shareholders' value boost. The inconsistency, in result calls for further investigation on board gender diversity and size on the market price per share. Furthermore, to the best of the researcher knowledge, there is the dearth of Nigeria's studies that specifically investigates issues of board gender diversity and board size on the market price per share despite the possible influence between the two constructs. However, two aspects of board characteristics are the focus of this study which are board gender diversity and board size.

Hence, the objective of this study, therefore, is to examine the effect of board gender diversity on the market price per share of listed manufacturing companies in Nigeria and to examine the effect of board size on the market price per share of listed manufacturing companies in Nigeria. In line with the study's objective, the following null hypotheses has been formulated for testing:

Ho_1 - there is no significant effect of board gender diversity on the market price per share of listed manufacturing companies in Nigeria.

Ho_2 - there is no significant effect of board size on the market price per share of listed manufacturing companies in Nigeria.

This paper's remaining parts are organized as follows: Section two reviews the study's relevant existing literature. Section three discusses the methodology of the study. Section four presents the analyses and discussion results, while the last section (section five) concludes the study and presents recommendations.

2.0   LITERATURE REVIEW
2.1   Conceptual Review

Gender representation on corporate boards of directors refers to the proportion of men and women who occupy board member positions. Good corporate decision-making requires hearing and considering different points of view, which comes from people who have different backgrounds, experiences, and perspectives. There is a consensus that companies with women directors and executive officers lead by example (Solal & Smellman, 2019 and González, Guzmán, Pablo & Trujillo, 2020). They recognize why the gender of boards has a changeable effect on the success of corporate firms. Invariably, high financial decisions increase the market price of the share. As they usually send a clear message that they value the diversity of thought and experience. Women on boards bring different perspectives to the challenging issues facing today's corporations because a diversity of thought results in better decision making, which can reflect on the market price per share. Gender diversity on boards issue is rooted in the principle of equality of treatment; thus, gender representation on boards can be combatted through equality of opportunity. Governments and corporations have attempted to address gender representation's disproportionality on corporate boards through both types of measures, including legislation mandating gender quotas and comply with guidelines.

Globally, men occupy more board seats than women. Indeed, in 2015 statistics show that women held 17.9% of the board seats on fortune one thousand companies. The reasons behind the disproportionate gender ratio of directors have been the subject of much debate. Researches on board gender revealed that the statistics of women representation on the board exist in twin views, the percentage of board seats held by women, and the percentage of organizations with one or more women on their board. As such, studies such as Al-Mamun, Yasser, Entebang, Nathan and Rahman (2013) and Catalyst (1998) on women directors on the boards have focused on women's under-representation on board of director and this continues to be well documented by many researchers. A lower percentage of board seats are held by women than the percentage of companies with a woman on their board (Catalyst, 1998). Diversity promotes a better understanding of the market place by matching directors' diversity to customers and employees (Catalyst, 1998). Again, studies on gender issues focus on female board directors' effects on firm value, market and financial performance, e.g., Chen, Leung and Goergen (2017) and risk-taking (see, e.g., Faccio Marchica & Mura, 2016). Besides, Chen, Leung and Goergen (2017) revealed that firms with a larger fraction of female directors on their board have more excellent financial Performance which stimulates a rise in the market price per share.

The board's size is the total number of board members which comprises executive directors, non-executive directors, independent directors, and female directors on the board of a company. The ideal size of a board is likely to differ from organization to organization and from country to country in the business environment. The board's size depends on the complexity of the business needs and the resources available to the organization to match the cost of maintaining them. Therefore, the question of what should be an ideal board size should not exist. Possibly, the ideal size is likely to be different for each board. One size may not fit all because each board needs to define its optimal capacity at any given time (Coles, Daniel & Naveen, 2008). As such what a board needs to accomplish might be a different from other boards Thus, optimum board size may vary according to the moment in the board's life cycle, its mission, and its fundraising necessities.

Most countries around the globe have their states laws dictating the minimum size for non-profit boards. Usually it is three, but in some states, only one board member is required. Some boards function under a representational mandate and their composition needs to reflect the constituency; this creates upward pressure on the size. For instance, productive communication is affected by the size of a gathering; group dynamics may become a criterion for structuring your board. However, the code of corporate governance in Nigeria prescribes a board member of not less than five.

