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CORPORATE GOVERNANCE AND FINANCIAL PERFORMANCE OF BANKS WITH INTERNATIONAL AUTHORIZATION

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ABSTRACT
Many businesses continue grappling with the long-term financial impacts of COVID-19, including disrupted supply chains, changed consumer behavior, and altered business models, as a result shareholder's are more conscious and interested to invest more in businesses that are able to manage and surpass the struggle. Given this, the purpose of this study is to evaluate how corporate governance affects the financial performance of banks that have received international authorization. Using secondary data gathered from the financial statements of eight (8) banks with international authorization listed on the Nigeria Exchange Group Market, the study used an ex-post facto research design to investigate the matter. Pooled ordinary least square (OLS) regression and initial pre-regression analysis, including descriptive statistics, a correlation matrix, and a normality test, were used to examine the gathered data. The study revealed that board size and CEO tenure has a significant positive effect on the financial performance of listed banks with international authorization in Nigeria, while board gender diversity has an insignificant negative effect on the financial performance of internationally licensed banks in Nigeria. The study concluded that board size and CEO tenure tend to increase the financial performance of listed banks with international authorization in Nigeria, while board gender diversity appears to decrease the financial performance of internationally licensed banks in Nigeria. This study recommends that policymakers come up with a framework for board size that will fit bank operations, especially those with international authorization, and also advocates that an internal remedy should be considered by the CEO when confronted with declining performance.

Key words: *Board Size, Board Gender Diversity, Financial Performance*

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INTRODUCTION

Financial performance measurement has been a central focus of accounting and finance research for decades. The evolution of performance measurement frameworks reflects changing business environments, stakeholder expectations, and theoretical developments in corporate finance and strategic management. The banking system is a financial institution's backbone, serving as a conduit for funds and other financial resources to be mobilized. According to Sharipova, and Asadova, (2023) banks play a critical role in enabling financial payment through the effective system, influencing money market rates, and creating

international settlement options. This is in addition to financial risk and exposure management. According to Stulz, (2022) the nature of the bank sector 'requires' the element of risk-taking very quickly, in such a way that directors, shareholders and outside investors cannot be informed constantly.

Financial stakeholders are keenly interested in the excellent governance of financial institutions, Kaawaase et al, (2021) because monetary success of firms and society as a whole and the heightened worry over the integrity of these securities markets in both developed and emerging countries is the underlying reason for this growing interest in corporate governance principle and practice. Corporate governance refers to a framework of principles, policies, procedures, established roles, and responsibilities that stakeholders utilize to navigate the intrinsic conflicts of interest present within the corporate structure, Liu et al (2022). It's a framework for running the operations of two firms in order to maximize profit for shareholders and satisfy other stakeholders (Nagalingam, et al, 2022). Corporate governance principles and practices are not only a major catalyst for organizational efficiency and improved monitoring and control of business, but they also secure the long-term prosperity of a company, Hossain et al, (2024). It is therefore necessary to point out that before the concept corporate governance can be employed by financial institution, they are some certain issues surrounding the existence of corporate governance that must be noted which are conflict of interest, oversight issues, accountability issues, transparency, ethics violation, corruption, ownership structure of business and political environment.

In Nigeria scene, the case of Cadbury Nigeria PLC who manipulated their stock position to deceive shareholders, and these incident repeated itself in Afribank, Finbank, and Spring Bank resulted into investor losses when true financial position is revealed, loss of market confidence, potential delisting from stock exchange, regulatory sanctions and penalties and it have necessitated the Central Bank of Nigeria to take a bold step in revitalizing the banking sector since the corporate governance have become a subject of major concern by all sector of the economy. A code of corporate governance was implemented by the Nigerian Securities and Exchange Commission, which established the Peterside Committee in publicly traded firms. A subcommittee on corporate governance for Nigerian banks and other financial institutions was also established by the Bankers' Committee. This acknowledges the vital role that corporate governance plays in determining a company's success or failure. (Alabdullah, 2022). Furthermore, according to Ahmed et al, (2024) the governance of financial institution rest on the mechanism of board size, audit committee, board composition, gender diversity,

CEO tenure, board independence as core amongst others. The justification of linking the concept of corporate governance characteristics with the financial performance of banks is necessitated by the fact that banks are established to meet the expectations of stakeholders and maximize profit, Jan et al, (2021) and this can only be done through effective and good governance based on the assumption that the institution will continue to operate in the future.

