European Journal of Accounting, Auditing and Finance Research

Vol.7, No.9, pp.1-16, November 2019

Published by *ECRTD-UK*

Print ISSN: 2053-4086(Print), Online ISSN: 2053-4094(Online)

BOARD MEETINGS AND FINANCIAL PERFORMANCE OF INSURANCE COMPANIES IN NIGERIA

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ABSTRACT: *This study examined the impact of board activism on performance of quoted insurance companies in Nigeria. The study evaluates the effect of board meetings on the financial performance of 15 listed insurance companies existing on the Nigeria stock exchange between the period 2006-2017.Panel data regression and descriptive analysis was used to analyze the data obtained from the annual report of the sampled companies. The result of the study revealed a negative relationship with no significant impact between the board meeting and performance of insurance firms in Nigeria with emphasis on Return on Equity, Return on Asset and Tobin's Q. It was suggested that regulatory authority focus their attention more on the skill and experience of directors at meeting of the board for good performance.*

KEY WORDS: Board, Meetings, Performance, Insurance, Nigeria

INTRODUCTION

The fall of some major companies both outside and within the Nigeria space actually gave rise to intense studies in corporate governance by various authors with different outcome. Companies like Worldcom, Enron, Pharmalat e.t.c outside Nigeria and couples of Nigeria banks, textile companies e.t.c failed and collapsed because of poor corporate governance system .The board of directors has the function of monitoring, advising and contracting (Fama & Jensen, 1983). Board of directors meeting attendance is a veritable platform of obtaining information about the general management of the organization. The directors especially the non executive has a major duty in regular attendance at board meeting so as to assist in monitoring the management and taking the right decision from time to time (Adams & Ferreira, 2008).

At the micro level, insurance serves as a solution to social problems in the local economy. It is obvious that, insurance provides financial reimbursement to range of policy holders victims who suffers risks such as, transportation risks, industrial injuries, losses resulting from burglary, robbery, fire accidents, old age, illness, death of key employees, firms liability, machinery breakdown, among others. Because of the vital role insurance play in the developmental process of a nation, it is expected that the entity within the sector will be effectively and efficiently managed with due compliance with the code of corporate governance. Oke (2012) maintained

Print ISSN: 2053-4086(Print), Online ISSN: 2053-4094(Online)

that private insurers could lend their weights in finding solution to the problem of social security system. They provide protection for the financial losses from illness, injury, unemployment and retirement. Consequently, insurance products such as life, health and payment protection policies can grant different option to Nigeria government social security programmes which are malfunctioning. It is worthy of note that in the developed countries citizens are protected to a certain extent, by social security programmes of the government a condition that is virtually not existing in Nigeria. However, Nigeria social security is traditionally the responsibility of the community's organized age groups and the respective family members.

In Nigeria, the code of corporate governance required that board of directors of quoted companies meet at least four times in a financial year. A proposition by Vefeas (1999) and Conger, Finegold, and Lawler (1998), suggest that the frequency of board meetings determines the strength of a board's activities, and the quality or effectiveness of its monitoring mechanism. In support of this, Sonnenfeld (2002) suggests that regular meeting attendance is considered as a good attribute of the diligent director. Moreover, Lipton and Lorsch (1992), states that the frequency of board meetings can enable and fortify organized bonds among directors which in turn impact positively on corporate performance.

Statement of problems

The management of insurance business ethics and reputation in Nigeria is regarded to be a serious challenge. The perceived ethics of a company is said to affect its reputation and a general opinion is that good reputations ensure long term management success which is difficult to achieve with cheating, swindling and exploitation (Green, 2004). According to National Insurance Commission (2009), insurance business practitioners in Nigeria in their daily business life are confronted with numerous business decisions that possess ethical challenges which necessitated the introduction of a Code of Business Ethics and Principles on Corporate Governance for the Insurance Industry. NAICOM further affirmed that insurance business in Nigeria is not performing well and has greatly chased investors away. This was corroborated by Isimoya (2014) who also affirms that insurance business in Nigeria has not been performing to expectation despite the fact of its strategic importance to the growth of the economy. Carlos and Echika (2007) showed that the total Nigeria share of the world's market is only 0.01% compared to South Africa with 0.86% and Nigeria is generally believed to have the largest insurance market in Africa with a population of approximately one hundred and seventy million. Multinationals like oil and gas companies prefers and at ease dealing with foreign undertakers Obaremi (2007).

