



CORPORATE GOVERNANCE AND NON-FINANCIAL PERFORMANCE OF FIRMS IN NIGERIA

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Abstract: Prominence has being on the influence of corporate governance (CG) and firm's financial performance (FP) without much consideration on other performance indicator as a result of the execution of corporate codes and conducts (CCC). This study examined the impact of CG and non-financial performance (NFP) of companies in Nigeria. Secondary data of the sampled banks were obtained from Nigeria exchange groups (NGX) for a period of 20 years. Ranked ordered logit regression estimation analysis was adopted through Stata version 13. Model 1 and 2 revealed that the foreign manager (FMG), board size (BSZ), board composition (BCM), institutional ownership (ISO), audit committee (AUC), audit committee report (ACR), have positive substantial influence on corporate performance (CPF) and internet financial reporting (IFR). While, chief executive officer (CEO) have negative but substantial influence on CPF but insignificant on IFR. Also, managerial ownership (MSO) have positive substantial influence on CPF but not insignificant with IFR. It concludes that CG does not only influence FP of firms but also NFP as well. Therefore, it recommends that banks in Nigeria can even in the face of many challenges and limitations, implementing effective corporate governance practices can enhance non-financial performance, investor confidence, and economic growth.

Keywords: Corporate Governance, Non-financial performance, internet financial reporting.

Introduction

Corporate governance (GC) has become a critical matter in Nigeria, given the country's history of corporate failures, financial crises, and economic stagnation. The Nigerian business environment is characterized by weak institutional frameworks, inadequate regulatory oversight, and cultural nuances that hinder effective governance practices. Notwithstanding the significance of CG in promoting firms' performance growth, many Nigerian companies struggle with ineffective governance structures, leading to stagnated growth, financial instability, and poor performance, essentially, CG is a collection of concepts, ideas, and ways of thinking with specific ethics, values, and principles that enable individuals, employees, and business owners thrive in the global marketplace (Larcker, Richardson & Tuna, 2007); Bruno, & Classens, 2007; Salawudeen. 2012; Ghulam, Yao & Zhang, 2021). Notwithstanding, the challenges of executing decent CG practices lays in the willingness of the stakeholders to make the mechanisms work without interruption.

Thus, corporate governance is essential for the effective conduct of firms in Nigeria, as it promotes transparency, accountability, and good management practices. Effective corporate governance is a crucial factor in promoting sustainable growth and development of firms in Nigeria, as it enhances accountability, transparency, and stakeholder trust, leading to improved financial performance, increased investors' confidence, and better decision-making processes.

Consequently, the Nigerian government and regulatory bodies have introduced various reforms and codes to enhance CG practices with the hope of translating into better firm performance, this codes include "the code of best practices in corporate governance in 2003 (SEC, 2003), the CBN established code of corporate governance for banks in Nigeria post consolidation in 2006 (CBN, 2006), the Nigerian Code of Corporate Governance (2018) and the Securities and Exchange Commission's (SEC) Corporate Governance Guidelines (2020)". However, the effectiveness of these initiatives remains limited, and firms continue to face challenges in implementing good governance practices.

In Nigeria, effective corporate governance is critical for several reasons; enhances investor confidence and attracts foreign investment, supports transparency and accountability in business operations, encourages sustainable business practices and social responsibility, reduces corruption and fraud, improves corporate performance and profitability and protects the interests of stockholders and stakeholders and on a larger perspective promotes economic growth and development (Chhaochharia, & Grinstein, 2007; OECD, 2004; 2015). In this context, this study investigates CG and non-financial performance (NFP) of sampled firms in Nigeria, this is because extant literature focused on the link between CG and financial performance (FP) – how much improvement on FP and profitability. Available records to the scholar showed no investigation was done on the synergy between CG and the NFP such as whether the application of CG mechanism

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actually translate into enhancing investor confidence and attracts foreign investment, supports transparency and accountability in business operations, encourages sustainable business practices and social responsibility, reduces corruption and fraud, safeguards the wellbeing of shareholders and stakeholders and whether it has facilitates frequent internet financial reporting. This aspect of performance is completely ignored in “accounting and finance literature”, it is on this backdrop the research set to explore “the relationship between corporate governance mechanisms and non-financial performance of deposit money banks in Nigeria”.