Many companies continue grappling with the long-term financial impacts of COVID-19, including disrupted supply chains, changed consumer behavior, and altered business models, Ramanathan, et al (2022). Research has focused on how different sectors recovered at varying rates and the persistence of certain performance gaps. This study is highly significant to the management on how to improve the internal control system and make a better decision that will affect the financial performance of the institution. It also helps the general public to understand that banks with international authorization tend to do better in their financial performance due to good corporate governance mechanism and disclosure compare to other banks without international authorization.

Objectives

The objective of this study is to examine the relationship between corporate governance, specifically board size, board gender diversity and CEO tenure on financial performance of banks in Nigeria with international authorization between eight years period from 2014 to 2021.

LITERATURE REVIEW

Financial Performance

Financial performance refers to a comprehensive measure of how well a company utilizes its assets, manages its operations, and generates returns for stakeholders over a specific period. It represents the overall financial health and effectiveness of an organization in achieving its economic objectives, Barauskaite, and Streimikiene (2021). Financial performance serves as a critical indicator for investment decisions, credit assessments, strategic planning, and stakeholder confidence. It reflects management effectiveness and provides insights into a company's competitive position and future prospects, Olayinka (2022). Financial performance is the company's ability to manage and control its resources (IAI, 2016). Financial performance is the company's financial state over a given period that includes the collecting and utilization of funds measured by numerous indicators of capital adequacy ratio, liquidity, leverage, solvency, and profitability. Investors care about a company's financial success

because it influences their decision to buy or sell its stocks and bonds. However, financial performance isn't just important to investors, it is also important to internal users. Managers utilize this data to decide how best to allocate resources inside the organization. Analysts make predictions about future profitability and growth using financial performance data. This information is used by lenders to determine whether or not a business is creditworthy.

According to Appah and Tebepah. (2020) the return on assets (ROA), return on equity (ROE), and return on investments (ROI) are three ratios that can be used to measure a firm's profitability. The financial statements are the most important source of information for determining financial performance. Financial performance encompasses multiple dimensions of a company's financial activities and outcomes which include revenue generation, which explain the ability to create income through core business operations and ancillary activities. Financial performance must be evaluated within industry context, economic conditions, company size, and business lifecycle stage, (Xu et al, 2023). What constitutes strong performance varies significantly across sectors and market conditions, making comparative analysis and benchmarking essential for meaningful interpretation. The concept ultimately serves as a comprehensive scorecard of management effectiveness and corporate success in creating sustainable value. Also, financial performance outcome includes cost management effectiveness in controlling expenses while maintaining operational quality and growth as well as asset utilization and return creation which involve the capacity to generate profits and value for shareholders and stakeholders.

Corporate governance

Corporate governance is fundamentally about establishing a framework that ensures companies are managed in the interests of their stakeholders, with particular emphasis on protecting shareholder rights while balancing the needs of other stakeholders including employees, creditors, customers, and society at large, Mrabure, and Abhulimhen-Iyoha, (2020). It encompasses the mechanisms through which organizations are governed and the relationships among stakeholders who are involved in determining the direction and performance of corporations. According to the OECD (2016), corporate governance is the set of policies, procedures, and guidelines that regulate how a company is run. It also lays out the guidelines and process for deciding on business matters and specifies the rights and obligations of various parties, including managers, shareholders, boards, and other stakeholders. In 2020, the OECD released its latest assessment of the Principles of Corporate Governance, offering recommendations for policy formulation and implementation, as well

as proposals for stock exchanges to strengthen the legal, institutional, and regulatory framework of corporate governance for listed businesses. Ogbeide et al (2021) argue that a strong code of corporate governance can help to promote the stability and sustainability of the financial sector in Nigeria. The code also emphasizes the importance of disclosure and transparency in the banking industry, as well as effective risk management practices. Ethics and professionalism in the banking industry are also highlighted, along with guidelines for managing conflicts of interest. The code includes provisions for compliance and sanctions for non-compliance, with the goal of promoting accountability and good governance in the banking sector in Nigeria.