2.2   **Empirical Review**

Isa and Salawudeen (2019) examine the relationship between board gender diversity on the market price per share in Nigeria using sixty-three manufacturing companies whose shares are listed on the Nigerian stock exchange between 2008 and 2018. A sample size of fifty-one firms was selected using some filters. The data were collected from annual reports and accounts of the sampled companies for eleven years from 2008 to 2018 using path analysis via SEM as the estimation technique to test the study hypothesis. Board gender diversity was found to positively significantly affect shareholders' wealth (market price per share) at

a 1% level of significance. However, the current study use regression analysis with Ordinary Least Square (OLS) estimation technique to test the study hypotheses through STATA software version 13.0. Ferrari, Ferraro, Profeta, and Pronzato (2018) examine the relationship between board gender diversity on the market price per share. In Germany. The study used a sample of 245 United States companies. Data were collected from the annual report for a period of four years from 2011 to 2014. The ordinary least square method of estimation was used to estimate board gender diversity's effect on the market price per share.

The result provides significant positive support on the relationship between board gender diversity on the market price per share. Similarly, Ferrer and Banderlipe (2012) examine the relationship between board gender diversity on the market price per share in Philippines companies. The study used a sample of 29 Philippines companies. The regression analysis method of estimation was used to estimate the board gender's effect on the market price per share. The result provides a significant positive effect of board gender diversity on the market price per share. However, Dobbin and Jung (2008) examine the relationship between board gender diversity on the market price per share. The study used a sample of 432 United States companies. Data were collected from the annual report for a period of nine years from 1997 to 2005. The ordinary least square method of estimation was used to estimate board gender diversity's effect on the market price per share. The result provides significant negative support on board gender diversity's relationship on the market price per share.

Isa and Salawudeen (2019) examine the relationship between board size on the market price per share in Nigeria using sixty-three manufacturing companies whose shares are listed on the Nigerian stock exchange between 2008 and 2018. A sample size of fifty-one firms was selected using some filters. The data were collected from annual reports and accounts of the sampled companies for eleven years from 2008 to 2018 using path analysis via SEM as the estimation technique to test the study hypothesis. Board size was found to have a positive significant direct effect on shareholders' wealth market price per share at a 1% level of significance. The current study used regression analysis with Ordinary Least Square (OLS) estimation technique was used to test the study hypotheses through STATA software version 13.0. Sayumwe and Amroune (2017) examine the relationship between board size on the market price per share in Canada. The study used a sample of 50 Canadian companies that are listed on the Toronto Stock Exchange. Data were collected from the annual report for a period of five years from 2009 to 2013. The regression analysis technique was employed to analyze the effect of board size on the market price per share. The result provides significant and positive support on board size's effect on the market price per share.

Similarly, Dobbin and Jung (2008) examine the relationship between board size on the market price per share in United States companies. The study used a sample of 432 United States companies. Data were collected from the annual report for a period of nine years from 1997 to 2005. The ordinary least square method of estimation was used to estimate board size's effect on the market price per share. The result provides significant and positive support on board size's relationship on the market price per share. However, Ferrer and

Banderlipe (2012) examine the relationship between board size on the market price per share in Philippines companies. The study used a sample of 29 Philippines companies. The regression analysis method of estimation was used to estimate board size's effect on the market price per share. The result provides an insignificant effect of board size on the market price per share.

The previous studies provided for mixed results on the issues of the impact of board size and board gender diversity on the market price per share. The mainstream of these studies found a positive association between board size and board gender diversity and market price per share while some other found negative association on board size and board gender diversity and market price per share. On the other hand, some studies did not find any association between board size and board gender diversity and market price per share. As such the position of the literature on whether or not board size and board gender diversity impact the market price per share remains unclear. Also, The result of the previous studies on impact of board size and board gender diversity on the market price per share are not directional More so, methodology such as path analysis via structural equation modelling (SEM), simple regression, panel regression, logit, Probit regression and GMM analysis were employed but most of these studies failed to conduct robustness check. As such failure may render their findings and recommendation unreliable.

