Corporate Governance and Performance of Listed Financial Firms in Nigeria

Usman Gur Mohammed
Transmission Company of Nigeria, Abuja

Abstract

This study was necessitated by the failures of otherwise large and blue chip companies due to poor application of corporate governance principles and practice. The failure of firms in the financial sector could lead to economic crisis because of their role in financial intermediation. The Asset Management Company of Nigeria (AMCON) was established with several billions of tax payers’ money in order to bail out failing commercial banks whose failures was caused in part by poor application of corporate governance. This research seeks to determine the impact of five corporate governance variables (Board Independence, Board Ownership, Board Size, CEO Duality and Multiple Codes) on the performance of firms in the financial sector of Nigeria (banks, insurance and pension administrators). The study adopts a descriptive statistics approach using means, median, maximum and minimum values. Other descriptive estimates like standard deviation and variance were also employed to analyze data collected from statistical reports of the Nigeria Stock Exchange. The regression model used is random effect model. Findings of the study indicated there was positive but insignificant relationship between three of the five corporate government variables and performance of listed financial firms, while there is a neutral and negative but insignificant relationship respectively between CEO Duality and Multiple Codes and performance of listed financial firms in Nigeria.

Keywords: Corporate governance, Performance, Multiple Code, Panel Data, Financial Sector

Corresponding Author: Usman Gur Mohammed

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Background to the Study

The importance of corporate governance principles in the management of corporations became more pronounced due to the last global financial crisis. The global financial crisis provided many examples of failure of corporate governance practice; consequently, regulators and policy makers are working very hard in different countries to establish reliable and effective corporate governance codes to strengthen controls.

Corporate governance consists of legal, contractual and implicit a framework that defines the exercise of power within a company that influence decision making that allows the shareholders to assume their responsibilities and ensure that their rights and privileges are respected. Evaluating corporate governance necessarily involves analyzing the power structure (shareholders, board of directors, top executives, and other managers) and how the structure affects the behaviours of decision makers and shareholders (Jean-Paul, 2005).

Corporate governance affects the development and well-functioning of capital market and invariably the economy as it directly influences resources allocation hence it has become important framework affecting industrial competitiveness of countries. There is a direct link between corporate governance, firm performance and economic growth (Maria & Thomas, 1999).

Poor implementation of corporate governance principles have been found to be the cause of the failures of many important and respected companies all over the world and literature generally supports the position that good corporate governance principles impacts positively on performance of the firm (Maher, & Anderson, 2009).

Al-malkawi and Pillai (2012) indicated country’s norms, beliefs, values, beliefs and regulatory system have positive influence on corporate governance principles. Firms are influenced by formal and informal rules in their day to day operations. Kingsley and Theophilus (2012) concluded countries with history of poor corporate governance practices have been identified as having inadequate capacity to manage their resources. Therefore, corporate governance as supported by existing literature is the most important development issue affecting developing countries, Nigeria inclusive.

Inyang (2009) noted that Securities and Exchange Commission (SEC) established the Atedo Peterside Committee in 2003. Atedo Peterside Committee report became the basis of modern corporate governance practices in Nigeria. As part of the post consolidation of banks related failures; CBN issued corporate governance codes and guidelines to all banks operating in Nigeria in 2006.

Agara and Stainbank (2014) observed Nigerian banks are regulated by two applicable codes; the Securities and Exchange Commission (which is general to all listed companies) and the Central Bank of Nigeria codes which is the industrial codes that regulates deposit Banks. Nigeria firms have difficulties in complying with multiple corporate governance codes emanating from the Securities and Exchange Commission, Central Bank of Nigeria, Pension
The Nigeria financial system can be generally categorized into formal and informal sectors. The informal sectors include the money lenders, cooperatives and various saving associations which are yet to be properly developed and somehow not fully integrated into the formal financial system. The formal financial systems on the other hand are regulated by various regulatory agencies. These include the deposit money banks, insurance, pension firms, building societies, capital markets etc (Adelakun, 2010). This study concentrated on only banks, insurance and pension firms in Nigeria.

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However, to be best of the knowledge of this researcher none of these past researchers examined the impact of the five corporate governance variable (Board Independence, Board Ownership, Board Size, CEO/Chairman Duality and Multiple Codes of Corporate Governance) or reviewed the corporate governance and performance of insurance, banks and pension fund administrators in Nigeria. To the best of the knowledge of the researcher there was also no study on the implications of multiple codes issues by various regulators in Nigeria on the performance of firms the financial sector in Nigeria. This research seeks to address these shortcomings.