Several studies have been undertaken to examine the impact of corporate governance and specifically board meetings on the performance of firms (Edem, 2015, Y Anni , Doddy, & Isnai, 2017; Hsin, Huimin & Xiangkang, 2013). These studies focused on the impact of board meeting on firm's performance. However, none of these have been able to specifically examine how the board meeting affects insurance business concern especially in developing nation like Nigeria.

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This is a gap in literature that require adequate attention which the study will address and thereby adding to body of knowledge.

Objective of the Study

1. To examine if there is any relationship between board meetings and the financial performance of insurance in Nigeria.
2. To assess the impact of board meetings on performance of insurance companies in Nigeria.

LITERATURE REVIEW

Board Meeting and Performance

It is expected that directors of companies attends board meeting regularly to effectively perform its role in monitoring management performance. The board meeting ensures that there is intensity and effectiveness in corporate monitoring of the operation of the management (Jensen, 1993). The meeting of the board allows members to interact among themselves thereby creating and strengthening of cohesive bonds that will engender mutual understanding for strategic decision that will contribute to improved managerial performance (Lipton & Lorsch, 1992). The more the meeting by the board of directors, the better will be the managerial monitoring quality which ensures positive corporate performance (Ntim, 2009). The directors are well informed and keep abreast of the activities within the organization when they meet regularly (Mangena & Tauringana, 2008). The board meeting frequency is major way of measuring the effectiveness of a board. How regular the board members meet to discuss diverse issues confronting a firm could go a long way in ensuring its good performance (Vafeas, 1999; Carcello, Hermanson, Neal, and Riley, 2002 and Latendre, 2004).

In general, board meetings are regarded as assets that results in diligence of the board. Previous studies examine the impact of board meetings on performance by looking at the frequency or number of board meetings on firm performance, (Vafeas, 1999; Beasley, Carcello, Hermanson, and Lapides, 2000; Carcello *et al*., 2002). This study uses the same approach and measures board activism (BACT) by the number of board meetings held by the board within the financial year.
Hard-working and efficient boards improve the level of oversight, resulting in better organization performance. Carcello, *et al*. (2002) finds that quality of audit work is related with the number of board meetings. Furthermore, it was discovered that the number of board meetings and board diligence consist of other part of meeting activities like preparation made before the meetings, paying attention and participation during the meetings and after the meeting session.

Conger *et al*. (1998) and Vafeas, (1999) considered board meetings to be important asset in improving the effectiveness of the board by using this to signify the intensity of board activity. Numerous studies, suggest that one of the key barrier to board effectiveness is the insufficient of time to carry out the board responsibilities (Lipton and Lorsch, 1992). They further states that

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when a board meet regularly, they are more likely to perform their duties conscientiously and in accord with shareholders interests. This allows effective management monitoring that leads to improved performance.

Therefore, from the agency viewpoint, when a board is more diligent in performing its duties, its success and the level of its supervision are enhanced. However, Xie, Davidson, and DaDalt, (2003) find that performance is significantly negatively associated to the number of board meetings. Furthermore, Uzun, Szewczyk, Varma (2004), do not find any significant relationship in board meeting frequency and firm's performance.

Board Structure and Performance

The board composition as exemplified by the outside directors has gained attention of corporate governance system and academic research in recent years (Johanson & Ostergren, 2010; Chen, Sun, Tang, and Wu, 2011). From the agency theory, it was suggests that outside directors have a greater ability to limit undue opportunities by managerial team (Jensen & Meckling, 1976; Fama & Jensen, 1983; Allegrini & Greco, 2013). It was further confirm that outside directors can effectively protect shareholders and help in the reduction of agency costs to the firm (Lipton & Lorsch, 1992; Chalevas, 2011). The theory further predicts that the outside directors exist in a firm, the information asymmetry is reduced substantially (La Porta, Lopez-de-Silanes, Shleifer, and Vishny, 2002; Allegrini and Greco, 2013).

Independent board membership can enhance good governance and performance by providing a better representation of stakeholders' interests (Clarke, 1998; Solomon, 2010). Haniffa and Cooke (2002) and Barako, Hancock, and Izan, (2006) argue that independent directors can support the board and committees through their knowledge and experience. In addition, they are better able to monitor managers. In contrast, Bozec (2005) suggest that a high proportion of independent directors on the board may lead to excessive managerial monitoring, which could potentially hinder managerial initiatives.