2.3   Theoretical Review

Agency theory directs that a greater proportion of independent directors will be more capable of monitoring company because managers will have less opportunity to pursue self-interest (Kiel & Nicholson, 2007). Carter, Simkins and Simpson (2003) state that a more diverse board might be better in monitoring management; because board diversity increases board independence. Board of directors with heterogeneity in gender, ethnicity or cultural backgrounds might bring issues or questions that would not come from directors with traditional characteristics. This leads to a more active board. Again, directors' high equity ownership increases the willingness of directors to monitor management (Jensen, 1993 and Carter, D'Souza, Simkins & Simpson, 2010). According to Jensen (1993), the optimal board size is seven to eight and according to Lipton and Lorsch (1992) eight to nine. Agency theory also directs that women often bring fresh perspectives on complex issues in the board room. Thus, this might help to cope with the board's informational bias or limitations in decision-making. Board diversity is associated with the effectiveness and quality of the monitoring function of the boards. Based on the above discussion, this study adopts agency theory due to its relevance in resolving the conflict of interest that may arise between managers (agents) and the shareholders (principal) of the sampled companies through the use of the size of the board members, number of women sitting on the board and its composition.

3.0   METHODOLOGY

The correlational research design was used for this study. This study is based on the functional/ positivist paradigm. As the study is quantitative, and it uses secondary sources of data. The data were collected from the sampled listed manufacturing companies' annual reports and financial statements filed with SEC and NSE. This study's population covers the manufacturing companies listed on the Nigerian stock exchange as at 31st December 2008 up till 2018. This study sampled listed manufacturing companies on the stratified random sample due to similarity in their assets allocation from other sectors. Thus, the strata are formed based on five key sectors (conglomerates, construction and real estates, consumer goods, industrial goods, and natural resources) having common characteristics. Therefore, sixty-three companies from the subsectors are included in this study, which enhances the study's value and its analysis. The sample size was arrived at using a filter to eliminate some of the firms that were considered unsuitable for the study. Thus, a-point filter eliminates companies whose shares were delisted before the end of the study period as the company's shares must be listed for the entire period of study and must have filed their published audited financial statements with the Nigerian Stock Exchange (NSE) for the entire period 2008 to 2018.

Table 3.1: Operationalization of Variables and Measurement

Variable	Measurement
	Dependent Variable
Market Price Per Share (MPS)	The opening price of the year plus the ending price of the year (average stock price) divided by two as used by SabariPriya & Azhagaiah 2008, Khan (2009) Bawa & Kmaur (2013).
	Independent Variable
Board Size (BSZ)	Number of directors on the board as used by Pelt (2013), Batool and Javid (2014), Shehu (2015)
Board Gender Diversity (BGD)	Proportions of female director to the size of the board as used by Bolbol (2012), Harvath and Spirollari (2012) and Dao, Brown, and Hsu (2016)

Source: Researchers' Compilation 2019

3.2   Method of Data Analysis

Multiple regression was used to determine the variability of dependent variable market price per share because of changes in any explanatory variables board size and board gender diversity. Panel data of fifty-one (51) companies for eleven (11) years were used to analyze the study's data due to its longitudinal nature. The study used multiple regressions to test all the hypotheses of the study using OLS regression. Thus, in line with the previous studies, such as the work of Shittu, Ahmad and Ishak (2016) and Yusuff and Adamu (2012). STATA 13.0 is the statistical package that was used to test the hypothetical

relationships between the variables. The following regression model is specified for the study.