**Literature Review**

**Concept of Corporate Governance**

Good corporate governance is an essential standard for establishing the striking investment environment which is needed by competitive companies to gain strong position in efficient financial markets. Good corporate governance is fundamental to the economies with extensive business background and also facilitates the success for entrepreneurship.

Corporate governance arises in modern corporations due to the separation of management and ownership control in the organizations. The interests of shareholders are usually
conflicting with that of managers. The principal agent problem is reflected in the management and direction related problems due to the differential interests of firm’s stakeholders. In view of the above there is no single definition of corporate governance if viewed from different angles. David and Brian (2011) defined corporate governance as “collection of control mechanism that an organization adopts to prevent or dissuade potentially self-interested managers from engaging in activities detrimental to the welfare of shareholders and other stakeholders.

Tabassum (2012) observed that corporate governance is the mechanism to control managers so that their decisions in managing the firm are for the benefit of the shareholders and not for their own interest. Corporate governance is expected to minimize corporate scandals, failures and ensure good images for corporations. It is expected to help companies to attract investors, suppliers and other stakeholders to the corporation.

Corporate governance consist of legal, contractual and implicit frameworks that defines the exercise of power within a company, that influence decision making that allows the shareholders to assume their responsibilities and ensure that their rights and privileges are respected. Evaluating corporate governance necessarily involves analyzing the power structure (shareholders, board of directors, top executives, and other managers) and how the structure affects the behaviours of decision makers and shareholders (Jean-Paul 2005).

Inyang (2009) noted that corporate governance facilitates the incentive for managers to ensure firm under their control is operated effectively and efficiently. It also limits the power of managers to abuse and misuse resources of the firm for their own benefit. It also creates the monitoring system that ensures corporate accountability (Benjamin 2009). Corporate governance is the process in which companies are directed and controlled. It specifies the distribution of responsibilities and the rights of stakeholders in a corporation. The typical stakeholders include board, management, shareholders, employees, creditors, regulators, host communities among others. Corporate governance specifies the rules and procedures for making decision that affects the operations of the corporation. It also provides the structures for setting the objectives of the corporation and the means of attaining the set objectives (Omolade and Tony 2014).

Agara and Stainbank (2014) observed Nigerian deposit banks are regulated by two applicable codes; the Securities and Exchange Commission (which is general to all listed companies) and the Central Bank of Nigeria codes which is the industrial/regulatory codes. Securities and Exchange Commission (SEC) specified at least 5 board memberships with diverse skills and experience. SEC codes specified board membership of listed company should comprise of executive and non-executive directors with a chairman who should be a non-executive director. Majority of the board should comprise of non-executive directors with at least one independent director.

However, the CBN code of 2006 specified bank board of not more than 20 members with majority of the director comprising of non-executive director and at least 2 independent
directors who do not represent a particular shareholders interest. Demaki (2011) observed companies in Nigeria have difficulties in complying with multiple corporate governance principles emanating from regulators such as CBN, PENCOM, NAICOM and Securities and Exchange Commission which is the general codes for listed companies.

**Firm Performance**
Santos and Brito (2012) concluded that firm performance suffers from limited conceptualization, selection of indicators based on convenience and no proper consideration of its dimensionality. Conceptual performance dimensionality identifies five dimensions; financial performance, customer satisfaction, employee satisfaction and environmental performance. Firm performance can be classified as the most important business strategy irrespective of whether it is taken as important issue or how its use can be described as ambitious (Indiana, 2009).

Ebrahim, Abdullah and Faudziah (2014) observed that due to globalization, performances of companies are evaluated by all investors all over the world. It is a measure of determining effect of organizational resources on business performance and that marketing and accounting measures are needed to adequately measure a firm. Some of the widely used performance measures are; Return on Asset (ROA); Return on Equity (ROE); Return on Sales (ROS); Profit Margin (PM); Earning Per Share (EPS); Tobin-Q; Market Value Added (MVA); Operating Profit (OP); Growth on sales (GRO); Return on Capital Employed (ROCE) etc. Performance data used in the study is Return on Assets (ROA).

**Nigeria Financial Sector**
The Nigeria financial system can be generally categorized into formal and informal sectors. The informal sectors includes the money lenders, cooperatives and various saving associations which are yet to be properly developed and somehow not fully integrated into the formal financial system. The formal financial system on the other hand is regulated by various regulatory agencies. These includes the Deposit Money Banks, insurance, pension firms, building societies, capital markets (Adelakun 2010). This study concentrated on only banks, insurance and pension firms in Nigeria.