In its ongoing attempt to improve corporate governance in the Nigerian banking industry, the Central Bank has developed a corporate governance code that is meant to encourage international best practices in bank corporate governance. The CBN code of corporate governance does not only concentrate on the internal governance but also the external factors that might affect the financial performance of the banking industry, Okodugha, (2021). It is relevant to discuss a few indices, indicators that are commonly utilized by the majority of authors as benchmarks by which Corporate Governance can be evaluated in a company in order to achieve the primary objectives of this study. For example:

Board size

Board size is the sum of all the members of a board, including the CEO and chairman. According to Mollah et al, (2021) board size refers to the total number of directors serving on a company's board of directors at any given time. It represents a fundamental structural characteristic of corporate governance that significantly influences board dynamics, decision-making processes, and overall organizational effectiveness. Boards of directors are usually the administration of the organization and their primary responsibility is to make sure the organization achieves its goals and also considers the interests of other stakeholders such as shareholders by maintaining the company’s assets and invested capital and trying to foster social responsibility within citizens who live near or work for the organization. Board size has an immense impact on a company's value since it keeps the CEO and management accountable, which raises the company's worth (Bulus & Lawal, 2021)

According to Resource dependence theory, larger boards provide access to more diverse resources, expertise, networks, and external relationships that can benefit the organization. More directors bring varied skills, industry knowledge, and strategic connections. Recently,

the firms are focusing on strengthen the corporate governance best practices and compliance. In this regard, they seem to be paying more attention to quality board size and less on the quantity. This indicates that what many companies are doing is having fewer directors or directors who are more active in order to improve the performance of the banks. According to Allam Yan et al (2021) board size encompasses all directors, including executive directors (company management), non-executive directors (independent outsiders), and any other categories of directors as defined by corporate law or company bylaws. The optimal board size varies across organizations, industries, and jurisdictions. Some firm may prefer smaller boards so that decisions can be made more quickly, effectively, and easily, whereas larger boards may be chosen by others so that a wider range of perspectives and experiences are represented. It is anticipated that board size will have a significant impact on the board's ability to oversee and supervise corporate management, which will in turn affect the standard of internal control, (Ogunmakin, et al 2020).

Gender diversity

Gender diversity refers to the equitable representation and inclusion of individuals across different gender identities within organizations, institutions, or groups, Zavaletta, (2022). In corporate and organizational contexts, it encompasses efforts to achieve balanced participation of men, women, and non-binary individuals at all levels, with particular focus on leadership positions and decision-making roles. Gender diversity is an equitable/percentage of fair representation of male and female in terms of age or race, in an institution or company. According to Wu et al (2022) gender diversity has played a crucial role in the formation of board of directors and the management (that is, in the employment of staff) as well as evaluating the potential of board and it is prospect in meeting the organizational objective. Board diversity involves bringing together personality with different ethnic background, culture, educational qualifications, gender, skills and perspectives to preside over a broad number of important issues (Society for Corporate Governance in Nigeria [SCGN], 2014).

Mumu, et al (2022) said that gender diversity is an area of board composition has taken center stage in improving organizational goal and to empower the economy. More creativity and talents are brought to the board of directors by mixed-gender (Ferrary & Déo, 2023). In Nigeria, the argument on the role of diversity in board and corporate governance have not received serious attention or concern because people still believe that male individual are born with the ability to make decisions for the betterment of the organization while female are only

capable of caring for their families. Gender diversity extends beyond simple numerical representation to include meaningful participation, equal opportunities for advancement, and the creation of inclusive environments where all genders can contribute effectively. Joecks et al. (2024) claimed that longer sessions are held when there are more women present at corporate board meetings. As such provide a gender balance board that is more active and have different set of skills. The recognition of gender diversity on the board of directors has the potential to provide special benefits to female employees.