3.3   Model Specifications

$MPS = f(BGD \text{ and } BSZ)$ ...1

$MPS = \beta_0 + \beta_1 BSZ_{it} + \beta_2 BGD_{i,t} + \mu_{it}$ 2

Where:

MPS: Market Price per Share of Firm i at Period t, BSZ: Board Size of Firm i at Period t, BGD: Board Gender Diversity of Firm i at Period t, α_0 Constant β_1... β_4 efficient for each of the independent variables, λ is the parameters of the control variables, μ is the random error, t Time dimension of the Variables and i represent firms under consideration

4.0   RESULT AND DISCUSSION

Table 4.1: Descriptive Statistics

Variables	Mean	Std Dev	Min	Max	Skewness	Kurtosis	Obs
MPS	0.3683	1.2424	0.2500	11.820	0.0000	0.0000	561
BGD	0.0729	0.1056	0.0000	0.0400	0.0000	0.0000	561
BSZ	8.7558	2.6463	4.0000	18.000	0.0000	0.4919	561

Source: Descriptive Statistics Result Using STATA 13.0

The average share price in which investors are willing to pay for one share of the sampled manufacturing companies in Nigeria over eleven years is N0.37k implying that the sampled firms' investment may be worthwhile. The standard deviation is 1.24 implying the data points are spread out over a large range of values N11.57k, the difference between the minimum and the maximum values of N0.25k and N11.82k. The market price per share as a dependent variable to be stable. More so, the sample firms' different share prices and heterogeneous nature could also explain the wide range. The average board members on the board of sample manufacturing companies are about nine members. The standard deviation of 2.64 shows a significant variation on the board size of the sampled companies. The minimum value of board size is four (4) and the maximum value of eighteen (18) indicating that the sampled manufacturing companies record four as the lowest numbers of board members on the board, while the maximum members are eighteen. The mean of women directors of the sampled manufacturing companies for the eleven years stood at 0.007, implying that sampled manufacturing companies have 0.7% women representative on the board of directors. The standard deviation was 0.11 lower than the mean, indicating many variations of the data points amongst the sampled companies. The minimum value was zero while the maximum 4% indicated that some sampled manufacturing companies do not have women on their board within the study period.

On the other hand, some sampled manufacturing companies have 4% of women sitting on their board. However, all the variables under study are positively skewed, meaning that more results were obtained in the lower values; this happens because the right side of the axis has the peak of the histogram. The kurtosis of the variables in the study exhibits the characteristics of a platykurtic and leptokurtic curve shape. In that, the peak of the curves is less peaked than the normal curve in all the variables except board composition which exhibits more peaked than the normal curve.

Table 4.2: Correlation Matrix

Variables	MPS	BSZ	BGD	VIF
MPS	1.0000			
BSZ	0.3826	1.0000		1.39
BGD	0.2204	0.1618	1.0000	1.16

Source: Computation using STATA 13.0

Table 4.2, the Market price per share has a weak and positive correlation with board size, board gender at the values of 38% and 22% respectively. Board size has a positive correlation with board gender, at the value of 16%. The VIF indicates no presence of Multicollinearity in the data used for the study.

Table 4.3: Regression Result of Gender and Size on Market Price per Share

	Direct Effect (Path C)		
Variables	Path coef	t-value	p-value
Constant	-3.6347	-4.53	0.000***
BSZ	0.6945	3.50	0.000***
BGD	0.5287	2.35	0.019**
R^2			0.580
Adj. R^2			0.500
Obs			561.0
F(sig)			53.56***
Prob >F			0.000
VIF mean			1.600
Hettest chi^2			14.25
Hettest Prob>chi^2			0.079
Sktest			4.250
Sktest Prob>chi^2			0.084
Root Mean			0.524

Source: Computation using STATA 13. Note *, **, *** indicate significance levels at 10%, 5% & 1% respectively.

This measures the extent to which board gender diversity and size predict shareholders' wealth. However, the influence of board gender diversity and size, predicting shareholders' wealth is good. The p-value of the model of 0.0000 shows that the relationship between board characteristics and shareholders' wealth of the sampled manufacturing firms is statistically significant. More so, the estimation Log-likelihood (F-Statistics) value of 53.56 indicates that the study model is reasonably fit, and as such, the variables in the model were adequately selected, combined, and used. It also implies that the relationship between the dependent variable and the independent variables is not due to chance as the outcome and inferences made from the findings could be relied upon by 99% base on the significance level of 1% that is Prob > chi2 = 0.0000. As such, the p-value of Prob > chi2 is statistically significant at 1%, which means that its predictors reliably predict dependent variables.