Literature Review

Corporate Governance and Non-Financial Performance

Numerous works have focused on examining the link between CG and the FP of companies, highlighting how this relationship impacts shareholder wealth (Beaver et al., 2005; Lo & Sheu, 2007). But according to study by Titko and Shina (2017), non-financial elements including better customer happiness, employee effectiveness, and the company's sustainability and image can all boost FP. In addition, Śledzik (2013) and Larsen and Tan (2015) confirm that a company's image, client devotion, staff competence, worker satisfaction and turnover rates, and inventive skills are all markers of non-financial performance (NFP). Furthermore, according to Cronqvist, Makhija, and Yonker (2012), there is a strong positive economic correlation between CEO personal influence and company performance. Thus, the following theory is put out in light of these findings:

Theoretical Framework

This inquiry is anchored on the theoretical frameworks of “stakeholder theory and agency theory”, which provide the foundation for the conceptual framework necessary for the inquiry. Stakeholder theory posits that a company's responsibilities extend beyond just its owners to include all parties with an interest in the firm. This encompasses anyone or any group that can influence or be influenced by the company's decision-making processes. According to Jensen and Meckling (1976), stakeholder theory emphasizes issues that are crucial for the constancy of companies, focusing on their activities and performance in relation to their capacity to uphold decisions made with various business partners. Conversely, Jizi, et al. (2014) posit that a firm's primary purpose is to maximize shareholder wealth. This theory also facilitates the assessment of differences in past performance and outcomes, even when there are alternative ways to address the desires of other stakeholder groups. Therefore, “stakeholder theory” is particularly relevant to this study, which highlights the need for accountability among all parties involved with a firm.

In contrast, agency theory seeks to illustrate the dynamics between principals and their agents within business contexts. It deals with the conflicts of interest that might occur between various organisations when it comes to increasing rewards for business owners. Several theories relating to corporate governance, growth, and development: Agency Theory propounded by (Alchian and Demsetz, 1972; Wilson, 1968; Jensen and Meckling, 1976) concentrates on the link between stockholders (principals) and managers (agents), highlighting the need for effective governance to align interests. Likewise the Stewardship Theory by (Donaldson and Davis, 1991) Views managers as good stewards working for the benefit of shareholders, focusing on their motivations and

goals. Stakeholder Theory by (Freeman, 1984) “Emphasizes considering the interests of all stakeholders, including employees, customers, suppliers, society, and the environment”. While, “Resource Dependency Theory” by (Pettigrew, 1992; Pfeffer and Salancik, 1978) highlights the importance of external resources and connections, focusing on the role of the board of directors in linking the firm to these resources. Moreover, Transaction Cost Theory by (Cyert & March, 1963; Williamson, 1991) focuses on the costs associated with transactions within and outside the firm, such as planning, information, bargaining, and enforcement costs. Furthermore, “Upper Echelons Theory” by (Hambrick and Mason, 1984) suggests top executives' characteristics influence CG and strategic decisions, highlighting the impact of their background and experiences. In another vein, Signaling Theory by (Spence, 1973) Suggests corporate governance practices can signal a company's quality and potential for growth to investors, highlighting the importance of transparency and disclosure.

This study is grounded in “the agency theory, stakeholder theory, and resource dependency theory”, which collectively posit that effective corporate governance is crucial for firms' performance. However, most studies on corporate governance have adopted both qualitative and quantitative design to solving governance issues. However, this study employs a descriptive research method using quantitative research to examine the link between CG and NFP of banks in Nigeria.

Methodology

This inquiry employs a “quantitative research methods” to investigate the link between CG and corporate NFP in Nigeria. This design method is appropriate because secondary data sources will be employed. Secondary data are drawn from the yearly disclosures of the sampled companies from 2004-2023. Thus, the sampled year selected is 20 years (2004 - 2023), as the period serves as the peak of financial evolution. The financial statements of the selected institutions served as the source of the secondary data. Examine information obtained from the websites of the deposit money banks, the Nigerian Exchange Group (NGX), and the CBN Statistical Bulletin (2022). Twenty-three (23) Nigerian deposit money banks (DMBs) that are listed and quoted on NGX as of January 31, 2023—make up the investigation's population. Fifteen (15) specified DMBs were chosen as the investigation's sample size using a stratum. For the purpose of this study, eight deposit money banks with international commercial license were selected (Access, Fidelity, FCMB, First Bank, GTB, Union, UBA and Zenith) and five deposit money banks with National commercial license were selected (Eco, Keystone, Polaris, Sterling, Stanbic IBTC) making a total of thirteen DMBs. Other banks (Citibank Heritage, Standard Chartered, Titan Trust Bank, Unity Bank, Wema) were left out from the sample selection due to non-availability of data and the non-interest banks (Jaiz, Taj, Lotus banks) due to fresh in their years of establishment.

