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IMPACT OF INDEPENDENT DIRECTOR EDUCATIONAL BACKGROUND AND TENURE ON FINANCIAL PERFORMANCE OF LISTED FINANCIAL COMPANIES IN NIGERIA

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ABSTRACT

The study examined impact of independent director educational background and tenure on financial performance of listed financial companies in Nigeria from 2015-2023. The study was guided by two research questions and two hypotheses were formulated and tested in the study. The study was anchored on resource dependency theory while the ex post facto research design was applied in this study. The population of this study is forty-nine (49) financial companies listed on the floor of the Nigerian Exchange Group (NGX) for the period between 2015 and 2022. The study population figure was gotten from the Nigerian Exchange Group Website 2022. The population of the study comprised of listed banks and insurance companies. The study's final sample size was determined using a strategy of purposeful non-probability sampling. Therefore, a total of thirty-seven (37) quoted financial companies comprised of deposit money banks and insurance companies on the Nigerian Exchange Group (NGX) formed the sample size of this study. The study relied on only secondary data, with the major source being the annual financial statements of the sampled companies for a period of eight (8) years (2015 to 2022). This study employed the use of the Panel Least Square (PLS) analysis technique. The study revealed that independent director's educational background has significant effect on corporate performance (ROA) of listed financial companies in Nigeria for the period under investigation and that independent director tenure has no significant effect on corporate performance of listed financial companies in Nigeria for the period under investigation. Based on the findings, it was recommended among others that the management of financial companies in Nigeria should consider the appointment of independent directors of their respective institutions on based on the financial expertise of the individual so as to enhance corporate performance of listed financial companies in Nigeria.

1. INTRODUCTION

Corporate organizations all over the world have taken a variety of steps in strengthening their corporate governance mechanisms, which include the appointment of independent directors on corporate board (Al-Shaer, Salama & Toms, 2017). The effective role played by independent directors has received an enormous attention from the academic and business cycle in recent time (Bhabra & Li, 2011). Presently, majority of corporate organizations have become conscious of the vital functions independent directors played since the failure (collapse) of majority of large corporate organizations in developed and developing economies as a result of poor corporate governance structure (Fuzi, Halim & Julizaerma, 2016). The effective roles played by independent directors left stakeholders of corporate organizations with no option than to extend the duty of independent directors from the regular control functions to more complex expectations (Zubeltzu-Jaka, Ortas & Álvarez-Etxeberria, 2019).**.** The performance of corporate organizations is of great concern to corporate shareholders, stakeholders, investors as well as the government of a nation, because companies that perform very well and make profit is capable of paying dividend to their shareholders, reduces unemployment by employing the citizens of a nation, create value, encourage creativity, contribute to government revenue by way of tax payment which promote the wellbeing of the citizenry (Lazăr, 2016). Onyekwere and Babangida (2022) described corporate performance as a mechanism of assessing the extent to which corporate organization uses its assets in generating corporate revenue and maximizing wealth for their numerous shareholders. Corporate performance could also be defined “as the overall financial health of a firm over a given period” (Onyekwere & Babangida, 2022).

Usman (2019) opined that corporate performance is utilized in evaluating organization’s financial condition usually over a specific time frame and could also be used to access corporations across the same sector or to access sectors and industries in aggregation. In assessing corporate performance, stakeholders of corporate organizations are of great concern and apparently worried that the information disclosed in the financial statement and accounts of corporate organizations which is being used in accessing corporate performance are free of material false and should be of high quality, so as to guarantee their investment decisions. This is as a result of the recent collapse and demise of some large corporations such as Enron, Parmalat, Andersen, Worldcom, Xerox, Savanna Bank Nigeria Plc, Intercontinental Bank Plc, Oceanic Bank Nigeria Plc, Skye Bank Plc as well as the financial misdemeanors of a number of corporations such as Bank of Montreal, Unilever Nigeria Plc, Cadbury Nigeria Plc, Oando

Nig. Plc. among others (Shatima, Babayo & Madaki, 2020). Olojede, Iyoha and Egbide (2020) observed that the failure of those companies was as a result of weak institutional framework in regulation and bad corporate governance.

