BOARD STRUCTURE AS DETERMINANT OF CORPORATE GOVERNANCE DISCLOSURE PRACTICES AND COMPLIANCE: THE MODERATING INFLUENCE OF CEO POWER

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ABSTRACT: *Today's dynamic business environment, has seen corporate transparency, financial accountability, and compliance with disclosure requirements as the basis for comprehensive company governance mechanism. The Board of a company performs a central role in ensuring good corporate governance practice. To this end, this study examines board structure as determinant of corporate governance disclosure practices of listed companies in Nigeria. The study adopted the cross-sectional and longitudinal research designs and used content analysis of corporate financial statements and a modified corporate governance disclosure checklist based on NCCG (2018) standard to examine the level of disclosures by sampled industrial goods firms for the period 2016 to 2020. Findings of the study reveal that board independence is a major determinant of corporate governance disclosure. The study also reveals that CEO power and ethnic minority diversity have positive but not significant association with corporate governance disclosure, and that CEO power weakens the positive influence of board independence on corporate governance disclosures. The study concludes that board structure is a determinant of the corporate governance disclosure practices of listed industrial goods companies in Nigeria and recommends amongst others the need to review CAMA (2020) and NCCG (2018) to strengthen board composition and independence.*

KEYWORDS: board structure. corporate governance, disclosure practices, compliances, CEO power
JEL Classification: G38; M14;

INTRODUCTION

Today's dynamic business environment, has seen corporate transparency, financial accountability, and compliance with disclosure requirements as the basis for comprehensive company governance mechanism. The Board of Directors (BoD), as the highest decision-making organ of a company performs a central role in ensuring good corporate governance practice. According to Jensen and Meckling (1976) the board monitors and supervises the behaviour of executive management on behalf of the company's owners (shareholders). The Companies and Allied Matters Act (2020) as amended views corporate board as a selection of people who are elected to represent the shareholders and are therefore responsible for protecting the rights of shareholders as well as establishing corporate policies for management. Otuya and Ofeimun (2017) further state that the BoD act as a fiduciary for shareholders and is tasked with a number of responsibilities which include setting corporate strategic goals, executive compensation, providing direction for the company, governing the company and its relationship with the Chief Executive Officer (CEO), and establishing a policy based corporate governance system.

It is in response to these functions and responsibilities that previous empirical studies have highlighted the essential role of board structure which includes – board size, independence, and diversity, in enhancing the corporate governance disclosure (Gupta & Fields, 2009) and in monitoring executive behaviour (Liao, Luo & Tang, 2015; Pham & Tran, 2019; Nzimakwe, 2021). Although, studies on corporate governance mechanism and board composition are many, only a few have examined it from the perspective of corporate governance disclosure practices and compliance. Further, this study argues that CEO power in a board may influence information asymmetry which may in turn affect information disclosure. The CEO is the head of the executive team and is responsible for managing a company's overall operations. The CEO implements the strategies approved by the board and is responsible for resource allocation, provision of information, and essential to the quality, quantity, and extent of information disclosed by a company (Harper, Johnson & Sun, 2020; Minnick & Noga, 2010; Wang, Duan & Liu 2021). The key argument in CEO power is that, the CEO can use his empire-building tendency to weaken independent directors' capacity to monitor or scrutinize the CEO on key corporate decisions such as financial reporting and disclosures (Donnelly & Mulcahy, 2008; Fulgence, 2021).