3.1. Variable Measurement

Dependent Variable

CPF (Corporate performance), Measured by scoring the extent of firm's CPF as:

- 0 No noticeable poor performance
- 1 Improves corporate performance and profitability

- 2 Enhances investor confidence and attracts foreign investment
- 3 Supports transparency and accountability in business operations
- 4 Encourages sustainable business practices and social responsibility
- 5 Reduces corruption and fraud
- 6 Protects the interests of shareholders and stakeholders

IFR (Internet financial reporting), Measured by scoring the extent of firm's IFR as:

- 0 NO web site
- 1 Web site, No financial information
- 2 Summarized financial information at web site
- 3 Internet financial statement only
- 4 Fully disclosed financial statement

Independent Variable

Foreign Board Member, Measured as 1 if there is non-national member on the board and 0 if otherwise

Board Size, Measured as the number of directors on the board as used by Salawudeen & Suleiman 2024; Salawudeen & Dandago 2020; Salawudeen & Isa 2020

Board Composition, Measured as the percentage % of Non-executive on the board Salawudeen & Suleiman 2024; Salawudeen & Dandago 2020; Salawudeen & Isa 2020

Managerial Shareholding, Measured, as proportion of share owned by manager to the total shares issued Salawudeen & Suleiman 2024; Salawudeen & Isa 2020; Salawudeen & Isa 2019

Institutional Shareholding, Measured, as proportion of share owned by institutions to the total shares issued This is in line with Kamaludeen & Salawudeen; Abdulrahman & Salawudeen 2021;; Huda & Abdullah (2014); Salawudeen 2012; Ali-Sha, Ullah, & Hasnain (2011)

Audit Committee, Measured, as proportion of member of the audit committee to the board

Audit Report, measured as 1 if the report is unqualified and 0 if is otherwise

Chief Executive Officer, Measured as 1 if there chairman is the chief executive officer and 0 if otherwise. This is in line with Salawudeen 2012

Data Analysis Technique

The statistical method used for this research work is the ranked ordered logit regression equation or model through STATA Version13.0. "The ordered logit regression model analysis is a statistical methods used to model the relationship between a dependent variable (outcome variable) and one or more independent variable the (predictor variables) when the outcome variable is ordinal, meaning it has a natural order or ranking".

Specification of Model

Two different kinds of parameters have been employed in the present inquiry: independent and dependent parameters. The dependent parameter is the firm value proxy by the firm financial growth and development and the explanatory construct is CG proxy by foreign board member (FBM), board size (BSZ), board composition (BCM), managerial shareholding (MSO), institutional shareholding (ISO), audit committee members (ACM), audit committee reports (ACR). Therefore, the following model was modified to calculate the investigation's parameters.

Therefore, the ordered logit regression equation is as follows

$$\text{Logit}(p(\text{corporate performance} \leq j)) \text{ CPF} = \alpha_0 + \beta_1(\text{FBM}) + \beta_2(\text{BCM}) + \beta_3(\text{MBO}) + \beta_4(\text{ISO}) + \beta_5(\text{ACM}) + \beta_6(\text{ART}) + \beta_7(\text{CEO}) + \varepsilon, \dots \quad (1)$$

$$\text{Logit}(p(\text{internet financial reporting} \leq j)) \text{ IFR} = \alpha_0 + \beta_1(\text{FBM}) + \beta_2(\text{BCM}) + \beta_3(\text{MBO}) + \beta_4(\text{ISO}) + \beta_5(\text{ACM}) + \beta_6(\text{ART}) + \beta_7(\text{CEO}) + \varepsilon, \dots \quad (2)$$

Where: foreign board member (FBM), board size (BSZ), board composition (BCM), managerial shareholding (MSO), institutional shareholding (ISO), audit committee reports (ACR) chief executive officer CEO duality α = Regression Intercept, ε = Error term, $j = 0, 1, 2, 3, 4, 5, 6$, (corporate performance) and $0, 1, 2, 3, 4, 5$, (internet financial reporting).