The model accounts for an overall R2 of 0.58; this shows the extent of association between independent variables and dependent variables. This implies that the explanatory variables board gender could explain 58% of the total variation in shareholders' wealth, board size and control variable growth, firm size, and age. Only 42% are responsible for factors not captured in this model. The adjusted R2 shows 50% leaving an error of 50%; this shows the models' strength, applicability, and usefulness in ascertaining the extent to which board gender diversity and board size impact market price per share of sampled manufacturing companies in Nigeria. This is considered satisfactory because R-square of 10% is generally accepted for studies in the field of arts, humanities and social sciences for the reason that human behavior cannot be accurately predicted; therefore, a low R-square is often not a problem in studies in the arts, humanities and social science field.
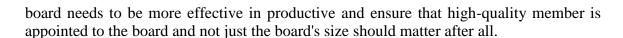
To determine the presence of collinearity problem, a Variance Inflation Factor (VIF) test was conducted with a mean of 1.6 which is less than 10; this result provides evidence of the absence of collinearity. The result shows the presence of heteroscedasticity, which implies that the variability of the error term is not constant as the coefficient of 14.25 with its significant value of 0.079. A heteroscedasticity robust standard error test was conducted to correct that. However, the study predicts error term (e) by running test e, and the result reveals a significant p-value at 0.084 which means that the standard error is not normally distributed.

Board gender diversity of listed manufacturing companies in Nigeria and their market price per share have a direct pathway coefficient and t-value of 0.529 and 2.35, respectively, which is significant at the value of 0.019 or 1.9%. This indicates that board gender diversity has a significant positive direct effect on the market price per share of listed manufacturing companies in Nigeria, meaning that an increase in the number of women directors sitting on the board will increase the market price per share by 1.9%. This indicates that more women directors on the board will improve in the financial decision because women on the board bring different perspectives to the difficult issues confronting today's corporation as diverse of thought results in better decision making, especially dividend payout which improves the wealth of the shareholders of listed manufacturing companies in Nigeria. The apriori expectation of the impact of board gender diversity on the market price per share is that it has a positive impact as the study of Marinova, Plantenga, and Remery (2010)

conclude that if the fraction of women on the board is increased, it will be advantageous as this will improve the effectiveness of the board's decision. However, this observes that some companies' fraction of women on the board is few and some cases zero, thus the need to encourage the inclusion of more female directors on the board to ensure effective decision making the improve shareholders' wealth. Otherwise, the positive effect of this result undermined will be defeated. However, this result confirms the existing literature on this phenomenon. For instance, the studies of Ferrer a Banderlipe (2012) and Ferrari, Ferraro, Profeta, and Pronzato (2018) found a positive effect of board gender on the market price per share. However, Dobbin & Jung (2008) found a negative effect of board gender on the market price per share.

The board size of listed manufacturing firms in Nigeria and their market price per share have a direct pathway coefficient and t-value of 0.694 and 3.50 respectively, and this is significant at the value of 0.000 or 1%. This connotes that board size has a significant positive direct effect on the market price per share of listed manufacturing companies in Nigeria, indicating that an increase in the number of directors sitting on board will increase the market price per share of listed manufacturing companies in Nigeria by 1%. This indicates a productive board which means quality and not just the size of board matters after all. Thus, companies with a few board members can be encouraged to appoint more high-quality individuals to the board whose decision will continue to impact the shareholders' wealth positively. Granting the apriori expectation of the impact of board size on the market price per share which is to have a positive impact as the theoretical backing proposed by Lipton and Lorsch (1992) prescribed eight to nine board members to perform better than the small board of five members because of their resources, capabilities and broader external contractual relationship. However, this study observed that most companies have up to eighteen (18) board members who are large enough to positively impact the shareholders' wealth, while some companies still have less than the prescribed board membership of not less than five in the code of corporate governance in Nigeria. For instance B.O.C. Cases Plc has four members sitting on the board which is less than the prescribed code of a minimum of five. Thus, this result's positive effect reminds the companies with a few board members that there is a need to restructure their board for the betterment of shareholders' wealth of sampled manufacturing companies—this prescribed the existing literature on this phenomenon. For example, the studies of Dobbin & Jung (2008) and Sayumwe and Amroune (2017) found a positive effect of board size on the market price per share. However, this result is contrary to Ferrer & Banderlipe (2012) result found an insignificant effect of board size on the market price per share. Board size does not impact the market price per share of listed manufacturing companies in Nigeria. The third null hypothesis was estimated using regression analysis. The magnitude of the impact of board size on the market price per share indicates a direct pathway coefficient and t-value of 0.695 and 3.50 respectively, with a significant value of 0.000 meaning that board size has a significant positive impact on the market price per share. Subsequently, the relationship is statistically significant; thus, we reject the null hypothesis that board size does not impact shareholders' wealth and concludes that there is a significant positive impact of board size on shareholders' wealth of listed manufacturing companies in Nigeria. A significant positive impact of board size on the market price per share indicates that the