Wari, Saqib, Ali, Farooq, Maqbool and Younas (2020) described independent directors as the stronghold of effective governance. They see independent directors as an assurance of honesty, accountability and truthfulness of corporate boards. They further described independent directors as directors who do not have any connection with corporate organization apart from the issue of their directorship. Adegboyegun, Igbekoyi and Alabi (2022) described independent directors as those members of corporate board of directors that are external in terms of administration of corporate affairs, but play a crucial role in terms of corporate decision making techniques. Independent directors of an organization are experts or professional in various disciplines, some of whom are past or present chief executive officers of other corporate organizations, government officials, legal luminaries among others. Independent directors are considered as an effective governance instrument capable of improving corporate performance due to the fact that they have no particular (special) interest or ulterior motives in the organization. Therefore, it is assumed that their lack of self aggrandizing propensities boast their confidence in making free and fair decisions which are impartial and capable of promoting the performance of corporate organizations. To the best of the researcher's knowledge prior empirical studies on the relationship between independent director and corporate performance in Nigeria and the world over is relatively scanty. The research of Wari, Saqib, Ali, Farooq, Maqbool and Younas (2020), Zubeltzu-Jaka, Ortas and Álvarez-Etxeberria (2019), Alhaji, Baba and Yusoff (2013) and Bhabra and Li (2011) have essentially conducted a study on independent director and corporate performance. This suggests that, there is room for such study in the Nigerian context. Also, the researcher discovered that none of the previous studies on the relationship between independent director and corporate performance has directly investigated the effect of independent directors' financial expertise, independent directors educational background on financial performance. The paucity of studies in this direction creates a gap in literature which the researcher is empirically posed to fill; hence, the motivation of this study.

Furthermore, from the review of extant literature on the relationship between independent director and financial performance, methodological difference aboard; the work of Wari, Saqib, Ali, Farooq, Maqbool and Younas (2020) focused on the role played by independent directors in monitoring the financial reporting process. Other studies such as; Zubeltzu-Jaka, Ortas and Álvarez-Etxeberria (2019), Alhaji, Baba and Yusoff (2013), Bhabra and Li (2011) use Return on Equity (ROE) and Earnings Per Share (EPS) as a proxy for corporate financial performance, but did not use Return on Asset (ROA).

1.1 Objectives

The broad objective of this study was to examine the impact of independent director educational background and tenure on financial performance of listed financial companies in Nigeria from 2015-2023. The specific objectives were to:

1. access the impact of independent directors educational background on financial performance of listed financial companies in Nigeria; and
2. evaluate the effect of independent director tenure on financial performance of listed financial companies in Nigeria.

1.2 Research Questions

Against the backdrop, the following research questions was considered and used to guide this study.

i. What impact does the independent directors educational background have on financial performance of listed financial companies in Nigeria?
ii. To what extent does independent director tenure influence financial performance of listed financial companies in Nigeria?

1.3 Hypotheses

The following null hypotheses were tested in the course of this study:

H_1: Independent directors' educational background has no significant effect on financial performance of listed financial companies in Nigeria.

H_2: Independent director tenure has no significant effect on financial performance of listed financial companies in Nigeria.