Result and Discussion

Table 4.1: Descriptive Statistics

Variable	No. Obs	Mean	Std. Dev.	Minimum	Maximum	Skewness.	Kurtosis
CPF	260	3.3769	2.0989	0	6	0.7734	0.2314
IFR	260	2.6153	1.2137	0	4	0.5009	0.2231
FMG	260	0.7154	0.4521	0	1	0.6751	0.4418
BSZ	260	8.0192	1.8421	5	13	0.6228	0.0382
MSO	260	0.1377	0.2247	0.0001	0.7331	0.5239	0.4002
ISO	260	0.4294	0.2378	0	0.82	0.6123	0.3420
AUC	260	0.6214	0.4302	0.2300	0.5341	0.4237	0.5872
ACR	260	0.7808	0.4145	0	1	0.7210	0.7140
CEO	260	0.1385	0.3460	0	1	0.6893	0.5213

Source: Generated output from STATA 13.

According to table 4.1's descriptive data, the average and standard deviation of corporate performance are 3.38 and 2.10, respectively. Capital adequacy has a minimum of 0 and a maximum of 6 numbers. However, the mean value of internet financial reporting is 2.62, while the minimum and maximum are 0 and 5, respectively, with a standard deviation of 1.21. Additionally, it demonstrates that the sampled DMBs' FMG has a mean of 0.72 and a standard deviation of 0.45, with the lowest and maximum values being 0 and 1, respectively. The average BSZ value is 8.02 with a standard deviation of 1.84, whereas the lowest and maximum values are 5 and 13, respectively, according to table 4.1. Table 4.1 further reveals that the MSO's minimum and maximum values are 0.0001 and 0.73, respectively, while the average is 0.14 with a standard deviation of 0.22. The sampled deposit money banks' ISO has a mean of 0.43 and a standard deviation of 0.24, with absolute

minimum and maximum values of 0 and 0.82, respectively. ACR transactions have a mean value of 0.78 and a standard deviation of 0.41, with maximum and minimum values of 0 and 1. The mean and standard deviation of the chief executive officer duality's descriptive statistics are 0.14 and 0.35, respectively, whereas the lowest and highest values of online transactions are 0 and 1.

4.2 Correlation Matrix

The purpose of the correlation matrix is to evaluate the degree and magnitude of the relationship between the parameters being studied. The matrix displays the degree of association between the inquiry's parameters. Since too much correlation can result in multicollinearity, which can therefore produce false results and conclusions, correlation evaluation aids in determining the strength or amount of connections between all independent parameters.

Table 4.2: Correlation Matrix

	CPF	IFR	FMG	BSZ	BCM	MSO	ISO	AUC	ACR	CEO	VIF
CPF	1.0000										
IFR	0.1084	1.0000									
FMG	-0.1199	0.1677	1.0000								2.66
BSZ	-0.0158	0.2196	0.2000	1.0000							1.17
BCM	0.0516	0.2142	-0.0714	0.4226	1.0000						1.35
MSO	0.0109	-0.2049	-0.3639	-0.0522	-0.2519	1.0000					1.72
ISO	0.0816	0.1582	0.1447	0.0458	-0.2253	-0.2375	1.0000				1.59
AUC	0.0726	0.3582	0.2147	0.0538	0.2133	0.4315	0.3287	1.0000			1.98
ACR	-0.0891	0.1109	0.7577	0.1825	-0.0382	-0.1434	0.0270	0.0231	1.0000		2.58
CEO	-0.1812	-0.1173	-0.1173	-0.1099	0.0742	0.0547	-0.0596	0.2141	0.0509	1.0000	1.11

Source: Output generated from STATA 13 Software.

CPF has a negative relationship with FMG BSZ, ACR and CEO at the value of 11%, 1.58% 8.91% and 18%, respectively. CPF have a weak positive association with BCM, MSO and ISO. Also IFR have a weak positive association with independent variables FMG, BSZ, BCM ISO and ACR at 16%, 22%, 21%, 16% and 11%, respectively. While IFR have a negative association with independent variables MSO and CEO at 20% and 12% respectively. IFR have a weak positive association with BCM, BSZ, FMG, ISO and ACR at 17%, 22%, 21%, 16 and 11.