board needs to be more effective in productive and ensure that high-quality member is appointed to the board and not just the board's size should matter after all.

This study's findings have practical, theoretical and regulatory implications. This implication signifies the study's contribution to knowledge which is expected to benefit the management, regulators, policymakers, shareholders, and researchers. One of the important policy implications is that, the variables used suggest that there is a need to uphold the application of corporate governance mechanism by the management. This will, however, provide an effective and efficient dividend decision of the board of listed manufacturing companies in Nigeria, especially manufacturing companies with fewer or higher board members, also companies with none or very few female board members.

The positive effect of board gender diversity and board size on market price of share of listed manufacturing companies in Nigeria as shown by the empirical evidence may have an acceptable explanation. More so, another guide to policymakers in respect of decision regarding the size of the board members, emphasis should be on the quality, effectiveness, and efficiency of the members not the numbers of the board of directors of manufacturing companies. As such the policymakers should consider the need of all sectors in respect of the size of the board rather than assume that one size fits all situations. Also, the entire idea of advocating for a reasonable number of female directors on the board is associated with a firm's tendency to positively affect quality of financial decision capable of improving market price of share which places them as a better monitor against the men of listed manufacturing companies in Nigeria.

5.0   CONCLUSION AND RECOMMENDATION
There is a significant positive impact of board gender diversity on the market price per share meaning that a high number of women directors on the board increase the market price per share. This explains the diligence and risk-averse role of a woman in making a decision that optimizes the market price per share.

There is a significant positive impact of board size on the market price per share, meaning that an increase in the board's size increases the market price per share. As such, the number of directors sitting on the board does matter in decision making and not just the boards 'efficiency and effectiveness in quality decision making. Too few members on the board can slow down decision-making, thereby reducing effectiveness and efficiency in quality decision making. However, a reasonable high number of directors can improve the decision process by contributing their collective competence and reasonable ideas flow from many board members.

It is, therefore, recommended that for the effective and efficient discharge of the responsibilities of the Board of directors of listed manufacturing firms in Nigeria, there should be an appropriate balance of skills and diversity (including experience and gender) without compromising competence, independence and integrity of the board and not just its size. Emphases should be on the quality of members on the board, as this will go a long way in creating enabling atmospheric conditions for dividend decision that enhances the wealth of the shareholders.

REFERENCES

Adegbite, E. A. (2010). The determinants of good corporate governance: The case of Nigeria. *Unpublished Doctoral Thesis*, Cass Business School. http://openaccess.city.ac.uk/19551/

Ahmed, E & Hamdan, A. (2015). The impact of corporate governance on firm Performance: evidence from the Bahrain stock exchange. *European Journal of Business and Innovation Research*, 3(5), 25-48.

Al-Mamun, A., Yasser, Q. R., Entebang, H., Nathan, T. M. & Rahman, M. A. (2013). Gender diversity and economic performance of firms: Shreds of evidence from an emerging market. *Journal of Economic Development, Management, Finance and Marketing*, 5(2), 100-110.

Al-Rahahleh, A. S. (2017). Corporate governance quality, board gender diversity and corporate dividend policy: Evidence from Jordan. *Australasian Accounting, Business and Finance Journal*, 11(2), 86-104.