Director Equity Interest and Corporate Governance Disclosure

Most empirical studies on director ownership interest confirm a negative association between director equity interest and corporate governance disclosure. Eng and Mak (2003), show that lower equity ownership is related with a high level of disclosure among Singaporean listed companies. McConnell and Servaes (1990) further argue that directors would like to maximize their wealth through the use of internal information only when they are sure that issue will be beneficial to them, and not essentially for the overall best interests of the organization. However, if director equity interest is not sufficient, it may not motivate and will consequently reduce their incentives to improve on performance. This can therefore lead to inappropriate and lower corporate governance disclosure (Eng & Mak, 2003; Fama & Jensen, 1983).

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Corporate Governance Disclosures and Performance

The literature carries mixed results concerning the association between corporate governance and financial performance. Klapper and Love (2004) found a high positive association between better governance and operating performance using firm level data of 14 emerging stock markets with return on assets as a proxy for operating performance, although affirming that this may vary among countries. Likewise, some other researchers including Gompers and Andrew (2001), Drobetz, Schillhofer, and Zimmerman (2004), Brown and Caylor (2004) reported a positive relationship between the quality of Corporate Governance and their measures of profitability.

Furthermore, there is international evidence suggesting this positive link on certain developed markets. For instance, Selvaggi and Upton (2008) claimed that good Corporate Governance enhances firm's performance for the United Kingdom and found the presence of a strong causality between the two variables. In contrast, other studies reported no significant positive relationship between operating performance and Corporate Governance. Bauer, Guenster and Otten (2004), argued that initially an insignificant relationship was reported which afterwards turned to a significantly and statistically negative relationship. Moreover, other studies Park and Shin (2004) and Prevost, Rao and Hossain (2002), did not found any evidence of any relationship between the two variables.

Audit Committee and Corporate Governance Disclosure

Carcello et al, (2002) study found gap between what audit committees say they are doing and what their charter mandated. Even though this gap may be due to numerous reasons including liability concerns, it raises the general issue of transparency and accountability with respect to activities of the audit committee.

Study relating to importance of Audit Committee independence was conducted by DeZoort and Salterio (2001) with the result revealing greater support for auditor in an accounting dispute case with increased independent director experience and audit knowledge using 68 audit committees in their sample. They found out that there is no affect for level of accounting knowledge.

In the study of Beasley and Salterio (2001) there was use of 665 large Canadian companies to find the effect of board size and composition on audit committee. The result confirms a strong relationship in a higher quality Audit Committee (independence and knowledge) with stronger boards. Their study is remarkable because it is the first one to unambiguously consider the Audit Committee as part of the corporate governance device, highlighting that there are many other interrelated mechanism such as the board, the external auditor, and holders of large stock.

DeZoort and Salterio (2001) examined the effects of Independence director experience; audit knowledge on Support for management or auditor and discovered that there is a better support for auditor in an accounting disputes situation with increased independent director experience and audit knowledge. The latter finding may have been due to the non-technical, generic nature of the accounting issue at hand. Audit Committee's may be firmed primarily for cosmetic

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reasons to make it appear to outside stakeholders that the company desires monitoring of financial reporting and controls.

Corporate Governance Studies in the Insurance

Similar to most public firms discussed above, insurance companies also involve a diversity of stakeholders that display differing incentives and objectives. For example, while all stakeholders in insurance companies agree that their main objective or goal is insurer solvency, they still may, on an individual basis, reveal different desired level of risk taking (Cole, He, McCullough, Semykina, and Sommer, 2011). Regulators and non regulatory groups (e.g., agents, reinsurances, and BODs) usually monitor insurance companies. Garven and Lamm-Tenant (2003), Doherty and Smetters (2005) demonstrate that reinsurers have an incentive to monitor the behaviour of insurers to avoid financial distress 'and minimize excessive taxes' (Cole & McCullough, 2006; Cole et al., 2011). Regan (1997) and Cole et al. (2011) also shown that insurance agents can also act as monitoring agents. As shown for typically public firms, outside directors appointed on the BODs are revealed to be of particular importance in effectively monitoring management (Linck, Netter, & Yang, 2008).

RESEARCH METHODOLOGY

Study Population and sample

The population for this study consists of all the 35 insurance companies listed on the floor of Nigeria stock exchange market as at 2017. The time frame considered for this study is 2006 to 2017. Purposive sampling technique was used in selecting the fifteen (15) listed insurance on the Nigeria stock exchange market as at 2017. These insurance companies were considered because they are quoted on the Nigerian stock exchange market within the period of the study which therefore enabled us to have easy accessibility to their annual reports which is the major source of our secondary data for the study.