CEO tenure

CEO tenure refers to the length of time a Chief Executive Officer serves in their role within an organization. It represents a critical measure of leadership stability and continuity that significantly influences corporate strategy, organizational culture, and firm performance. CEO tenure is the number of years that an individual has been the CEO of the company before stepping down voluntarily or involuntarily. Setiawan and Adelisa (2020) define CEOs as those who hold the highest position in the organization's operation and are also responsible for strategic planning and decision-making. CEO tenure can be an indicator of success within an organization. Shiah-Hou, (2021) noted that during their initial tenures, CEOs tend to concentrate on structuring the firm's earnings. On the other hand, CEOs have the ability to adjust their thinking and leadership aptitude in order to launch projects that will enhance company performance, aligning with the needs of not only the business itself but also keeping up with changes in global business.

Greater emphasis has been placed recently on longer CEO tenure when assessing firm performance, Darouichi, et al, (2021). Longer tenure frequently means fewer disruptions from boardroom changes, allowing the company to expand consistently over time. According to Zimon et al. (2022), CEOs who have held their positions for a while are more inclined to protect their reputations than newly appointed CEOs, which makes them less likely to act unethically or fraudulently. Longer serving CEOs are well experienced in managing both internal and external issues and can also handle any situation that might arise. A shorter CEO tenure can also be beneficial to a firm's performance since a newly appointed CEO will work to raise the firm's value by implementing new strategies and ideas and will also be more willing to take risks as opposed to a CEO who has held the position for a very long period of time. According to Nurmayanti and Rakhman (2017), CEOs in their early tenure years are likely to have a strong incentive to report good performance. Investors view the length of a

CEO's tenure as a sign of stability, and consequently, they have more faith in a firm that has been headed by the same person for a long period of time.

Theoretical Review

Agency Theory

According to the agency theory, the shareholders (principal) expect the directors (the agents) to lead and make decisions in their best interests and the interests of those who have mandated. DesJardine et al. (2023) explain that as employees and directors of a company, they tend to maximize the interests of shareholders. This agency theory was propounded by Jensen and Meckling in 1976, arising from the separation of ownership and control in a corporate organization. In a modern corporation, for instance, the "principal" would be a shareholder, whilst the "agent" would be the manager. Their seminal work highlighted how performance measurement serves as a monitoring mechanism to align managerial behavior with shareholder interests. Subsequent research by Fama and Jensen (1983) expanded this framework, demonstrating how financial performance indicators help reduce agency costs and information asymmetries between principals and agents. Improved long-term performance or higher stock values should result from improved corporate governance since better supervision of managers lowers agency costs. (Salehi, et al 2021).

The theory is concerned with the problems arising as a result of conflicts of interest between principal and shareholders, which generate costs of inefficiencies, thus affecting the firm's performance. Berle and Means (1932) and Adam Smith (1976) were the first to point out the conflict of interest between the owner and the manager. Directors should also be permitted to own a certain percentage of the company's equity in order to motivate them to strive towards improving firm performance. In addition, the shareholders or stakeholders may also influence the organization's adoption of corporate compliance and ethics principles, standard or rules that regulate management behaviour and reduce information asymmetry. Onjewu et al. (2023) suggest that the presence of information asymmetry can motivate agents to pursue interests that may be detrimental to the interests of the principal.

This study is pinned on agency theory because it clarifies how corporate governance safeguards the interests of shareholders, who also serve as management's major stakeholders.

Empirical Review

Alodat et al (2022) examined corporate governance and firm performance in Jordan, involving the construction of extensive CG measures thus, subjected to 81 non-financial firms listed on the Amman Stock Exchange spanning the period of 2014–2018. The study found a significant and beneficial connection between the board of directors and the firm performance measures tested, namely return on equity (ROE) and Tobin's Q. According to Nepal, and Deb (2022) made an effort to investigate if board independence and size have any bearing on the financial results of Indian textile companies and evaluated the effects by using the panel data regression model in accessing data of 40 sample firms that represent the top 100 BSE-listed textile firms from 2015 to 2019. Financial metrics derived from accounting and the market have been used as stand-ins, and it has been shown that board size and company performance are significantly positively correlated.