Alwshah, K. A. A. M. (2009). *The impact of corporate governance and ownership structure on Performance and financial decisions of firms: Evidence from Jordan.* (Unpublished doctoral thesis), University of Hull, Jordan.

Azhagaiah, R., & SabariPriya, N. (2008). The impact of dividend policy on shareholders' wealth. *International Research Journal of Finance and Economics,* (20), 181-187.

Batool, Z. & Javid, A. Y. (2014). Dividend policy and the role of corporate governance in the manufacturing sector of Pakistan. *Pakistan Institute of Development Economics Review,* 1(2014), 109.

Bawa, S. K., Kaur. 2 & (2013). Impact of dividend policy on shareholders' wealth: an empirical analysis of the Indian information technology sector. *Asia Pacific Finance and Accounting Review,* 1(3), 17-24.

Bolbol, I. I. (2012). Board characteristics and dividend payout of Malaysian companies. *Journal of Business Management*, 6(29), 496-503.

Boone, A. L., Field, L. C., Karpoff, J. M., & Raheja, C. G. (2007). The determinants of corporate board size and composition: an empirical analysis. *Journal of Financial Economics,* 85(1), 66–101.

Catalyst (1998). Women Board Directors of the fortune 500. Retrieved from: https://www.catalyst.org

Chen, J., Leung, W. S. & Goergen M. (2017). The impact of board gender composition on dividend payouts. *Journal of Corporate Finance,* 43, 86-105.

Cheema, K. R. & Din, M. S. (2013). Impact of corporate governance on the performance of firms: a case study of the cement industry in Pakistan. *Journal of Business and Management Sciences, 1(4), 44-46.*

Coles, J., Daniel, N. & Naveen, L. (2008). Boards: does one size fit all? *Journal of Financial Economics*, 87, 329-356.

Da Silva, C.L., Goergen, M. & Renneboog, L. (2004). *Dividend policy and corporate governance*. Oxford University Press, Oxford.

Dao, M. Brown, V. L. & Hsu, H. (2015). Does sex matter? Director gender and board policies. *The Journal of Sex Research*, 55(4-5),

Dobbin, F. Jung, J. & Kalev, A. (2008). Corporate board gender diversity and stock performance: The competence gap or institutional investor bias? *A thesis* submitted to the Department of Sociology, Harvard University.

Faccio, M., Marchica, M.T. & Mura, R. (2016). CEO gender, corporate risk-taking, and the efficiency of capital allocation. *Journal of Corporate Finance*. 39(c), 193–209.

Fama, E. F. & Jensen, M. C. (1983). Separation of ownership and control. *Journal of Law and Economics*, 26(2), 301- 325.

Farinha, J. (2003). Dividend policy, corporate governance and the managerial entrenchment hypothesis: An empirical analysis. *Journal of Business Finance and Accounting,* 30(9-10), 1173-1209.

Farrell, K. A. (2005). Additions to corporate boards: The effect of gender. *Journal of Corporate Finance, 58*, 85 - 106.

Ferrer, R C. & Banderlipe, R S. (*2012).* The influence of corporate board characteristics on firm Performance of publicly listed property companies in the Philippines. *Academy of Accounting and Financial Studies Journal, 16(4), 123-142.*

Ferrari, G., Ferraro, V., Profeta, P. & Pronzato, C. (2018). Do board gender quotas matter? Selection, Performance and stock market effects. IZA D.P. No. 11462, *Institute of Labor Economics*. www.iza.org

Gawad, H. A., Sakr A. & Soliman, M. M. (2012). The effect of corporate governance on corporate payout policy on Egyptian firms. *The Business & Management Review* 7 (2), 102.

Ghabayen, M. A. (2012). Board characteristics and firm Performance: Case of Saudi Arabia. *International Journal of Accounting and Financial Reporting, 2, 168-200.*

Ghosh, S. (2006). Do board characteristics affect corporate Performance: firm-level evidence for India. *Journal of Applied Economics Letters*, 13(7), 435-43.