Data Gathering Method

The data used for this study was mainly secondary data derived from the audited financial statements of the insurance companies listed in the Nigerian Stock Exchange (NSE) during the twelve years period of 2006 and 2017.This study also made use of other related materials especially the National Insurance Commission (NAICOM) and the Nigerian Stock Exchange database and Fact Books. Annual reports were downloaded from the insurance companies' corporate websites.

Model Specification

This study employed a modified version of the econometric model of Ntim and Ossei (2006). These models are as follows;

MODEL 1 Relationship between board meeting and ROE

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$$ROE_{it} = \alpha_0 + \beta_1 BACT_{it-1} + \sum_{i=1}^{n} \beta_i CONTROLS_{it-1} + \varepsilon_{it-1} \quad \text{(1)}$$

MODEL 2 Relationship between board meeting and ROA

$$ROA_{it} = \alpha_0 + \beta_1 BACT_{it-1} + \sum_{i=1}^{n} \beta_i CONTROLS_{it-1} + \varepsilon_{it-1} \quad \text{(2)}$$

MODEL 3 Relationship between board meeting and Tobin's Q

$$TQ_{it} = \alpha_0 + \beta_1 BACT_{it-1} + \sum_{i=1}^{n} \beta_i CONTROLS_{it-1} + \varepsilon_{it-1} \quad \text{(3)}$$

Where:
ROE, ROA and TQ are the main dependent variables; BACT is the main explanatory variable. *CONTROLS* refer to the control variables, including BOS_t, DEI_t, $CGDI_t$, and AUDCOM.

Dependent variables
ROE = Return on Equity
ROA = Return on Asset
TQ = Tobin's Q

Independent variables
BACT = Board Activism
BOS= Board Structure
DEI= Directors' Equity Interest
CGDI = Corporate Governance Disclosure Index
AUDCOM = Audit Committee
e_t, = Error Term
The above model is also in line with what is mostly found in literature. It is commonly used in this type of study by many researchers due to its robustness and ability to reduce specification bias, (Kingsley & Theophilus, 2012).

The a priori expectation is such that:
$BACT_t$ BOS_t, DEI_t, $CGDI_t$, and $AUDCOM_t > 0$. A positive relationship is expected between explanatory variables (BOS_t, DEI_t, $CGDI_t$, $AUDCOM_t$ and $BACT_t$) and the dependent variables (ROE, ROA and Tobin's Q). The correlation coefficient (β_o) will help explaining the various levels of association between the independent variables.

Descriptions of Variables and Measurement
The variables used in the model are as described and measured below:
ROA = Return On Asset. This is measured as the ratio of Earning Before Interest and Tax (EBIT) to Total Asset.

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ROE = Return on Equity. This is measured as the ratio of Earning Before Interest and Tax (EBIT) to Ordinary Shares.
Tobin's Q = Market Value of Equity + Total Debt/Total Assets
BACT = Number of board meetings held during a financial year
BOS = Proportion of outside directors sitting on the board.
DEI = Directors ordinary shares as a percentage of total outstanding shares of the firm
CGDI = Ratio of total score of the Individual company to maximum Possible score obtainable by company.
AUDCOM = Number of member in the committee.

Data Analysis Method
Panel data regression analysis methodology that combined time series and cross sectional data was used to measure the degree of association between disclosure and performance

DATA ANALYSIS

Descriptive Analysis
This section presents summary of the descriptive characteristics of all variables used in the study. Statistics reported under this section include mean, standard deviation, minimum and maximum of the pooled observations of all variables across unit and time period i.e 15 insurance companies over 12 years period spanning from 2006 to 2017. Summary of the descriptive statistics is presented in table 4.1 below:

Table 4.1: Descriptive Statistics of Variables

Variable	Obs	Mean	Std. Dev.	Min	Max
ROE	180	26.67089	46.77792	-141	278
ROA	180	6.588278	16.19811	-79.13	109.9
TQ	180	110.3023	74.59099	26.56	488.8
BOS	180	71.30289	11.45136	40	90
DEI	180	21.93244	11.90839	0.8	62
CGDI	180	72.51133	69.53148	30	96
AUDCOM	180	94.06667	13.85665	67	100
BACT	180	93.28333	11.04398	75	100

Sources: *Author's Computation (2018)*

Table 4.1 report the board activism measured in terms of number of board meetings held in a years for all the sampled companies, over the 12 years period covered in the study stood at average of four meetings i.e 93%. Standard deviation reported in table 4.1 stood at 46.77792, 16.19811, 74.59099, and 11.04398 for ROE, ROA, TQ and BACT respectively. These statistics is a reflection of the average dispersion of the distribution of observations corresponding to each

of the variables from the centre. As reported in table 4.1 the minimum and maximum return on equity (ROE) across cross sectional unit over the period covered in the study stood at -141 and 278. For return on asset (ROA) the minimum and maximum values stood at -79.13 and 109.9, while for Tobin's Q the minimum and maximum statistics stood at 26.56 and 488.8 respectively. The minimum and maximum for board activism also stood at 75 and 100 respectively.