Regression Result

Table 4.3 Summary Result of Rank-Ordered Logistic Regression

	Model 1			Model 2		
Variables	Coef	z-value	P> z	Coef	z-value	P> z
Constant	3.1818	3.60	0.000	.3916	1.75	0.044
FMG	.5635	2.32	0.020	.4663	1.68	0.086
BSZ	.1223	2.76	0.004	.0675	1.68	0.094
BCM	.5990	1.67	0.067	1.1953	3.18	0.001
MSO	.8536	2.17	0.008	-.1005	-0.26	0.794
ISO	.7669	1.99	0.006	.7251	2.01	0.045
AUC	.6483	2.33	0.005	.6483	1.98	0.025
ACR	.2608	2.20	0.007	.3984	1.90	0.055
CEO	-.8123	-3.51	0.000	-.2243	-0.96	0.336

R²	0.078	0.106
Adj. R²	0.053	0.081
Obs	260.0	260.0
LR (chi2)	2.06**	31.37*
Prob >chi2	0.0004	0.0001
VIF mean	1.74	1.74
Sktest	7.14	7.14
Sktest Prob>chi²	0.0282	0.028
Root Mean	0.043	1.164

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

The p-values for Models 1 and 2 are 0.0004 and 0.0001, respectively, indicating a statistically significant association between corporate governance and the online financial reporting of Nigerian listed deposit money banks and corporate performance. Furthermore, the estimation chi-likelihood (F-Statistics) values of 2.06 and 31.37, respectively, show that the study's model fits well and that the variables were chosen, merged, and employed appropriately. Because of this, the p-value of Prob > chi2 is statistically significant at 1%, indicating that the predictors of the dependent variables are accurate.

The degree of correlation between independent and dependent variables is demonstrated by the total R2 values of 7.8% and 11%, respectively, for models 1 and 2. This suggests that the explanatory variables corporate governance (FMG, BSZ, MSO, ISO, ACR, and CEO) of listed DMBs in Nigeria could account for 13% of the overall variation in corporate performance (CPF) and internet financial reporting (IFR). Factors not included in this model are only accountable for 92.2% and 89% of the total. The models' strength, applicability, and usefulness in determining the impact of CG (FMG, BSZ, MSO, ISO, ACR, and CEO) on corporate performance and online financial reporting of listed deposit money banks in Nigeria are demonstrated by the adjusted R2 of 5.3% with an error of 8.1%. This is regarded as adequate.

According to Table 4.3, the FMG on CPF and IFR has a significant value of 0.020 and 0.086, with a coefficient and t-value of 0.5635, 0.4663, and 2.32, 1.68, respectively. This suggests that FMG significantly improves the CPF and IFR, proving that the percentage of foreign managers on the board does affect the internal financial reporting and corporate performance of the Nigerian DMBs. It is anticipated that FMG's influence on the CPF and IFR will be favourable due to the introduction of fresh perspectives from outside sources into the board's decision-making process. Nonetheless, the noteworthy positive significant value indicates that the outcome is consistent with the body of knowledge regarding this occurrence. Salawudeen (2012) discovered that FMG improved performance. According to Famma and Jensen (1983), corporate governance has an impact on a company's performance. Rank-Ordered Logistic Regression analysis was used to estimate the first null hypothesis. The size of the FMG's influence on CPF and IFR shows a considerable effect, indicating that the FMG significantly improves CPF and IFR. The association is statistically significant as a result. Therefore, we conclude that FMG does determine the CPF and IFR of listed

DMBs in Nigeria and reject the null hypothesis that FMG has no discernible effect on these metrics.

The coefficient and t-value of the BSZ on CPF and IFR are 0.1223, 0.0675, and 2.76, 1.68, respectively, as shown in Table 4.3. This is significant at 0.004 and 0.094. This suggests that BSZ significantly improves the CPF and IFR, proving that the number of directors on the board does affect the internal financial reporting and corporate performance of the Nigerian DMBs. It is anticipated that BSZ will have a favourable effect on the CPF and IFR since it will introduce fresh perspectives from influential board members into the board decision-making process. Nonetheless, the noteworthy positive significant value indicates that the outcome is consistent with the body of knowledge regarding this occurrence. Salawudeen and Isa (2021) discovered that BSZ improved performance. According to Famma and Jensen (1983), corporate governance has an impact on a company's non-financial performance. Rank-Ordered Logistic Regression analysis was used to estimate the first null hypothesis. According to the magnitude of the BSZ's impact on CPF and IFR, there is a strong positive impact on both of these metrics. The association is statistically significant as a result. Therefore, we conclude that BSZ does determine the CPF and IFR of listed DMBs in Nigeria and reject the null hypothesis that BSZ has no discernible effect on these figures.