Appah and Tebepah (2021), studied the relationship between board size and the financial performance of Nigerian deposit money banks during a ten-year period, from 2010 to 2016. The Central Bank of Nigeria Statistical Bulletin and the publicly available audited financial statements of the sample banks served as the primary secondary sources of data for the study. The gathered data is examined using multiple linear regression analysis, diagnostic tests, and descriptive statistics. According to the study, the size of the board and the bank have a favorable and significant impact on the return on assets of Nigerian deposit money institutions. Also, Talat, et al (2021), conducted a study on the effect of CEO tenure on corporate social and environmental performance in China. The study found that firms with their head office in China's coastal regions tend to mitigate the detrimental effects of a CEO's tenure on the company's social and environmental performance, indicating that coastal regions of China are where the majority of this performance is concentrated.

Aladejebi (2021), make empirical studies on the relationship that exists between board gender diversity and the performance of listed deposit banks in Nigeria. The study makes use of secondary sources of data collected from listed deposit banks in Nigeria and is being analyzed using descriptive statistics, trend analysis, and correlation analysis. The study discovered that women's participation on the board of a company does not necessarily mean the company's financial performance will improve; there is a weak negative relationship between earnings per share and the percentage of female board members. Mustapha and Lsah (2021), investigated the effect of board diversity on the financial performance of Islamic banks in Malaysia. From 2015 to 2020, the study included the 16 Islamic banks operating in Malaysia. The data were analyzed using the regression method. The study revealed that diversity on the

boards of Islamic banks was linked to better financial performance. The study also revealed a positive correlation between gender diversity, the number of directorships, and the financial performance of these banks. It was suggested that increasing board diversity could lead to more effective monitoring and resource provision while also supporting the board's independence as appropriate trustees of shareholders.

Also, Musa, et al (2020), evaluate the effect of board size and ownership structure on the financial performance of banks in Nigeria among sample listed banks from 2011 to 2015. Panel data is used in the study, and descriptive statistics are used to analyze it. The study concluded that board size had a negative impact on the return on assets and the return on capital employed but was not statistically significant. The study recommends that regulators develop and review a robust and all-inclusive corporate governance framework. Ali and Zhang (2015), examined the effect of CEO tenure on firm earnings management. Descriptive statistics were used to analyze the study's secondary data, which was gathered from ExecuComp, Compustat, and Thomson Reuters 13file. The study discovered that during the early years of service, when the market is less predictable, new CEOs attempt to influence the market's perception of their abilities favorably. In addition, earnings overstatement is greater during the CEOs' final year, consistent with the horizon problem.

MATERIAL AND METHODS

The research design used was *ex-post facto*. Since the information required for the study can only be found in the financial statements of the listed deposit money institutions for the years 2014–2021, secondary data was employed. Eight (8) Nigerian deposit money banks that are listed on the Nigeria Exchange Group (NGX) and have international authorization comprise the study's population. The study adopts a census sampling technique as a result of limited population of the study.

Table 1 Population of listed banks with international authorization

S/N	Financial Institutions
1	Access bank Plc
2	Fidelity bank Plc
3	First bank of Nigeria limited
4	First City Monument Bank Limited
5	Guaranty trust holding company Plc
6	Union Bank of Nigeria Plc
7	United bank of Africa Plc
8	Zenith bank Plc

Source: Researcher's compilation

The model specification was expressed to meet the specific objectives of the study:

FP=f (CG) ……Eqn 1.

CG=f (BODS, BOGD, CEOT) ……Eqn 2.

Where:

FP= Financial performance

BODS= Board size

BOGD= Gender diversity

CEOT= CEO tenure

The board model is represented according to the objective of the study. The model to determine the effect of board size composition, gender diversity, CEO tenure on the financial performance of banks is stated below:

RETA= β+ β1BODS + β2BOGD + β3CEOT + μ ……Eqn 3.