Correlation Analysis

Table 4.1: Pearson Correlation Matrix

	ROE	ROA	TQ	BOS	DEI	CGDI	AUDCOM	BACT
ROE	1.0000							
ROA	0.8620	1.0000						
TQ	0.0983	0.0987	1.0000					
BOS	0.0784	0.0445	0.0630	1.0000				
DEI	-0.0683	-0.0359	0.0023	0.0354	1.0000			
CGDI	-0.0209	0.0028	0.1475	0.1300	-0.0970	1.0000		
AUDCOM	-0.1546	-0.2346	-0.1404	0.2116	0.0015	0.0164	1.0000	
BACT	0.0280	-0.0348	0.0567	-0.0017	-0.0603	-0.1125	-0.0857	1.0000

Source: *Author's Computation (2018)*

In the quest to ascertain the direction of relationship between variables employed in the study, the study conducted correlation analysis. The result of the analysis presented in Table 4.1 revealed the simultaneous direction of movement between pairs of variables. Though the reported statistic does not connote causal-effect relationship, however the statistics revealed how the pooled observations of variables move together over time. From table 4.1 it was revealed that return on equity (ROE) correlated positively with return on asset (ROA), Tobin's Q (TQ) and board activism (BACT). Specifically table 4.1 reported correlation coefficients of 0.8620, 0.0983, and 0.0280 for pairs including ROE and ROA, ROE and TQ, ROE and BACT respectively. The correlation result revealed that there was no problem of multicollinearity because the correlation between the variables was not above 0.9 benchmark, (Tabachnick & Fidel, 2007).

Regression Analysis

Table 4.2

Dependent Variable: ROE
Method: Panel Least Squares
Date: 04/04/18 Time: 16:46
Sample: 2006 2017
Periods included: 12
Cross-sections included: 15
Total panel (balanced) observations: 180

Variable	Coefficient	Std. Error	t-Statistic	Prob.
AUDCOM	-1.228820	0.495167	-2.481628	0.0141
BACT	-1.078711	0.853915	-1.263254	0.2083
BOS	-0.629518	0.333995	-1.884812	0.0613
CGDI	-0.032318	0.014182	-2.278763	0.0240
DEI	0.217282	0.377767	0.575173	0.5660
C	285.6675	123.2135	2.318495	0.0217

From the table above for model 1, it was reported that main explanatory variable of BACT and control variables except DEI revealed a negative coefficient. The table 4.1 revealed -1.228820, -1.078711, -0.629618, -0.032318 and 0.217282 with corresponding probability of 0.0141, 0.2083, 0.0613, 0.0240, 0.5660 for AUDCOM, BACT, BOS, CGDI and DEI respectively. The result showed that our main variables of BACT exert a negative but not significant impact on financial performance measured in terms of ROE. Moreover, increasing board activism by one unit will lead to decrease in performance by -1.078711. The R^2 of 0.260470 implies that about 26% of the systematic variation in financial performance measured in terms of ROE is jointly explained by explanatory variables. The P- value < 0.05 revealed significant joint impact of explanatory variables on financial performance. Board meeting however, has no significant impact on ROE at probability value of 0. 2083.