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2. LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Corporate Financial Performance

Financial performance is an evidence of how well corporate organization utilizes its financial and human resources and utilizes them in a way that makes it capable of achieving its goals, or the institution's ability to survive and maintain a balance between shareholders and employees' satisfaction (Greenley, 1995). Kanakriyah (2021:345) explained that "financial performance is the result of the interaction of two basic elements: the method of using resources (efficiency) and the results obtained from that use (effectiveness)." Financial performance is a measure of judging the extent to which an institution has achieved its main objectives. Therefore, financial performance is related to the ability to achieve the goals and expresses a comparison between what is planned and what is achieved (Kanakriyah, 2020). To evaluate, appraise and determine corporate financial performance, it is preferable to utilize financial performance and non-financial performance. Corporate financial performance is commonly measured using two types of metrics. "It is well known that Return on Asset (ROA) and Return on Equity (ROE) are the most popular metrics dealing with financial performance, as they have been used frequently by analysts as a reliable way to assess a company's performance.

This study applies these two concepts to determine and measure the company's performance. ROE is a ratio that provides investors with insight into how efficiently a company is handling the money that shareholders have contributed to it." In other words, it measures the profitability of a corporation in relation to stockholders' equity. "Return on assets is a profitability ratio that provides how much profit a company can generate from its assets. In other words, ROA measures how efficient a company's management is in generating earnings from its economic resources or assets on its balance sheet" (Kurnia, Darlis & Putr, 2020). However, this study would like to ascertain the effect of the independent director's variables on Earnings Per Share (EPS). Wibowo, Utami and Dewati (2022) described Earnings Per Share (EPS) as the ratio used in measuring the achievement of corporate board of directors in accomplishing profits for corporate shareholders. If Earnings Per Share (EPS) ratio is not high, it would be concluded that corporate board of directors has failed to satisfy their shareholders, on the other hand, if the Earnings Per Share (EPS) ratio is high it would be concluded that corporate board of directors has satisfied their shareholders. Veronica (2021) opined Earnings Per Share (EPS) indicates the quantity of cash gotten from each share, because the bigger the amount generated, the bigger the dividend shareholders would receive.

Idawati and Wahyudi (2015) disclosed that a company can only said to be have strong financial performance is the organization is capable of generating incomes (profits) from their field of operation. The generated profits is then utilized by the organization to expand the business or utilized to develop the shareholders welfare through the distribution of dividend.

2.1.2 Independent Director

Independent directors could be described as those directors who do not participate in any administrative duties in the corporation (Pichet, 2017). They are also the type of directors who do not possess any direct interest (that is major shareholdings, employee position, among others) in their respective corporations (Pichet, 2017). Directors could be considered independent when they are able to avoid any affiliation or relationship of any kind with the company, its group as well as corporate management that are capable of luring them to compromise their liberty or autonomy in discharging their duty (Pichet, 2017).

Independent directors' roles are viewed as monitoring and helped to improve not only the corporate governance in the companies, but also the corporate financial performance (Chiyachantana, Pattanawihok & Prasarnphanich, 2021). This assertion is supported by Wang (2014) who disclosed that the presence of independent directors is not for the enhancement of corporate governance only but also for the promotion of corporate financial performance of an organization. Rahmatika and Payamta (2019) posited that the effective function of independent directors in corporate activities is required to enhance corporate performance.

2.1.3 Independent Directors Educational Background

Educational background refers to the highest level of education of the independent directors on the corporate board. Magnanelli, Paolucci and Pirolo (2021) simply defined it as the level of education the independent directors have acquired or attained. Magnanelli, Paolucci and Pirolo (2021:34) opined that four different levels are generally taken into account specifically: high school diploma, bachelor's degree, master's degree, and PhD. This trait is considered relevant because there is a common agreement on the fact that the level of education affects the way a person thinks, acts, and interacts with others. In fact, literature has supported the idea that knowledge and understanding derive from education and experience and various studies have underlined that higher educational levels on boards increase the board's ability to process information and embrace innovation. Thus leading to increased board effectiveness. Hitt and Tyler (1991) "find that types of education affect the type of strategic decision models adopted by firms. Their study points out that strategic-decision models are found to vary by industry and by executive characteristics like age, educational degree type, amount, type of work experience, and level (CEO and below)."