Oke (2012) stated the finance growth nexus theory-financial development promotes economic growth through channels of marginal productivity of capital, efficiency of savings to investment and saving rate. Growth through these channels are released through financial intermediation. Insurance companies plays important role in financial intermediation through risk management tools for economic players (companies and individuals through the insurance process, they collect funds and transfer them to deficit economics. Through the insurance processes they collect funds and transfer them to deficit economic units for financing real investment. The Nigeria pension reform (Pension Reform Act 2004) have created new large pool of assets that require active management. Under the scheme employees are oblige to maintain a retirement saving account with a pension fund administrator of their choice into which both the employees and employers contribution are deposited. Since the contributory pension scheme was created, it has grown significantly in
Audu and Muka’ilu (2014) observed that Islamic finance is possible in Nigeria because there is a large market for it. There is a legal and regulatory environment. It is necessary because it would provide choice of investment and banking services to a large section of Nigerians and ensure those based on their moral conviction that conventional banking system is bad get a banking avenue. Such people lack access to banking services. However, regulatory restrictions have limited the channels to deploy the fund for the benefit of the economy. This has necessitated the various calls for regulatory easing of the restrictions to allow the fund to finance investment in critical infrastructure (Ekpulu, & Binalar, 2016).

Umberto, Andre and Bernult (2012) stated the financial system in an economy is always taken for granted when it is working well; its collapse or failure elicits serious consequences. Financial Sector crisis have similarities to medical illness and requires similar treatment that includes the identification of the cause. Nigeria financial sector comprise of the deposit Money Banks, Development and Specialist Banks, Microfinance Banks, Discount Houses, Insurance Companies, Pension Companies and various local traditional saving scheme. The Sector also includes the informal segment that operates outside the regulatory environment based on social network.

Victor and Samuel (2014) observed the significant growth and expansion of the Nigeria financial sector did not translate to corresponding growth and expansion of private enterprise in the country. Monetary authorities should continue the process of reforming the financial sector to ensure it meets the objective of real financial intermediation by providing the needed support to the private sector.

Umejiaku (2011) stated that prior to Structural Adjustment Programme (SAP) of 1986, Nigeria financial sector was faced with interventionist policies which includes statutory interest rate ceiling, direct credit; accommodation of government borrowing, exchange controls etc. The banking sector was mainly dominated by the then big three (First Bank, Union Bank and UBA). Deregulation saw the increase in 1987 to 90 in 2003 and recapitalization policy brought them to 25 big banks in 2005.

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**Theoretical Review**

This study intends to look at the following theories; Agency theory which is centered on the protection of shareholder’s interest (shareholder centric); Stakeholder theory is based on strong argument against the shareholder theory which focus on what can be described as narrow objective of reducing agency cost; Stewardship theory is based on the consensus between managers and shareholders on how the firm could be managed to maximize shareholders wealth. It is believed that managers have fiduciary responsibility to the shareholders to ensure their decisions are done at all times in the best interest of the shareholders.
Resources Dependence theory is based on the existence of resources dependency among firms based on degree of their needs from the environment. Rational Apathy theory is catered on the diversity and dispersion of various shareholders who cannot constitute collective action against the management. The theory suggested technology can bring diverse shareholders together to provide collective action against management at little cost. Institutional governance variables like corporate values, principles and policies influence the behaviour of a leader (Al-Malkawi and Pillai, 2012). Norms, values, ethics and assumptions as to what can be described as appropriate behaviours are at the heart of Institutional theory. The theoretical basis of this study is based on agency theory.

Agency theory has been described as the starting point of any corporate governance debate because of how central it is to the entire discussion on the subject (Kyereboah-Coleman, 2017). An agency cost arises when the interest of shareholders who are owners of business are not in harmony with the interest of the managers who are in control of the business. Where such exist, managers may be doing investment decision to further their self-interest. The cost of monitoring the managers to ensure all their decisions conform to maximizing the welfare of the shareholders is what is called agency cost.

Modern firms suffer from separation of ownership from control because shareholders are diverse and dispersed such that they cannot come together to form a collective front against the professional managers who usually act for their self-interest instead of that of the shareholders.