The BCM on CPF and IFR has a coefficient and t-value of 0.5990, 0.1953, and 1.67, 3.18, respectively, as shown in Table 4.3. This is significant at 0.067 and 0.001 values. This suggests that BCM significantly improves the CPF and IFR, proving that the makeup of the board does affect the internal financial reporting and corporate performance of the Nigerian DMBs. It is assumed that BCM will have a favourable effect on the CPF and IFR since its members are individuals with a variety of backgrounds, good morals, the necessary core competencies, board expertise, and an entrepreneurial mindset when making decisions. Nonetheless, the noteworthy positive significant value indicates that the outcome is consistent with the body of knowledge regarding this occurrence. Salawudeen and Isa (2021) discovered that BCM improved performance. According to Famma and Jensen (1983), CG has an impact on a company's performance. Rank-Ordered Logistic Regression analysis was used to estimate the first null hypothesis. The size of the BCM's impact on CPF and IFR shows a considerable effect, indicating that CPF and IFR are positively impacted. The association is statistically significant as a result. Therefore, we find that BCM does determine the CPF and IFR of

listed deposit money banks in Nigeria and reject the null hypothesis that BCM has no discernible effect on these metrics. The MSO on CPF has a coefficient and t-value of 0.8536 and 2.17, respectively, as shown in Table 4.3. This is significant at 0.008. This suggests that MSO has a major beneficial impact on the CPF, indicating that the manager's share ownership percentage in relation to the total number of shares issued does influence the internal financial reporting and corporate performance of the Nigerian DMBs. The apriori expectation is that MSO will have a favourable effect on the CPF. Nonetheless, the noteworthy positive significant value indicates that the outcome is consistent with the body of knowledge regarding this occurrence. Salawudeen and Isa (2021) discovered that MSO improved performance. According to Famma and Jensen (1983), CG has an impact on a company's performance. Rank-Ordered Logistic Regression analysis was used to estimate the first null hypothesis. The size of the MSO's impact on CPF shows a considerable effect, indicating that the MSO significantly improves CPF. The association is statistically significant as a result. Therefore, we find that MSO does determine the CPF of listed DMBs in Nigeria and reject the null hypothesis that MSO has no discernible effect on the CPF. MSO, however, has no effect on IFR.

According to Table 4.3, the ISO on CPF and IFR has a significant value of 0.006 and 0.045, with a coefficient and t-value of 0.7669, 0.7251, and 1.99, 2.01 correspondingly. This suggests that ISO has a major beneficial impact on the CPF and IFR, indicating that the internal financial reporting and corporate performance of the Nigerian DMBs are influenced by the percentage of shares held by institutions relative to the total number of shares issued. Because ISO brings fresh perspectives from outside sources to the board decision-making process, it is expected to have a favourable effect on the CPF and IFR. Nonetheless, the noteworthy positive significant value indicates that the outcome is consistent with the body of knowledge regarding this occurrence. Salawudeen and Isa (2021) discovered that ISO had a favourable impact on performance. According to Famma and Jensen (1983), CG has an impact on a company's performance. Rank-Ordered Logistic Regression analysis was used to estimate the first null hypothesis. A large impact is indicated by the size of the ISO's influence on CPF and IFR, indicating that the ISO significantly improves these metrics. The association is statistically significant as a result. Therefore, we conclude that ISO does determine the CPF and IFR of listed deposit money banks in Nigeria and reject the null hypothesis that ISO has no discernible effect on these figures.

The coefficient and t-value for the AUC on CPF and IFR are 0.2608, 0.3984, and 2.20, 1.90, respectively, as indicated in Table 4.3. These values are significant at 0.007 and 0.055, respectively. This suggests that AUC significantly improves CPF and IFR, proving that the ratio of audit committee members to board members does affect the internal financial reporting and corporate performance of Nigerian listed banks. Because the Audit Committee helps the Board of Directors manage the accuracy and integrity of the company's financial statements, ensure compliance with legal and regulatory requirements, and ensure the effectiveness of the company's internal audit function on the board decision, it is expected that the impact of AUC on the CPF and IFR will be positive. Nonetheless, the noteworthy positive significant value indicates that the outcome is consistent with the body of knowledge regarding this occurrence. Salawudeen and Isa (2021)

discovered that AUC had a favourable impact on performance. According to Famma and Jensen (1983), corporate governance has an impact on a company's performance. Rank-Ordered Logistic Regression analysis was used to estimate the first null hypothesis. An important effect is indicated by the size of the AUC's impact on CPF and IFR, indicating that the AUC significantly improves both of these metrics. The association is statistically significant as a result. Therefore, we find that AUC does determine the CPF and IFR of listed deposit money institutions in Nigeria and reject the null hypothesis that AUC has no discernible effect on these metrics.