2.1.4 Independent Director Tenure

Independent director tenure is defined as the length of period (number of years) corporate independent director function on the organization board (Kennedy, Ombaba & Kosgey, 2018). Independent director tenure shows the probability that as the tenure of the independent directors' members increases, so their performance may also increase (Kennedy, Ombaba & Kosgey, 2018). Independent director who serve longer tenure would rationally gather adequate firm-specific experience while serving in the board (Kennedy, Ombaba & Kosgey, 2018). Forbes and Milliken (1999) opined that firm-specific experience is a kind of implicit experience about the organization which permits independent directors to deal efficiently with tactical issues and enhancing corporate board capacity to supply resources to the organization. Hillman and Dalziel (2003) explained that firm-specific experience and knowledge is also effective for improving the corporate board's capacity to oversee corporate executives, given its deeper insight into administration performance and the organization's state of affairs. In a nutshell, independent director ought to be talented to increase corporate board capacity both in monitoring and supplying resources to the organization, and by so doing, decrease its danger of financial suffering.

2.2 Theoretical Framework

2.2.1 Resource Dependence Theory

The central premise of this theory is that it views the organisation or company as an open system. And a firm's continued existence is anchored upon its capacity to procure vital resources from its external environment" (Pfeffer & Salancik, 1978). Resource dependency theory proposes that actors lacking in essential resources will seek to establish relationship with (that is dependent upon) others in order to obtain needed resources. Resource dependency theory views an organisation as being dependent on their external environment and suggests that organisational effectiveness results not only from the firm ability to manage resources but more importantly from its capacity to secure basic resources from the environment (Emeh & Appah, 2013).

According to Afza and Nazir (2014), “resource dependency theory deals on the board’s role of helping to secure and acquire critical resources of the organisation by their external linkage to the environment. Through such linkages, the board brings in different resources such as information, skills, access to key constituents like supply of raw materials, buyer of output and legitimacy.” “In sum, the board of directors provides four benefits to include advice and counsel; legitimacy; preferential access to resources; and providing channels for communicating information between external organisations and the firm” (Pfeffer & Salancik, 1978). However, Resource dependence theory provides a theoretical foundation for the role of independent directors as a resource to the firm. From this point of view, firm governance structure and the board composition is viewed as a resource that can add value to the firm. A key argument of the resource dependence theory is that organizations attempt to exert control over their environment by co-opting the resources needed to survive. Therefore, the resources dependence theory views the corporate directors as a resource that can not only supplant its need for other resources, but also influence the environment in its favour, and thereby improve corporate performance.

2.3 Empirical Review

Magnanelli, Paolucci and Pirolo (2021) conducted a study on the influence of educational level on corporate performance. The study sampled a total of one hundred and eighty-seven (187) listed companies in Europe. The study covered a period of nine (9) years (2010 to 2018). The study performed panel data regression to test the formulated hypotheses. The study revealed that there is no significant relationship between educational background and corporate performance.

Akinwunmi, Dada, Olotu and Jayeoba (2019) ascertained the influence of educational background diversity on corporate performance: evidence from listed manufacturing companies on the Nigerian Exchange Group (NGX). A total of fifty three (53) manufacturing companies were sampled from 2006 to 2015. The study utilized secondary data extracted from the sampled companies. Multiple regression technique was utilized in estimating the data sourced for the purpose of the study. The study revealed that educational qualification diversity promotes corporate performance.

Adnan, Sabli, Rashid, Hashim, Paino and Abdullah (2017) examined the link among board diversity and corporate performance twenty-six (26) government-linked companies (GLCs) and twenty-six (26) non-government-linked companies (non-GLCs) in Malaysia. The study sampled a total of one hundred and ninety-six (196) non-government-linked companies (non-GLCs) quoted companies on the Bursa Malaysia. The study covered a period of 2007 to 2010. Multiple regression technique was utilized to estimate the data. It was discovered that educational background promote corporate performance among government-linked companies (GLCs), but insignificantly enhance non-government-linked companies (GLCs).