**Review of Empirical Studies**

Aslan et al. (2010) confirm a negative relationship between board size and firm value. The benefit of having large experts on the board through the existence of large board is usually outweighed by the problems of communication and asymmetric information associated with large board. There is the possibility that the gap between ownership and control could increase as the size of the board becomes bigger. As the size of the board increases, so also would the number of independent directors who usually have little or no ownership in the firm also increases (Aslan et al., 2010).

Aslanet al. (2010) observed that CEO Duality is found to have no impact on stock market value of a firm. However, there is indication that stock market may perceive lack of separation of the position of the CEO and Chairman of the board as a bad signal especially in market crisis period. Statistically there is no significant relationship between CEO Duality and Accounting Performance. Ajanthan (2013) stated that Sri Lanka codes of Corporate Governance requires the separation of the two positions of a firm; the Chairman of the Board of Directors and the Chief Executive Officer (CEO) so that the powers of monitoring and implementation are not vested in a single person. If the two positions are combined, the monitoring role of the board of directors would seriously be compromised.

Sanda, Mikailu and Garba (2005) observed that CEO duality does not favour performance of the firm. CEO/Chairman duality is perceived to have negative impact on the performance of
listed financial firms in Nigeria due to the recent experience of the country after bank consolidation that took place in 2005. Most of the Banks that had their CEO as the chairman failed after the consolidation.

Amaduet al. (2005) concluded that there is no significant relationship between outside directors and firm performance. Bhagat and Bolton (2009) observed that there was a shift in the relationship between corporate governance and performance during pre-and post-SOX Act of 2002. There was a negative relationship between operating performance and board independence but after 2002 finding shows a positive relationship between board independence and operating performance.

Guagnani (2013) stated that a board is classified as independent if it has more independent directors. The relationship between board independence and performance of the firm had been interpreted differently by researchers. Bhagat and Bolton (2009) found there is no significant relationship between number of independent directors and performance of the firm.

Ming-Cheng WU (2011) stated that there is convergence of interest on the hypothesis that suggest higher insider ownership may smoothen relationship between managers and outside shareholders interest and in the process reduce agency related problems. Insider ownership has positive relationship with firms' performance.

Board ownership could encourage board members to supervise management effectively and efficiently (Duc and Thuy 2013). There is a positive correlation between board ownership and firm's performance. Contribution of board ownership to the performance of the firm is a “double – edged sword”. There is an optimal level board ownership of a firm to contribute positively to the firm performance (Duc &Thuy 2013).

Demaki (2011), stated that good corporate governance codes without undue proliferation is fundamental to corporate profitability, risk reduction and foreign capital inflows. There is need for the constant evaluation of corporate governance codes to ensure its relevance to realities of operation. Agara and Stainbank (2014) observed Nigerian deposit banks are regulated by two applicable codes; the Securities and Exchange Commission (which is general to all listed companies) and the Central Bank of Nigeria codes which is the industrial codes that regulates deposit Banks. Nigeria firms have difficulties in complying with multiple corporate governance codes emanating from the Securities and Exchange Commission, Central Bank of Nigeria, Pension Commission of Nigeria, Nigeria Insurance Commission; the former issues general codes while the later three issues specific industry/regulators codes (Demaki 2011).

Methodology
The data for this study were mainly from secondary source; they are the annual financial statement of pension administrators, banks and insurance companies that are listed on floor Nigerian Stock Exchange. The data for this study was collected for the period between 2006
and 2016. Data were collected from the financial 16 banks, 26 insurance firms and 1 pension administrator that are quoted on the floor of Nigeria Stock Exchange as at December 31, 2017.

**Model Specification**

This study adopted a panel regression estimation technique. Panel data is an important method of longitudinal data analysis because it allows for a number of regression analyses in both spatial (units) and temporal (time) dimensions. In Panel regression, there are three possibilities: Pooled Regression Model, Fixed Effect Model, and the Random Effects Model. These three are commonly used in empirical studies (Greene, 2008). The mode is stated thus:

\[
ROA_{it} = \beta_0 + \beta_1 SIZE_{it} + \beta_2 DUAL_{it} + \beta_3 B-IND_{it} + \beta_4 OWN_{it} + \beta_5 M-CODE_{it} + \mu_{it} \quad \ldots 1
\]

Where:

- ROA: Return on assets; proxy for accounting measure of performance.
- BSIZE: Board size.
- DUAL: CEO duality 1 if the CEO is also chairman of the board, 0 otherwise.
- B-IND: Board Independence.
- OWN: Board Ownership.
- M-CODE: Multiple codes.
- \( \mu_{it} \): Component error terms.