The ACR on CPF and IFR has a coefficient and t-value of 0.2608, 0.3984, and 2.20, 1.90, respectively, as shown in Table 4.3. This is significant at 0.007 and 0.055, respectively. This suggests that ACR significantly improves the CPF and IFR, indicating that the report is unqualified or somehow influences the internal financial reporting and corporate performance of the Nigerian DMBs. Since the audit committee report helps the board of directors manage the accuracy and integrity of the company's financial statements, ensure compliance with legal and regulatory requirements, and assess the effectiveness of the company's internal audit function on board decisions, it is expected that the impact of ACR on the CPF and IFR will be positive. Nonetheless, the noteworthy positive significant value indicates that the outcome is consistent with the body of knowledge regarding this occurrence. Salawudeen and Isa (2021) discovered that ACR improved performance. According to Famma and Jensen (1983), corporate governance has an impact on a company's performance. Rank-Ordered Logistic Regression analysis was used to estimate the first null hypothesis. According to the extent of the ACR's impact on CPF and IFR, there is a strong positive impact on both of these metrics. The association is statistically significant as a result. Thus, we fail to accept the null hypothesis that ACR has no significant impact on the CPF and IFR and concludes that ACR does determine the CPF and IFR of listed deposit money banks in Nigeria.

Table 4.3 shows that the CEO on CPF have a coefficient and t-value of -0.8123 and -3.51 respectively, and this is significant at the value of 0.000. This suggests that the chief executive officer has a major detrimental impact on the CPF, proving that the chairman and CEO positions on the board actually influence the corporate performance of the banks. The chairman, who also serves as the CEO, has the ability to change board decisions, thus it is expected that the CEO's influence on the CPF will be detrimental. Nonetheless, the noteworthy positive significant value indicates that the outcome is consistent with the body of knowledge regarding this occurrence. Salawudeen and Isa (2021) discovered that the CEO had a favourable impact on performance. According to Famma and Jensen (1983), CG has an impact on a company's performance. Rank-Ordered Logistic Regression analysis was used to estimate the first null hypothesis. The CEO has a positive and considerable impact on CPF, as evidenced by the size of the impact that the CEO has on CPF. The association is statistically significant as a result. Thus, we fail to accept the null hypothesis that CEO has no meaningful impact on the CPF and concludes that CEO does affect the CPF of listed deposit money banks in Nigeria. Nevertheless, CEO has no impact on IFR.

Conclusion and Recommendations

Conclusively, corporate governance mechanisms have a significant impact on the non-financial performances (corporate performance and internet financial reporting) of the sample firms which is essential for promoting transparency, accountability, and sustainability in Nigerian businesses. While there are challenges and limitations, implementing effective corporate governance practices can enhance non-financial performance, investor confidence, and economic growth.

The study therefore recommend that, there is the need to strengthen the regulatory frameworks to enhance laws and regulations by enforcing corporate governance practices on firms that are yet to comply. The need to increase awareness and education by providing training and workshops for stakeholders to understand corporate governance principles and its application. The need to improve transparency and disclosure by ensuring enforcement of accurate and timely disclosure of financial information. The need to enhance board independence and effectiveness by ensuring boards are independent, diverse, and skilled. The need to promote stakeholder engagement by encouraging active participation from shareholders, employees, customers and interested parties at large. The need to adopt international best practices by aligning with global corporate governance standards. The need to establish effective risk management systems to identify and mitigate potential risks. The need to encourage whistleblowing and complaint mechanisms and protect whistleblowers and address concerns. The need to conduct regular corporate governance assessments to identify areas for improvement. The need to collaborate with international organizations and seek guidance and support from global bodies. The bottom line is should Nigerian corporation able to implement these recommendations, Nigeria can improve corporate governance, enhance business sustainability, and promote economic growth.

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