Benjamin and Dabor (2017) examine the relationship between CEO characteristics and corporate performance in the banking sector from 2004 to 2015. The study sampled a total of twelve (12) banks and utilized the Ordinary Least Square regression technique to estimate the data. The result of the study revealed that educational background negatively and insignificantly influences corporate performance in the banking sector.

Akpan and Amran (2014) study the link between board characteristics and corporate performance among listed companies in Nigeria from 2010 to 2012. The study sampled a total of ninety (90) listed companies on the Nigerian Exchange Group (NGX). The data used in the study was extracted from financial statements and accounts of the sampled companies. The multiple regression analysis was used to estimate the data. The study revealed that directors education qualification promotes corporate performance positive and significantly.

Magoutas, Agiomirgianakis and Papadogonas (2011) examined the influence of education on the performance of listed manufacturing companies in Greece from 2004 to 2006. A total of two hundred and eighty-seven (287) companies were sampled and the secondary data used were extracted from the sampled companies. The study utilized panel data regression technique in estimating the data. The study revealed that there is significant relationship between educational qualification and corporate performance.

Magnanelli, Paolucci and Pirolo (2021) conducted a study on the influence of tenure and educational level on corporate performance. The study sampled a total of one hundred and eighty-seven (187) listed companies in Europe. The study covered a period of nine (9) years (2010 to 2018). The study performed panel data regression to test the formulated hypotheses. The study revealed that there is positive and significant relationship between tenure and corporate performance.

Alawaqleh, Almasria and Alsawalhah (2021) examined the effect of directors' tenure on financial performance among manufacturing companies in Jordan. The study sampled a total of three hundred and twenty-five (325) listed manufacturing companies in Jordan. The study employed logistic regression to estimate the data. The study revealed that directors' tenure does not promote financial performance.

Alhmood, Shaari and Al-dhamari (2020) investigated directors' characteristic and financial performance among listed companies in Jordan. The study sample size comprised of fifty-eight (58) listed firms on the Amman Stock Exchange. The study covered a period of six (6) years (2013 to 2018). The data sourced for the purpose of the study was estimated using ordinary least square regression technique. The results of the analysis revealed that director's tenure does not significantly promote financial performance among listed firms in Jordan.

Putri and Rusmanto (2019) investigated the relationship between directors' attributes and financial performance. The study sampled one hundred and four (104) manufacturing firms quoted on the Indonesian Stock Exchange between 2013 and 2017. The study utilized multiple regression in testing the formulated hypotheses. The study revealed that directors' tenure does not significantly promote earnings management among Indonesian firms.

Kennedy, Ombaba and Kosgey (2018) conducted a study on board tenure and corporate financial performance listed companies in Kenya from 2007 to 2016. The study sampled a total of fifty-seven (57) listed companies in Kenya. The study extracted secondary data from the sampled companies and utilized panel regression analysis in analyzing the data. The study revealed that board tenure is negative and significant in promoting corporate financial performance.

Benjamin and Dabor (2017) examine the relationship between CEO characteristics and corporate performance in the banking sector from 2004 to 2015. The study sampled a total of twelve (12) banks and utilized the Ordinary Least Square regression technique to estimate the data. The result of the study revealed that tenure positively and significantly influences corporate performance in the banking sector.

Berthelot, Bilodeau and Davignon (2013) conducted a study on the association between the tenure of independent directors and corporate financial performance. The study sampled a total of one hundred and seventy-eight (178) companies listed on the Toronto Stock Exchange during the 2009 financial year. The data used for the study was extracted from the sampled companies' financial statements. The study utilized the Ordinary Least Square in estimating the data. The study found that independent director tenure does not significantly promote corporate financial performance.