This study, therefore, seeks to explore the corporate governance disclosure with a particular emphasis on Nigeria's industrial goods sector. The study is motivated by two key reasons. First, the question as to whether board structure explains the observable differences of governance disclosure within the Nigerian context remains mostly unexplored. And secondly, the extent to which CEOs intervening power moderates the influence of the board independence on corporate governance disclosure. Few studies on board structure conducted in Nigeria, such as (Aifuwa & Embele, 2019; Chijoke-Mgbame, Boateng & Mgbame, 2020; Illaboya & Iyafekhe, 2014; Okike, Adegbite, Nakpodia, & Adegbite, 2016; Salaudeen & Bolaji, 2018), have virtually ignored corporate governance disclosure practices and compliance. Also, these studies were not examined in the context of CEO power to establish the extent to which it moderates the effect of board independence on corporate disclosure, and compliance. It is therefore imperative to investigate the subject matter in the Nigeria context to fill the gap and thus extend the existing literature.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Background of Corporate Governance and Regulatory Frameworks in Nigeria

The Companies and Allied Matters Act (CAMA) which has been amended severally (1990, 2004 and 2020) is the main law that governs the affairs of companies in Nigeria. CAMA emphasizes adequate disclosure of financial information, shareholding structure, voting rights, governance process, identity and emoluments of executive directors, social and sustainability efficiency practices in the financial statements. The company law, in a bid to ensure effective shareholders' participation in meetings, also stipulates prompt circulation of notice of meetings and emphasizes adherence to the one-share-one-vote system for Nigerian companies. The law also allows a shareholder who is unable to attend a meeting to appoint a proxy. Internal monitoring mechanisms are also provided in the company law such as appointment and removal of directors, and appointment, retention and removal of independent auditors at Annual General Meetings (AGM) (CAMA, 2020).

The Securities and Exchange Commission (SEC) in collaboration with the Corporate Affairs Commission, in recognizing the need to align with international best practices proposed and enacted the Code of Best Practices on Corporate Governance in Nigeria in 2003 to improve the country's corporate governance practices. The Code amongst other things recognizes the Board of Directors (BoD) as being responsible for running the affairs of the company in an efficient manner to ensure that the company's objectives are achieved. The SEC code (2003) further highlights the importance of board meetings, while emphasizing that shareholders be given the opportunity to be actively involved in deliberations at AGMs. The Code also stipulated that board meetings should be held at least once in a quarter with sufficient notice given for effective control and monitoring. Also recommended is the need for shareholders holding more than 20 per cent of total issued share capital as well as minority shareholders to have at least one director representing them on the board.

However, a major weakness of the SEC (2003) code was the fact that it was issued by a voluntary association of the chief executives of banks; hence had little impact. The SEC (2003) code was reviewed in 2008 to address the inherent loopholes and improve the machinery for its implementation. The code therefore was replaced in 2011 by the SEC (2011) code of corporate governance.

In 2018, the Nigerian Code of Corporate Governance was issued for private and public companies, and not-for-profit oranisations. NCCG code comprises seven (7) parts and contains twenty-eight (28) principles. The code which is principle-based covers; Part A: Board of directors and officers of the board with 16 principles; Part B: Assurance with 4 principles; Part C: Relationship with shareholders with 3 principles; Part D: Business codes and ethics with 2 principles; Part E: Sustainability with 1 principle; and Part F: Transparency with 2 principles and definitions. The 2018 code requires the 'apply or explain' approach as all corporate organisations are mandated to apply the code or give reasons for non-application. The Financial Reporting Council of Nigeria, issuer of the code, was charged with the responsibility of monitoring the implementation of the code through sectoral or industry regulators (Adeyinka & Olajide, 2021; Gbadebo, 2019; NCCG, 2018).

The 2018 code was an improvement on the previous codes in three main aspects viz. (i) making provision for whistle-blowing framework as regards reporting unethical behavior, (ii) emphasis on reporting corporate sustainability issues including social, environmental, and community health, security and safety issues, and (iii) and promoting full and comprehensive disclosure and transparency to investors and stakeholders.

Board Independence and CG Disclosures

CAMA (2020) and NCCG (2018) both recognize the importance of board independence in improving corporate governance disclosures and compliance. For instance, the NCCG (2018) stipulates that there should be a proper combination of executive, non-executive and independent non-executive members in such a way that most of the Board members are non-executive directors. The code also stated that majority of the non-executive directors should be independent.Having more of independent directors in board composition is considered critical governance mechanisms to mitigate the conflicts of interest between shareholders and executives (Fama & Jensen, 1983). In line with the agency theory by Jensen and Meckling (1976), independent directors provide necessary checks and balances required for board effectiveness, reduce information asymmetry and thus improve corporate governance disclosure (Ntim, Soobaroyen & Broad, 2017; Otuya, Donwa & Egware, 2017).