González, M., Guzmán, A., Eduardo, P. E. &Trujillo, M. A. (2020). Does gender really matter in the boardroom? Evidence from closely held family firms. *Review of Managerial Science,* 14(2020), 221–267.

Grullon, G., Michaely, R. & Swaminathan, B. (2002). Are dividend changes a sign of firm maturity? *The Journal of Business,* 75(3), 387-424.

Horvath, R., & Spirollari, P. (2012). Do the board of directors' characteristics influence firms' Performance? The U.S. evidence. *Prague Economic Papers, 4*, 470- 486.

Isa, M. A. & Salawudeen, A. (2019). Board characteristics, dividend policy and shareholders' wealth of listed manufacturing companies in Nigeria. *Journal of Applied Business and Economics*, 21(9), 24 - 45.

Jensen, M. C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *The Journal of Finance,* 48, 831-880.

Kamaludeen, F. A. & Salawudeen, A. (2017). An empirical examination of institutional investors' ascendancy on dividend decisions in Nigeria. *Uniosun International Journal of Business Administration*, 1(2), 126-137.

Kulathunga, K. M. K. N. S., Weerasinghe, W. D. J. D. & Jayarathne, J. A .B. (2017).Corporate governance and dividend policy: A study of listed manufacturing companies in Sri Lanka. *International Journal of Scientific Research and Innovative Technology, 4(2), 2313-3759.*

Lipczinsky, J., & Wilson, J. (2001). *Industrial organization: An analysis of competitive Markets.* London: Prentice-Hall.

Lipton, M., & Lorsch, J. W. (1992). A modest proposal for improved corporate governance. *The Journal of Business Lawyer*, 48(2), 59-77.

Marinova, J., Plantenga, J., & Remery, C. (2010), Gender diversity and firm Performance: Evidence from Dutch and Danish boardrooms. *Discussion Paper*, University of Utrecht, Utrecht. 10(3),

Pelt, T. V. (2013). The effect of board characteristics on dividend policy. *A Doctoral thesis,* Tilburg University, Netherlands.

Raheja, C. G. (2005). Determinants of board size and composition: a theory of corporate boards. *Journal of Financial and Quantitative Analysis,* 40(2), 283–306.

Salawudeen, A., Terkimbi, T. M. & Abdullahi, K. (2018). Corporate tax and dividend policy of listed conglomerate companies in Nigeria. International Journal of Science and Research, 4(11), 985-990. www.ijsr.net

Salawudeen, A. & Suleiman, G. U. (2018). Human capital accounting and financial Performance of listed consumer goods firms in Nigeria. *Lapai International Journal of Management and Social Sciences,* 10(1&2), 169-182.

Salawudeen, A. (2017). Effect of board characteristics on corporate income tax of listed deposit money banks in Nigeria. *Finance and Accounting Research Monitor, Special Edition*, 139-153.

Sayumwe, M. & Amroune, B. (2017). Directors' characteristics and stock market performance in Canada. *Journal of Economic and Financial Studies,* 05(01), 01-15.

Shehu, N. (2015). Board characteristics and dividend payout: evidence from Malaysian public listed companies. *Research Journal of Finance and Accounting*, 6(16), 2222-1697

Shittu, I., Ahmad, A. C, & Ishak, Z. (2016). Board characteristics and earnings per share of Malaysian Islamic banks. *International Journal of Economics and Financial Issues*, 6(s6) 135 -137.

Solal, I. & Snellman, K. (2019) Women don't mean business? Gender penalty in board composition. *Organization science*, 30(6), 1270–1288

Sterling T. F. (2002). *The Enron Scandal*. Nova Science Publisher, Inc.; UK ed. Edition.

Yarram, S. R. (2010). Board characteristics and dividend policy: Australian evidence. *Doctoral Thesis*, University of New England, Armidale NSW 2350 Australia.

Yusoff, W. F.W & Adamu, I. A. (2012). Corporate governance and firm performance of listed companies in Malaysia. *Trends and Development in Management Studies*. 1(1), 43-65.

Zahra, S. A., & Pearce, J. A. (1989). Boards of directors and corporate financial performance: A review and integrative model. *Journal of Management*, 411-438.