Table 2: Description of variables

Independent variables	**Description**	**Measurement**	**Source**
Board size	Board size represents the number of executive and non-executive directors.	The number of board of directors sitting in the board in a year	Marina, et al (2021)
Gender diversity	Gender diversity is the fair representation of men and women in a company	The percentage of women board members in relation to the total board members sitting in the board in a year.	Caleb and Muturi, Oluoch (2019)
CEO tenure	CEO tenure is the number of years that any individual has been the CEO of the company.	The fiscal year minus the year the CEO became the company's CEO.	Brochet, et al (2019)
Dependent variables			
Return on assets	It is used to determine the company's level of sales, assets, capital employed, and a measure of earnings gained over a period	Profit after tax to total assets	Odundo and Orwaru (2018)

of time based on net worth and earnings per share.

Where:

RETA= Return on assets

B1-B3= coefficient of independent variables

u= error term

RESULT AND DISCUSSIONS

Descriptive Statistics

The dependent variable of financial performance, as expressed in terms of return on asset (RETA), has a mean of 1.92 with a standard deviation of 1.21, according to the table. The table also demonstrates that during the study period, the lowest and largest return on asset values were 0.36 and 5.62, respectively. The mean board size (BODS) for corporate governance variables was 14.36, with a standard deviation of 3.19. The outcome suggests that there were 14 people on the board of directors of the banks in question during the study period. Board gender diversity (BOGD) had an average of 18.88 and a standard deviation of 10.29. This suggests that, on average, women made up at least 19% of the board members of the banks that were the subject of the study, compared to men. Additionally, the results indicate that, on average, almost 73% of the CEOs of the banks under examination remained in their positions for more than three years, with the mean CEO tenure being 0.73 and the standard deviation being 0.45. The findings of the descriptive statistics indicate that the mean for the control variable (Earnings per share).

Table 3 Descriptive Statistics

VARIABLES	MEAN	STAN. DEV.	MIN.	MAX.	NO OBS
RETA	1.92	1.21	0.36	5.62	64
BODS	14.36	3.19	6	21	64
BOGD	18.88	10.29	0	50	64
CEOT	0.73	0.45	0	1	64
EAPS	2.58	2.11	0.24	7.79	64

Normality Test

A normality test is a statistical procedure used to determine whether a dataset follows a normal (Gaussian) distribution. These tests are fundamental in statistics because many statistical methods, including parametric tests, regression analysis, and confidence interval calculations, assume that data are normally distributed. Specifically, where the probabilities of the data result is > 0.05, it explains that the data are NORMAL, otherwise, it indicates that the data are NOT NORMAL.

Table 4 Test of Data Normality

VARIABLES	Z	prob>z
RETA	**4.416**	**0.00001**
BODS	**-1.307**	**0.90439**
BOGD	**1.107**	**0.13407**
CEOT	**1.690**	**0.04548**
EAPS	**4.456**	**0.00000**

Source: Author Computation

Table 4 revealed that the dependent variable (return on asset) is not normally distributed. Furthermore, the test also explains that CEO tenure and the control variable of earnings per share failed normally test. Whereas, board size has a z-statistics from the Shapiro-Wilk test as –1.307 with a Z-statistics of 0.90439; Board gender diversity has a z-statistics from the Shapiro-Wilk test as 1.107 with a probability of Z-statistics as 0.13407. This implies that they are not normally distributed since the probability of the z-statistics as seen in table 4.2 are insignificant at 1% nor 5% level.

Correlation Analysis

Correlation analysis is a statistical method used to measure and evaluate the strength and direction of the linear relationship between two or more variables. It quantifies how changes in one variable are associated with changes in another variable, providing insights into patterns and relationships within data. Spearman's Rank Correlation application which includes ordinal data or non-linear monotonic relationships and its method is based on ranks rather than actual values and it advantages include less sensitive to outliers and non-normal distributions. When Pearson assumptions are violated.