Empirical literature on the relationship between board independence and corporate governance disclosure, though relatively scarce in Nigeria, have produced mix results. Notwithstanding the inconclusive directions of theoretical views, it is not surprising that the empirical literature joins the same circuits when reporting the association between board independence and CG compliance/disclosure. For example, Ntim, Soobaroyen and Broad (2017) in a study provide evidence that greater proportional of non-executive directors improves the board's strategic decision-making ability through enhanced control and monitoring and promote better corporate governance disclosures. Cheng and Courtenay (2006), Samaha and Dahawy (2011, and Allegrini and Greco (2013) report a positive association between board independence and voluntary corporate governance disclosure.

However, prior studies such as Haniffa and Cooke (2002), Barako, Hancock, and Izan (2006), and Abdelsalam and Street (2007) found a negative association between board independence and quality and quantity of corporate governance disclosures. Similarly, AlMoataz and Hussainey (2013) adopted a randomly selected 97 Saudi Arabia listed companies in 2006 and 2007 and subsequently concluded that board independence negatively influences corporate governance disclosure practice within the Saudi Arabian institutional context.
Hypothesis One: There is a significant positive relationship between board independence and corporate governance disclosure

CEO Power and CG Disclosures

Studies such as Fiegener, Brown, Druex, and Dennis (2000), and Dalton and Kesner (1987) contend that a powerful CEO is able to influence board composition, which may affect board decisions, and ultimately reducing board efficacy. In line with this argument, Boyd (1994) posit that CEO power is derived from structural and socio-psychological mechanisms which make it possible for them to influence other board members in the decision-making process at the board level. Due to their empire building behaviour, a powerful CEO could make corporate decisions that may not align with stakeholder interests, which could result in low levels of social engagement and, therefore, affect the firms' disclosure of information (Jackling & Johl, 2009; Muttakin, Khan, & Mihert, 2018). Corroborating this view, Weisbach (1988), and Van Essen, Otten, and Carberry (2015) emphasize CEOs have many entrenched forms of power at their disposal to promote self-interest rather than those of shareholders or stakeholders.

From the agency theory, perspective, influential CEOs will have greater ability to control and direct corporate decisions. In this regard, they may use corporate governance disclosure practices and compliance as a means to endear themselves to shareholders and further entrench their position. Empirically, studies by Lewis, Walls, and Dowell (2014) and Park and Yoo (2016) provide evidence that newly appointed CEO tends to disclosure more corporate governance information and positively respond to the disclosure of environmental information relatively to long-tenured CEOs.

However, Adams, Almeida, and Ferreira (2005) document that since CEOs exhibit empire-building tendencies, companies may experience substantially low disclosure practices unless CEO's self-interest are satisfied. Li, Li, and Minor (2016) examined UK firms and found that CEO power negatively influences a company's decision to engage in social responsibility activities disclosure. In view of the foregoing, we frame our second hypothesis thus:
Hypothesis Two: There is a positive association between CEO power and corporate governance disclosure

Board Independence and CG Disclosures: A Moderating Role of CEO Power

The CEO occupies a very powerful position in a company and influences a firm's key decisions. Adams and Almeida (2005) and Saidu (2019) assert the potential power of the CEO in determining the objectives of the company including corporate governance disclosures. Rashid, Shams, Bose, and Khan (2020) define CEO power in terms of the capacity of the CEO to address and overcome contrasting views, both internally (other executives and directors) and externally (uncertainty), and to influence crucial organizational decisions. Song and Wan (2019) and Papadakis (2006) further state that CEO power may derive from the characteristics of the position, as powerful CEOs are expected to be able to position their companies for wealth maximization objectives and satisfy various stakeholders of the company.