3. MATERIAL AND METHOD

Ex post facto research design was applied in this study. When using an ex post facto research design, the researcher cannot change or manipulate the independent variables because they are inherently unmanipulable (Agbonifoh & Yomere, 1999). The design allows one to ascertain the cause and effect relationship between the variables of concern. Specifically, the panel least square design was adopted since the dataset has both cross sections and time series. The population of this study is forty-nine (49) financial companies listed on the floor of the Nigerian Exchange Group (NGX) for the period between 2015 and 2022. The study population figure was gotten from the Nigerian Exchange Group Website 2022. The population of the study comprised of listed banks and insurance companies.

The study's final sample size was determine using a strategy of purposeful non-probability sampling, which took into account the availability and accessibility of relevant information (data) required for the investigation. First, any financial companies that joined the Nigerian Exchange Group after 2015, the start date for this study was excluded. This was done to guarantee the estimating procedure required a balanced panel data structure and a homogeneous periodic scope. Second, any financial company that lacked comprehensive information (in terms of data needs) for the estimation was also eliminated. Third, any specialized financial companies that does not allow for peer comparison was eliminated e.g. Jazz Bank because it is a non-interest bank. As a result, the final sample size was determined and showed considerable similarities in reporting structure, information availability, completeness, and relevance in data points for the period under evaluation. Therefore, a total of thirty-seven (37) quoted financial companies comprised of deposit money banks and insurance companies on the Nigerian Exchange Group (NGX) formed the sample size of this study. The study relied on only secondary data, with the major source being the annual financial statements of the sampled companies for a period of eight (8) years (2015 to 2022). The annual reports and statements of accounts of sampled financial companies are reliable secondary sources because; the annual financial statements require the authorization of an external auditor and are inspected by the Security Exchange Commission (SEC) before its publication.

This study employed the use of the Panel Least Square (PLS) analysis technique which entails the use of the fixed-effect model and random effect model to ascertain the causal relationship that exists between these variables. This approach succeeds the preliminary tests which includes descriptive statistics and correlation analysis.

4. RESULT AND DISCUSSIONS

4.1 Test of Hypotheses

4.1.1 Hypothesis One

Ho: Independent director's educational background has no significant effect on corporate performance of listed financial companies in Nigeria.

Table 1: Random Effects Results

Explanatory Variables	**Model 3.1 Dependent Variable ROA**	**Model 3.2 Dependent Variable ROE**	**Model 3.3 Dependent Variable EPS**
C	0.144000 (2.180761) {0.0300}	0.578913 (0.698081) {0.4857}	86.98485 (1.102262) {0.2713}
IDEDU	-0.028484* (-2.973189) {0.0032}	-0.134412 (-1.114914) {0.2658}	8.387459 (0.730917) {0.4654}
R-squared	0.564	0.512	0.637
Adjusted R-squared	0.448	0.404	0.520
S.E. of regression	0.101751	1.278343	121.2945
F-statistic	3.984319	0.754189	2.252218
Prob(F-statistic)	0.001643	0.00	0.04
Durbin-Watson stat	1.65	1.84	1.73

Source: Author's compilation (2023), from E-Views 9.0 output * = *1% level of significance, () = t-Statistic, {} =Probability value*

Hypothesis one of the study was formulated to determine whether or not there is considerable effect of Independent Directors Educational Background (IDEDU) and Return on Asset (ROA). Having critically looked at the regression output in Table 1, it was observed that the variable exhibited a 1% significance level as the probability value stood at 0.0032, a figure which is less than the decision rule of 0.05significance level. Therefore, the null hypothesis as formulated was however rejected and concluded that independent director's educational background has significant effect on corporate performance (ROA) of listed financial companies in Nigeria for the period under investigation.

This is consistent with the findings of Akinwunmi, Dada, Olotu and Jayeoba (2019), Akpan and Amran (2014), Magoutas, Agiomirgianakis and Papadogonas (2011) whose studies revealed significant relationship between educational qualification and corporate performance. On the contrary, Magnanelli, Paolucci and Pirolo (2021) and Benjamin and Dabor (2017), who found no significant relationship between educational background and corporate performance. This finding shows that higher educational qualification among the independent directors can enhance profitability in the firm under study as their experience and knowledge will be put to bear in making meaningful decisions that can boost the business compared to a case of having directors that have little or no educational qualification.