\( \beta_0, \beta_1, \beta_2, \beta_3, \beta_4 > 0 \)

**Estimation and Results**

**Descriptive Statistics**

The table 1 shows the summary statistics for the variables used in the study. It shows the descriptive statistics for the dependent and independent variables and revealed that the mean for board size and board ownership influence the dependent variables (return on asset) more. Other three variables have low influencing effect on the return on asset. This means Board Size and Board Ownership have more impact on the performance of financial firms in Nigeria, While Board Independence, Multiple Codes and CEO Duality have little influences on Return on Asset.

**Correlation analysis**

Table 2 shows the correlations matrix between the dependent and independent variables. The correlation matrix shows the degree of relationship that exists between the variables. The result revealed that board size, board of directors' independence and multiple code positively influence the dependent variable return on asset with a percentage rates of 5.42%, 4.24% and 0.16% respectively. However, board of directors' ownership influences the return on asset negatively. Consequently, from the result, CEO duality indicated a zero correlation with Return on Asset. This is signifying that there is no correlation between CEO Duality and performance of financial sector firms.
**Multicollinearity**

Variance Inflation Factor is a technique used to check the assumption of multi-collinearity. The research adopted the Variance Inflation Factors (VIF) to detect the presence of multicollinearity in the variables. The variance inflation factor for a predictor indicates whether there is a strong linear association between one predictor and the remaining predictors. The correlation in a situation in which two or more explanatory variables in a multiple regression are highly and linearly related, it renders one of the affected variables redundant and non-effective on the dependent variable. This shows there is no threat of multicollinearity or independent errors. The result in table 3 shows no presence of the multicollinearity since the VIF in the table are not up to 10, hence the explanatory variables are valid for estimation.

**Pooled, Random and Fixed effects results**

Table 4 shows the summary of results for the pooled regression, random effect and fixed effect models. The estimated results are robust because they corrected for heteroscedasticity and auto-correlation problems. The Hausman specification test in table 4 shows that the random effect model is a better estimator than the fixed effect model since the Hausman test result shows a low value of 0.17 of the Chi-square, with a p-value (0.9204) higher than 0.05 significance level. However, the random effect is also a better model than the pooled regression model because the Lagrangian Multiplier test indicated that there exists a panel effect between the random and the Pooled regression model.

**Results and Discussion of Findings**

Given that the result revealed that there is a positive relationship between board size and the performance of the financial firms in Nigeria. The conclusion is that the result is consistent with Agara and Stainbank (2014) who opined there is no universal standard of what is an ideal size of board.

The finding from the regression estimation shows that the coefficient of board independence was found to be positive but insignificant. Hence there is no significant relationship between board independence and the performance of the financial firms in Nigeria. This is consistent with Sanda et al. (2005) who concluded that there is no significant relationship between board of director’s independence and firm performance. Bhagat and Bolton (2009) observed that there was a shift in the relationship between corporate governance and performance during pre-and post-SOX Act of 2002. There is a negative relationship between firm performance and board independence. Bhagat and Black (2002) found there is no significant relationship between board of director’s independence and performance of the firm.

The regression result revealed that the coefficient of directors’ ownership is positive to return on asset. The P-value is 0.805. This means that there is an insignificant relationship between directors’ ownership and performance of financial firms in Nigeria. This is inconsistent with the findings of Ming-Cheng WU (2011) who stated that there is convergence of interest on the hypothesis that suggest higher insider ownership may smoothen relationship between managers and outside shareholders interest and in the process reduce agency related
The findings from the regression result revealed that the coefficient of multiple codes was found to be negative and insignificant to the return on asset. The P-value is 0.706 which is greater than the significant level of 0.05. This means that there is no significant relationship between multiple codes and performance of financial firms in Nigeria. This is consistent with the findings of Aina and Adejugba (2015) who stated that multiple code disparities in the provisions of the Nigerian codes need to be harmonized with a prescriptive optimum board size for all the codes.

1. This study therefore commends increase in the number of board of directors until an optimum size is reached. At the optimum size of a board, the benefit from the experiences derived from the size of the board shall equal the cost of managing the board.

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Conclusion
Based on the result of the analyses the following variables of corporate governance; Board Size, Directors Ownership and Board Independence were estimated to have positive but insignificant relationship with the performance of financial firms in Nigeria. The relationship between complying with Multiple Codes of Corporate Governance and Performance of financial sector firms in Nigeria was found to be negative but insignificant. The Existence of CEO Duality has no effect on the performance of financial sector firms in Nigeria.