According to Saidu (2019), CEO power can be explained in four dimensions: (i) structural power – power inherent in their office such as chairman, board member, incentives of the office; (ii) power that goes with his expertise, experience, tenure, skills or member of other influential committees; (iii) shareholding power – being a majority shareholder or founder; and (iv) prestige – his ability to navigate through uncertainty expressed through reputation, public admiration or respect.

Similarly, Adams, Hermalin and Weisbach (2010) suggest that increase in CEO power in most cases is associated with the ten (10) characteristics: (i) CEO – Board chair duality; (ii) CEO status (founder or founded by the CEO's family); (iii) CEO performance (capability to run the firm profitably); (iv) CEO share ownership; (v) Co-optation and old-boy network; (vi) CEO being a board member of other firms; (vii) CEO tenure and experience; (viii) CEO background, academic degrees and professional membership; (ix) CEO being a sole insider board member; and (x) CEO remuneration.

From the agency theoretical point of view, strong CEO encourages CEO entrenchment and, thus, weakens corporate boards' strength to perform their conflict monitoring role (Jensen & Meckling, 1976). Studies such as (Cornforth, 2001; Chau & Gray, 2010; Haniffa & Cooke, 2002; Pucheta-Martínez & Gallego-Álvarez, 2021) recognise the role of diverse, and independent boards in insuring against managerial self-dealing through monitoring. However, prior studies have given relatively little attention to the intervening behaviour of CEOs in corporate disclosure and compliance especially in the context of Nigeria. For example, Pucheta-Martínez and Gallego-Álvarez (2021) using sample comprised of 9182 international firm-year observations obtained from the Thomson Reuters database from 2009 to 2018 found that CEO power was positively associated with corporate social responsibility disclosure. Jiraporn and Chintrakarn (2013) found a non-monotonic link between CEO power and corporate social responsibility. Li, Gong, Zhang, and Koh (2018) report that when CEOs are relatively more powerful, CEO power and CSR disclosure are negatively related. Findings in a study by Adams, Hermalin, and Weisbach (2010) also indicate that the strength of corporate boards to foster corporate outcome at any stage of its operations depends on how CEOs exercise their power. The study contends that even though the board prefers to preserve its independence, a powerful CEO tends to build an empire; an act which greatly deteriorates the board's independence.

In view of the above argument, this study believes that although an independent board may have the necessary skills and resources to monitor effectively and advise the management team on corporate governance policies, the CEO's overriding behaviour could influence the quality and quantity of corporate governance disclosure.

Hypothesis Three: CEO power weakens the positive association between board independence and CG disclosure

Ethnic Minority Diversity and CG Disclosure

Studies on the relationship between ethnic minority diversity and corporate governance disclosure are rare not only in Nigeria but globally. Most studies have focused more on gender diversity (Ntim et al., 2013; Al-Rahahleh, 2017); and board globalizing (Chijoke-Mgbame, Boateng & Mgbame, 2020; Otuya & Ofeimun, 2017). As against gender diversity, there have been a number of conflicting definitions of ethnic minority diversity in the literature. For instance, Guest (2019) defines ethnic minority in the African context to mean a white-skined/Caucasian or non-black person. Gyapong, Monem, and Hu (2016) view ethnic minority in developed countries such as USA and Europe to refer to non-white skinned or Black, Asian or Minority Ethnic (BAME). In the Nigerian context, Olayiwola (2016) and Edewor, Aluko, and Folarin (2014) view ethnic minority as persons who are not from the three major ethnic groups of Hausa/Fulani, Yoruba and Igbo.

Few studies that investigated the relationship between ethnic minority and corporate governance disclosures have reported mix findings. For example, Elmagrhi, Ntim & Wang (2016) used a sample of 100 UK listed firms for the periods 2008 to 2013 reported that ethnic origin diversity has a negative influence on UK corporate governance compliance and disclosure practices. Guest (2019) used data for 1500 US firms found no evidence that the board's ethnic diversity could improve overall corporate governance disclosure and corporate outcome. CuadradoBallesteros, Rodríguez-Ariza, and García-Sánchez (2015) also provide evidence that ethnic minorities have less influence on board decisions due to background discrimination rather than professional skills and qualifications.