Table 4.3
Dependent Variable: ROA
Method: Panel Least Squares
Date: 04/04/18 Time: 16:50
Sample: 2006 2017
Periods included: 12
Cross-sections included: 15
Total panel (balanced) observations: 180
White cross-section standard errors & covariance (d.f. corrected)
WARNING: estimated coefficient covariance matrix is of reduced rank

Variable	Coefficient	Std. Error	t-Statistic	Prob.
AUDCOM	-0.351431	0.174982	-2.008378	0.0464
BACT	-0.376311	0.338965	-1.110176	0.2687
BOS	-0.058382	0.083719	-0.697355	0.4867
CGDI	-0.003912	0.001999	-1.957195	0.0522
DEI	0.145122	0.110255	1.316238	0.1901
C	76.18535	43.32908	1.758296	0.0808
	Effects Specification			
Cross-section fixed (dummy variables)				
Period fixed (dummy variables)				
R-squared	0.350784	Mean dependent var		6.638611
Adjusted R-squared	0.220069	S.D. dependent var		16.20316
S.E. of regression	14.30961	Akaike info criterion		8.315173
Sum squared resid	30509.97	Schwarz criterion		8.865072
Log likelihood	-717.3656	Hannan-Quinn criter.		8.538133
F-statistic	2.683586	Durbin-Watson stat		1.246849
Prob(F-statistic)	0.000047			

Source: E-View Authors Computation (2018)

The model 2 for ROA revealed that the main explanatory variable of board meeting represented by board activism (BACT) and control variables except DEI also revealed a negative coefficient. The result showed -0.361341, -0.376311, -0.058382, -0.003912 and 0.146122 with corresponding probability of 0.0464, 0.2687, 0.4867, 0.0522, 0.1901 for AUDCOM, BACT, BOS, CGDI and DEI respectively. The result showed that our main variables of BACT exert a negative but not significant impact on financial performance measured in terms of ROA. Moreover, increasing board activism by one unit will lead to decrease in performance by -0.361341. The R^2 of 0.350784 implies that about 35% of the variation in financial performance measured in terms of ROA is jointly explained by explanatory variables. The P- value < 0.05 showed that explanatory variables have significant influence on financial performance of

insurance companies expressed by ROA while Board meeting has no significant influence on ROA with P value of 0. 2687.

Table 4.3
Dependent Variable: TOBQ
Method: Panel EGLS (Cross-section weights)
Date: 04/04/18 Time: 16:24
Sample: 2006 2017
Periods included: 12
Cross-sections included: 15
Total panel (balanced) observations: 180

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CGDI	0.206471	0.007627	27.06970	0.0000
BOS	-0.992150	0.515113	-1.926082	0.0559
BACT	-0.050469	0.194839	-0.259030	0.7959
AUDCOM	-0.905279	0.417797	-2.166794	0.0317
DEI	0.108734	0.268000	0.405723	0.6855
C	253.8445	61.57883	4.122269	0.0001
	Effects Specification			
Cross-section fixed (dummy variables)				
	Weighted Statistics			
R-squared	0.592971	Mean dependent var		170.2375
Adjusted R-squared	0.544636	S.D. dependent var		159.9590
S.E. of regression	72.44884	Sum squared resid		839813.5
F-statistic	12.26802	Durbin-Watson stat		1.668004
Prob(F-statistic)	0.000000			
	Unweighted Statistics			
R-squared	0.111304	Mean dependent var		110.1866
Sum squared resid	886727.1	Durbin-Watson stat		1.790629

Source: E-View Authors Computation (2018)

The model 3 for Tobin's Q showed negative coefficient for board activism (BACT) at -0.050469 with corresponding probability value of 0.7959. The result showed that our major variable of BACT has a negative but not significant relationship with financial performance measured in terms of Tobin's Q. Moreover, increasing board activism by one unit will result to decrease in performance by -0.050469. The R^2 of 0.111304 implies that about 11% of the variation in financial performance measured in terms of Tobin's Q is jointly explained by explanatory variables. The P- value < 0.05 showed that explanatory variables have significant influence on

Print ISSN: 2053-4086(Print), Online ISSN: 2053-4094(Online)

financial performance of insurance companies expressed by Tobin's Q. The result showed that the board meeting has no significant effect on Tobin's Q with P value of 0. 7959.

CONCLUSION AND RECOMMENDATION

In general, board meetings are regarded as assets that results in diligence of the board. This study revealed a negative relationship but not significant impact between board meeting and performance measured in terms of ROE, ROA and Tobin's Q. Previous studies examine the impact of board meetings on performance by looking at the frequency or number of board meetings on firm performance, (Vafeas, 1999; Beasley *et al*., 2000; Carcello *et al*., 2002). Their assertion is contrary to the findings of this study which revealed that board activism has negative but not significant impact on performance. The result was however in line with the study of Xie *et al*. (2003) and Uzun, *et al.* (2004), that find negative relationship in board meeting frequency and firm's performance. It is therefore recommended that regulatory authorities involved in ensuring corporate governance for the industry focus more on the skill and experience of board member at the meeting attendance for good performance of the firm.

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