The following findings and conclusions are made; increase in Board size, will increase the level of performance by financial firms, CEO duality has a zero effect on performance of financial firms. Board independence will bring about increase in the performance of financial firms in Nigeria (ROA). The findings from this study shows the coefficient of directors’ ownership is positive but insignificant to return on asset. Finally, the result also concluded that coefficient of multiple codes was found to be negative and insignificant to the return on asset (ROA).

Recommendations
The following recommendations were made based on the findings of this study.

1. This study therefore commends increase in the number of board of directors until an optimum size is reached. At the optimum size of a board, the benefit from the experiences derived from the size of the board shall equal the cost of managing the board.

2. For the case of CEO, the study recommends that the current situation in which the office of CEO and that of the Chairman of the Board are separate across the finance industry should be maintained. The dual power in one person as CEO and Chairman could frustrate the capacity of the board to evaluate the performance of management.

3. The impact of board independence on the performance of firms in the financial sector in Nigeria shows positive but insignificant relationship. Hence, it
recommends that firms in the financial sector in Nigeria should be encouraged by regulation to increase the independence of the board.

4. The results of study show directors’ ownership have positive impact on the performance of firms in the financial sector in Nigeria. These researches recommend a balance ownership between directors/insider and outsider ownership. Directors/insider ownership normally enhances the relationship between managers and owners of the firm which ultimately reduces agency related cost.

5. There should be harmony in the corporate governance codes in the financial sector in Nigeria. The harmonization of the codes will enhance monitoring of compliance thereby improving their performance which will ultimately reduce incidence of firm collapses.

References


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Appendices

Table 1: Descriptive statistics

<table>
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<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
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<td>ROA</td>
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<td>1.018529</td>
<td>7.304383</td>
<td>-78.32</td>
<td>20.76</td>
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<td>BSIZE</td>
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<td>3.330823</td>
<td>5</td>
<td>20</td>
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<tr>
<td>DUAL</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>B-IND</td>
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<td>.1599506</td>
<td>0</td>
<td>.88</td>
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<tr>
<td>OWN</td>
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<td>656.6078</td>
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<td>M-CODE</td>
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<td>.3961353</td>
<td>.4896849</td>
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Table 2: Correlation Analysis

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<tr>
<td>ROA</td>
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<td></td>
<td></td>
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<tr>
<td>BSIZE</td>
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<td>1.0000</td>
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<tr>
<td>DUAL</td>
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<td>1.0000</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>B-IND</td>
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<td>-0.0499</td>
<td>1.0000</td>
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<td></td>
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<tr>
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<td>-0.2089</td>
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<td>M-CODE</td>
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<td>0.6731</td>
<td>-0.1283</td>
<td>-0.0632</td>
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Table 3: Multicollinearity test

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<tr>
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<td>0.535165</td>
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<tr>
<td>BSIDE</td>
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<td>0.543795</td>
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<td>B-IND</td>
<td>1.08</td>
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<tr>
<td>OWN</td>
<td>1.06</td>
<td>0.943588</td>
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</table>

Mean VIF | 1.46
### Table 4: Summary of Pooled, Random and Fixed effects results

<table>
<thead>
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<th></th>
<th>POOLED REGRESSION</th>
<th>RANDOM EFFECT</th>
<th>FIXED EFFECT</th>
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<tr>
<td></td>
<td>Coeff</td>
<td>P-value</td>
<td>Coeff</td>
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<td>BSIZE</td>
<td>0.2082</td>
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<td>0.1685</td>
</tr>
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<td>DUAL</td>
<td>0</td>
<td>(0)</td>
<td>0</td>
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<td>BODIN</td>
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<td>BOWN</td>
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<td>0.0001305</td>
</tr>
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<td>M-CODE</td>
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<td>(0.404)</td>
<td>-0.6222</td>
</tr>
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<td>CONST</td>
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<td>-2.2581</td>
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<tr>
<td>R²</td>
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<td>409</td>
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<td>409</td>
</tr>
<tr>
<td>F*</td>
<td>0.68</td>
<td>(0.6052)</td>
<td>1.87</td>
</tr>
<tr>
<td>Corr (Uᵢ, X)</td>
<td>0</td>
<td>(0)</td>
<td>0</td>
</tr>
<tr>
<td>Lagrangian Multiplier test</td>
<td>69.91 (p-value -0.0000)</td>
<td></td>
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<tr>
<td>Hausman Test</td>
<td>0.17 (P-value 0.9204)</td>
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