Thus, it is proposed that:
Hypothesis Three: Ethnic minority diversity is positively associated with CG disclosure.

METHODOLOGY

Design, Sampling and Data

This study adopted both cross-sectional and longitudinal research designs. The cross-sectional design is appropriate since it entails gathering data on multiple cases across different firms. On the other hand, the longitudinal design is considered appropriate for this study since it facilitates measurement of corporate governance disclosure trends from data collected for five (5) years starting from 2016 to 2020.

The population of the study consists of the seventeen (17) industrial goods companies that are listed on the NSE as at 31st December 2020 (NSE, 2021). However, three (3) companies are removed because they did not have complete data required for the study. Consequently, fourteen (14) companies constituted the working population after filtering the financial statements. Due to the small size of the population, a census sampling method was thus applied. Data for the study covered firms' annual reports for the years 2016-2020 for the sampled fourteen (14) companies in the industrial goods sector representing seventy (70) year-end-observations.

Theoretical Framework and Model Specification

Considering the aim of the study which is to examine board structure as a determinant of corporate governance disclosures in Nigeria, the agency theory is considered appropriate for the study. The basic theme of the agency theory as espoused by Jensen and Meckling (1976) is the conflict of interest that arises as a result of the separation of ownership (principals) and management (agents) of the company with an emphasis on how to mitigate the agency conflicts. In aligning the shareholders' and executive management interests and ensuring that the company is managed in the best interests of the principals, the agency theory suggests governance mechanisms such as independent corporate board members, strong ownership control, managerial ownership, and various board committees to be in place (Fama, 1980; Panda & Leepsa, 2017).

The theoretical underpinning for this study is that board structure is considered a determinant of the quality and quantity of corporate governance disclosures. In line with the agency theory, it is presumed that an independent board will be favourably disposed towards corporate governance disclosures. It is also believed that CEO behaviour can influence corporate governance disclosures. Against this backdrop, the model expresses Board structure as a determinant of corporate governance disclosure as follows:

$CGDI_{it} = \beta_0 + \beta_1 BIND_{it} + \beta_2 CEOP_{it} + \beta_3 BIND \text{ x } CEOP_{it} + \beta_4 METD_{it} + \varepsilon it$

Where CGDI: Corporate Governance Disclosure Index; BIND: Board Independence; CEOP: CEO Power; METD: Minority Ethnic Diversity; β_1- β_4 are Regression Parameters and ε is error term; i represent sampled companies while t is the time dimension.

Measurement of Variables

Dependent Variable

Corporate governance disclosure is the dependent variable in this study. Corporate governance disclosure was measured based on index used by (Otuya, Donwa & Egware, 2017) in measuring corporate governance quality. The model was modified and adjusted to align with the revised code of best practices in Nigeria by Nigerian Codes of Corporate Governance (NCCG, 2018) taking cognizance of the Nigerian business environment. Each corporate governance provision of the constructed index is awarded '1' if the disclosure is made in firms' annual reports and '0' otherwise. This then is scaled to a value ranging from 0% to 100%

The governance index is classified into four categories with a total of 10 standards as shown in the table below:

Table 3.1: Corporate Governance Disclosure Index

CATEGORY	GOVERNANCE STANDARD	RULE IN CORPORATE GOVERNANCE CODE
Board of directors	1) The Board should be of a sufficient size to effectively undertake and fulfil its business	The board is accountable and responsible for the performance and affairs of the company
	2) It should comprise a mix of executive and non-executive directors	The majority of Board members should be non-executive directors.
	3) Chairman and CEO positions are separated	The position of the chairman of the Board and the chief executive officer shall be separate and held by different individuals.
Board Meetings	4) Disclosure about number of the board meetings	The board should meet at least once every quarter
	5) Records about Board members attendance	Every director should be required to attend at least two-thirds of all Board meetings
Audit	6) Existence of Audit Committee	Every public company is required under section 359(3) and (4) of the CAMA 1990 to establish an audit committee
	7) Members of the Audit Committee are not less than six.	The composition of audit committee shall be equal number of directors and shareholders subject to maximum of six (6) members.
	8) Disclosure of frequency of Audit Committee meetings	The Committee shall meet regularly; there should be no fewer than three meetings during the year.
	9) Expertise of Audit Committee	Members of the committee are expected to have basic financial literacy and are capable of reading financial statement. At least a member should have knowledge of accounting or financial management.
Compensations	10) Existence of Compensations Committee	There should be a Remuneration committee made up solely of non-executive directors.

Source: Extracted from Revised Nigerian Code of Corporate Governance (NCCG, 2018)

Independent Variables

Board Independence and Minority Ethnic Diversity

Consistent with previous studies (Elmagrhi, Ntim & Wang, 2016; Illaboya & Obaretin, 2015; NCCG, 2018), the study defines BIND as Non-executive Directors (NEDs) who are independent in fact/mind and the perception of a reasonably informed outsider. Thus, the study calculates board independence as the number of independent board members scaled by the company's board's total number of directors.

Prior studies such as Adams and Ferreira (2009), Chijoke-Mgbame, Boateng, and Mgbame (2020) and Gyapong, Monem, and Hu (2016), measured diversity using two key measures: (i) as a proportional/percentage, and (ii) as a dichotomous or dummy variable. Following the proportional measurements, this study measures ethnic minority diversity (non Hausa/Fulani, Yoruba, or Igbo) as the proportion of the total number of directors.

Moderating Variable

CEO Power

In line with Adams, Hermalin and Weisbach (2010), this study constructs a practice index as a proxy for CEO power based on the ten variables. To calculate CEO power index, all ten (10) dummy variables are added together. The CEO power index is divided by 10 to establish the CEO power proportion factor in each firm-year observation. It is awarded a value of '1' if the prescribed power condition is met about each of the ten indices (provisions); otherwise, a value of '0' is granted. This then is scaled to a value ranging between 0 and 100%.
The prescribed condition for each power source is detailed in Table 3.2.

Table 3.2: CEO Power Index

No.	Constructs
1	Presence of CEO in remuneration/nomination committee
2	Presence of CFO in remuneration/ nomination committee
3	Presence of CEO & CFO in remuneration/ nomination committee
4	board has a co-opted director
5	Performance – Return on sales
6	CEO duality
7	CEO has been in the office for at least three years
8	CEO equity shareholding
9	CEO serves on other committees
10	CEO serves on other corporate boards

Source: Adams, Hermalin and Weisbach (2010)

Data Analysis Method

This study adopts the panel data approach. A balanced panel data approach is more useful than either unbalanced, cross-section, or time-series data alone since it increases the degrees of freedom and reduces the likelihood of multicollinearity among the explanatory variables (Wittekind, Raeder & Grote, 2010).
The study used three estimators of panel data, pooled OLS, random effects and fixed effects, to assess the dynamics of change with short time series and thereby control for the effect of the unobserved heterogeneity in the dataset. The Hausman test was further conducted to validate the appropriate method in estimating the model.

Presentation of Results and Discussion

Table 4.1: Descriptive Statistics

	CGDI	BIND	CEOP	METH
Mean	0.418000	0.381500	0.561400	0.186510
Maximum	0.780000	0.511000	0.780860	0.362810
Minimum	0.120000	0.297300	0.309743	0.000000
Std. Dev.	0.343830	0.150139	0.005249	0.954600
Observations	70	70	70	70

Source: E-View 9.0 from financial statement analysis
KEY: CGDI: Corporate Governance Disclosure Index; BIND: Board Independence; CEOP: CEO Power; METH: Minority Ethnicity Diversity.