Spearman rank correlation was carried out because the data were not normally distributed and the result is shown in the table below.

Table 5 Correlation analysis

VARIABLES	RETA	BODS	BOGD	CEOT	EAPS
RETA	1.0000				
BODS	0.1827	1.0000			
BOGD	0.1563	0.1569	1.0000		
CEOT	0.0077	0.1539	0.2532	1.0000	
EAPS	0.8254	0.0383	0.2311	-0.0201	1.0000

Author's computation

In the case of the control variable, the results indicate that earnings per share (0.8254) have a positive association with financial performance during the period under study. The aforementioned results also demonstrate a positive association between return on asset and board size (0.1827), board gender diversity (0.1563), and CEO tenure (0.0077).

Regression Analyses

Regression analysis is a statistical method used to model and analyze the relationship between a dependent variable and one or more independent variables. It enables researchers to understand how changes in predictor variables affect an outcome variable, make predictions, and test theoretical relationships. The study employed the pool OLS to examine the cause-effect between the variables as displayed below.

Table 6: Regression Results

	RETA Model (Pool OLS)	**RETA Model (Robust Regression)**
CONS.	-0.013	0.418
	{0.978}	{0.293}
BODS	0.034	0.027
	{0.242}	{0.038} **
BOGD	0.003	-0.002
	{0.709}	{0.767}
CEOT	0.260	0.045
	{0.229}	{0.000} ***
EAPS	0.459	0.374
	{0.000} ***	{0.000} ***
F-Stat	28.68 {0.0000}	25.88 (0.0000)
R- Squared	0.6603	0.6603
VIF Test	1.07	
Hettero. Test	24.62 {0.0000}	

Note: (1) bracket {} are p-values; (2) **, *, implies statistical significance at 5% and 1% levels respectively**

According to the regression result, the R-squared value for the pool OLS regression was 0.6603. This suggests that, when proxied using return on asset during the research period, the independent and control variables of the study may account for roughly 66% of the systematic variations in the dependent variable of financial performance. Nonetheless, the error term

captures the portion of financial performance that cannot be explained. Overall, the pool OLS regression model is statistically fit at the 1% level of significance and may be used for statistical inferences, according to the F-statistics (28.68) of the model for the sample businesses and the corresponding p-value of 0.0000. However, this study also examines heteroscedasticity and multicollinearity to further validate the estimates of the pool OLS results.

Test for Multicollinearity

Multiple regression models exhibit multicollinearity. This is a scenario in which two or more independent variables are 'collinear,' or exist exactly depending on the number of independent variables. Multicollinearity occurs when it is discovered in multiple regression analysis that some of the independent variables are strongly intercorrelated. If multicollinearity is detected among the independent variables in a null shell, it indicates that they are completely interrelated. If there was complete correlation between the explanatory variables, the parameter coefficients would be indeterminate. When multicollinearity occurs, the calculated coefficients must have substantial standard errors. When this violation occurs, it is very definitely not due to a fault with the model or the disturbance component, and hence has no effect on the Best Linear Unbiased Estimators (BLUE) features of ordinary least square estimates. To test the degree of Multicollinearity, we can use a variety of statistical tools. The variance inflation factor (VIF) was employed to investigate this. If the variance inflation result is more than 10, this is cause for alarm. We specifically choose Greene et al (2009), which provides for a cut-off number of 10. The result from the VIF test shows a mean value of 1.07. Furthermore, multicollinearity happens when the explanatory variables in a regression model are correlated, implying that the independent variables have a strong link, which contradicts the model's estimate. Because independent variables should be independent, correlation is a concern. When fitting the model and interpreting the findings, a high degree of correlation between variables might present issues.

Test for Heteroscedasticity

Heteroscedasticity refers to the condition where the variance of the error term in a regression model is not constant across all levels of the independent variables. Testing for heteroscedasticity is crucial because its presence violates one of the key assumptions of ordinary least squares (OLS) regression and can lead to inefficient estimates and invalid statistical inferences.