4.1.2 Hypothesis Two

Ho: Independent director tenure has no significant effect on corporate performance of listed financial companies in Nigeria.

Table 2 Random Effects Results

Explanatory Variables	**Model 3.1 Dependent Variable ROA**	**Model 3.2 Dependent Variable ROE**	**Model 3.3 Dependent Variable EPS**
C	0.144000 (2.180761) {0.0300}	0.578913 (0.698081) {0.4857}	86.98485 (1.102262) {0.2713}
IDTEN	0.015906 (0.020271) {0.4333}	0.208515 (0.826114) {0.4094}	5.121447 (0.213636) {0.8310}
R-squared	0.564	0.512	0.637
Adjusted R-squared	0.448	0.404	0.520
S.E. of regression	0.101751	1.278343	121.2945
F-statistic	3.984319	0.754189	2.252218
Prob(F-statistic)	0.001643	0.00	0.04
Durbin-Watson stat	1.65	1.84	1.73

Source: Author's compilation (2023), from E-Views 9.0 output * = *1% level of significance, () = t-Statistic, {} =Probability value*

The second hypothesis was formulated to determine the extent to which Independent Directors Tenure (IDTEN) affect Return on Asset (ROA). Relying on the output in Table 2 of the estimated data (regression output) and the probability value of 0.4333, which appears to be greater than the decision rule of 5% level of significance, as presented in Table 4.10, the study therefore accept the null hypothesis and concluded that independent director tenure has no significant effect on corporate performance of listed financial companies in Nigeria for the period under investigation.

This finding is consistent with Berthelot, Bilodeau and Davignon (2013) whose study found that independent director tenure does not significantly promote corporate financial performance. From the sign which was positive and in line with apriori expectation it is obvious that the longer the director stay in the position the more the the ROA, ROE and EPS but these growth may not be driven by the tenure length as it appears to be insignificant. The fact that director's tenure is statistically insignificant could be blame on redundancy or monotonicity and depletion of ideas that could retard activities when one spend so long a time in a position.

CONCLUSION AND RECOMMENDATIONS

The broad objective of this study was to examine attributes of independent directors and corporate financial performance: evidence from listed financial companies in Nigeria. The study employs the panel regression analysis on two attributes of independent director's variables such as independent directors educational background (IDEDU) and independent director tenure (IDTEN) to examine corporate performance of listed financial companies in Nigeria for a period of eight (8) years (i.e. 2015 to 2022). The results from the empirical analysis showed that the variable of independent directors educational background (IDEDU) significantly impact corporate performance of listed financial companies in Nigeria in terms of Return on Asset (ROA), but was statistically insignificant in terms of Return on Equity (ROE) and Independent director tenure (IDTEN) does not significant impact performance of listed financial companies in Nigeria in both financial indicators variables of Return on Asset (ROA), Return on Equity (ROE) as well as Earnings Per Share (EPS) for the period under review.

Based on the findings from this study, the following recommendations which are imperative for policy decisions are made:

1. It is also recommended that the management of financial companies in Nigeria should consider the appointment of independent directors of their respective institutions on based on the financial expertise of the individual so as to enhance corporate performance of listed financial companies in Nigeria.

2. Since independent director tenure has no significant effect on corporate performance of listed financial companies in Nigeria in terms of Return on Asset (ROA), Return on Equity (ROE) as well as Earnings per Share (EPS). The study therefore

recommended that the financial companies should not extend the tenure of independent directors more than the specified duration by the respectively regulatory agencies. Doing this will afford financial companies to hire fresh hands with fresh ideas that will promote corporate performance of listed financial companies in Nigeria.

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