Table 4.1 shows the descriptive statistics of the variables in the model. The mean for CGDI is 0.418000 which indicates an average 41.8% of corporate governance disclosures of the sampled industrial goods firms during the period under review. The highest and lowest level of disclosures are 78% and 12% respectively. The standard deviation of 0.343000 indicates a substantial dispersion from the average disclosure value. The implication is that Nigeria's listed industrial goods firms are reporting corporate governance activities at varying levels.The descriptive statistics also show a mean of 0.381500 for BIND which indicate that only 38.1% of independent directors are represented in the sampled firms. The maximum and minimum percentages for board independence are 51.1% and 29.3% respectively indicating that most listed firms in the industrial goods sector do not meet the NGGC (2018) requirement of having more independent directors on the board. The standard deviation of 0.150139 is low from the mean and indicates that there is not much variation across the boards of companies surveyed.

The results for CEO power shows a mean of 56.1% with a maximum of 78.1% and minimum of 30.9%. This indicates that none of the sampled firms met all the conditions used to measure CEO power, and there were no firms which could not meet any. The standard deviation of 0.005 also indicate clustering around the mean. Also, minority ethnic diversity has a mean of 18.6% with a maximum of 36.2 and a minimum of 0.00 ethnic minority directors on board of sampled firms. The implication is that there are corporate boards without Nigerian ethnic minority representation. The standard deviation of 0.954 shows a high degree of dispersion among the sampled firms.

Table 4.2: Correlation Analysis

	CGDI	BIND	CEOP	METH
CGDI	1.00000			
BIND	0.60357	1.000000		
CEOP	0.24036	-0.357508	1.000000	
METH	0.20791	0.107391	0.202706	1.000000

Source: E-View 9.0 from financial statement analysis
KEY: CGDI: Corporate Governance Disclosure Index; BIND: Board Independence; CEOP: CEO Power; METH: Minority Ethnicity Diversity.

A correlation matrix is adopted to check the level of relationship between the dependent and independent variables on one part, and among the independent on the other.
The correlation statistics shows that CGDI has a positive relationship with BIND (r=0.6035), CEOP (r=0.24036), and MTH (r=0.20791). The correlation also shows that BIND has a positive relationship with METH (r=0.10739) but a negative relationship with CEOP (r=-0.35750. Finally, CEOP is observed to have a positive correlation with METH (r=0.20270). The correlation matrix was further used to test the problem of multicollinearity. It is argued in the literature that simple correlation between independent variables should not be considered harmful unless it is above 0.80 (Neter, Wasserman & Kutner, 1998; Weisberg, 2005). Consistent with this, it is observed that none of the variables shows significant high correlations with another.

Regression Analysis
The regression results of the panel data estimation are reported in Table 4.3. The study used three estimators of panel data, pooled OLS, random effects and fixed effects, to assess the dynamics of change with short time series and thereby control for the effect of the unobserved heterogeneity in the dataset. The Hausman test was further conducted to validate the appropriate method in estimating the model, which gave a chi-square statistics value of 11.4, p=0.326 (p>0.05). Thus, the random effect was adopted in estimating the model.

Table 4.3: Panel EGLS (Cross-section random effects) Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.246535	0.186504	1.897662	0.0685
BIND	0.603565	0.267509	0.176455	0.0026
CEOP	0.240360	0.412896	0.811289	0.5316
BIND x CEOP	-0.291111	0.518758	0.517596	0.5806
METH	0.207919	0.286765	1.066586	0.3210

R-squared	0.264923	Mean dependent var	0.101996
Adjusted R-squared	0.241335	S.D. dependent var	0.238075
S.E. of regression	0.242946	Sum squared resid	2.597001
F-statistic	0.454394	Durbin-Watson stat	1.310899
Prob(F-statistic)	0.214705		