The absence of homoscedasticity is referred to as heteroscedasticity, and it is a constant variance assumption of OLS estimators. It denotes the lack or nonexistence of non-constant variance, which leads to the breakdown of Best Linear Unbiased Estimators characteristics, resulting in the loss of consistency and efficiency. When the Breusch-pagan-Godfrey test is used, the decision rule is that there is no heteroscedasticity if the F-statistics and observed R-square values are larger than the critical values at the 5% level of significance. The outcome displays a p-value of 0.0000 and a chi2 value of 24.62. The result displays significant p-values at the 1% level, suggesting that the pool OLS regression findings' homoscedasticity assumption has been broken. As suggested by Greene (2003), the study re-specifies its model to account for this breach by using the robust regression technique.

Discussion of the Findings

The results reported from the robust regression model demonstrated that board size [coef. = 0.027 (0.038)] had a substantial beneficial effect on the financial performance of listed banks with international permission in Nigeria throughout the period under consideration. The outcome demonstrates that the performance of the sampled banks is much improved by board size. Specifically, the study document that an increase in the number of directors on the board will lead to an increase in return on asset which further signifies their efficiency. The study is in line with the position of Dalton *et. al.*, (2005) who noted that the advantage of director size is the greater collective information and hence large boards will lead to higher performance. Furthermore, we follow the studies of Ntim *et. al.*, (2015); Sarhan *et al.*, (2019) who noted that a board size brings higher management skills and makes it easier for the board to make strategic decisions that result in improving the value of a firm.

The results also showed that the financial performance of listed banks with international permission in Nigeria throughout the study period was negatively impacted by board gender diversity [coef. = -0.002 (0.767)]. The findings indicate that gender diversity on boards has a negligible negative impact on the performance of Nigerian banks investigated, which contradict research that found a negative relationship between the ratio of female directors to total directors and performance of business in Indian and (Mishra, 2020) and of Australian firms (Shan, 2019). The results showed that the economic performance of Nigerian listed banks with international approval during the study period was significantly improved by CEO tenure [coef. = 0.045 (0.000)]. The findings indicate that the performance of Nigerian banks with international listings is considerably improved by the CEO's term. As a result, during the

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study period, the financial performance of Nigerian banks with foreign licenses was considerably improved by CEO tenure.

Furthermore, we find that CEO tenure has a significant positive effect on the dependent (financial performance) of listed banks with international authorization. Therefore, CEO tenure significantly increase financial performance of the sampled banks specifically long serving CEO's develop strong relationship with various employees, which result to accommodating inefficient and unproductive activities/employees which reduce the overall performance of the company. Therefore, the findings contradict the submission that the friendly leadership style of a long-serving CEO may be more successful (Talat, et al (2021). The CEOs who have served more than three years are more conventional and cautious than those that have served less than three years, Zimon et al. (2022), people avoid financial loss and are hesitant to take on too many risks that could result in subpar performance.

CONCLUSION AND RECOMMENDATIONS

In order to protect the interests of the owners, create strong financial monitoring, and enhance performance, corporate governance is a crucial control and management instrument. The necessity of a firm's financial integrity and well-established internal control makes a strong board governance structure essential. In particular, the study comes to the conclusion that, although board size of the examined banks and CEO tenure tend to improve the financial performance of listed banks in Nigeria with international authorization during the study period, board gender diversity seems to marginally worsen the financial performance of Nigerian banks with international licenses during the same period.

The study therefore recommends that policy makers should come up with a framework of board size that fits a bank's operations, especially those with international authorization**.** By so doing, the question of what the optimal number of board members of a bank is would have been answered. The policy makers should promote diversity in the boardroom. A diverse board of directors can bring novel ideas and perspectives to the table, which can lead to better taking decisions and eventually benefit the firm in the long run. Lastly, the study suggests that long-serving CEOs may be more likely to seek internal solutions, like retrenchment (asset and cost reductions), rather than more aggressive market-based strategies, like launching new products and entering new markets, when banks with international licenses face declining performance.

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