Source: E-View 9.0 from financial statement analysis

Table 4.3 shows the summarized regression results. The regression estimates indicate that we can explain 26.4% of the corporate governance disclosures using board structure as determinants while 73.6% of the variation is explained by other factors outside the model and the error term. The Prob(F-Statistic) of 0.215 (P>0.05) also indicates that board structure is not a significant determinant of corporate governance disclosures of listed industrial goods firms in Nigeria.
As regards individual board characteristics, BIND is found to have a positive and significant association with the level of corporate governance disclosures at 5% significant level ($\beta_1 BINDit$

=0.603565, p=0.0026). The result meets our *a priori* expectation and is consistent with prior studies such as Cheng and Courtenay (2006), and Samaha and Dahawy (2011). However, this result is not in tandem with Haniffa and Cooke (2002), Barako, Hancock, and Izan (2006), AlMoataz and Hussainey (2013), and Abdelsalam and Street (2007) which found a negative association between board independence and corporate governance disclosures. The implication of the result is that the independent directors who are assumed to be effective in their role of monitoring management performance significantly influence the top management to consider the disclosure of company governance activities in their corporate strategy.

In addition, the coefficient of the variable CEOP is observed to be positive but not significant ($\beta_2 CEOPit$ = *0.*240360, *P=0.5316).* This indicates that the level of corporate governance disclosures is not significantly influenced by CEO power. The result did not meet our *a priori* expectation but is consistent with previous studies such as (Lewis, Walls, & Dowell, 2014; Park & Yoo, 2016)) that find positive association between CEO power and level of corporate governance disclosures. However, Adams, Almeida, and Ferreira (2005) and Li, Li, and Minor (2016) show evidence that CEO power negatively influences corporate governance disclosures.

As regards the moderating effect of CEO power on the relationship between board independence and corporate governance disclosures, the regression result shows a negative association and statistically not significant at 5% (β_3BIND x CEOP*it= -0.291111, p=0.5806).* The result gives enough evidence to accept the hypothesis that CEO power weakens the positive association between board independence and corporate governance disclosures. This position meets our *a priori* expectation and agrees with studies such as (Adams, Hermalin, & Weisbach, 2010; Gavin & College, 2014). This implies that increase in CEO power impedes the impact of board independence on corporate governance disclosure and, therefore, compromises the board's pivotal role in managerial monitoring and control.

In addition, the coefficient of the variable METH is observed to be positive but not significant ($\beta_2 METHit$ = *0.*207919, *P=0.3210).* This indicates that the level of corporate governance disclosures is not significantly influenced by membership of ethnic minority in the board of directors. The result meets our *a priori* expectation. However, Guest (2019) and CuadradoBallesteros, Rodríguez-Ariza, and García-Sánchez (2015) provide evidence that ethnic minorities have less influence on board decisions due to background discrimination rather than professional skills and qualifications.

Conclusion and Recommendations

The study examines board structure as determinants of corporate governance disclosure in Nigeria's listed industrial goods companies. The study adopted the cross-sectional and longitudinal research designs and used content analysis of corporate financial statements and a modified checklist based on NCCG (2018) standard to examine the level of disclosures by sampled firms for the period 2016 to 2020. The study further deployed some descriptive, correlation and regression analyses to evaluate how the mean outcomes deviate from each other and establish the level of association between variables.

Findings of the study reveal that board independence is a major determinant of corporate governance disclosures. The study also reveals that CEO power and ethnic minority diversity have positive but not significant association with corporate governance disclosures. Moreover, it was discovered that CEO power weakens the positive influence of board independence on corporate governance disclosures. The study concludes that board structure is a determinant of the corporate governance disclosure practices of listed industrial goods companies in Nigeria.

In line with the findings of this study, the following recommendations are proffered:
1. There is a need to emphasize the strengthening of the board composition. In this regard, the CAMA (2020) and NCCG (2018) should be reviewed to clearly state the minimum board size as well as the required proportion of independent directors.
2. To reduce the empire building tendencies of the CEO and thus check the influence on the board, there is need for a power balancing arrangement in board committee composition. For instance, in addition to discouraging CEO duality, CEOs should not serve or head other key committees.
3. It is also imperative to encourage more ethnic minorities participation in board room matters.

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