



EXPLORING THE MODERATING ROLE OF GOVERNMENT OWNERSHIP ON THE NEXUS BETWEEN BOARD ATTRIBUTES AND CAPITAL STRUCTURE OF PUBLICLY TRADED MANUFACTURING COMPANIES IN NIGERIA

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Abstract

This study investigated the moderating role of government ownership on the nexus between board attributes and capital structure of listed manufacturing companies in Nigeria using quantitative approach and a correlational research design in analyzing panel data from thirty-seven firms. Ordinary least square regression was utilized as a tool for data analysis. The outcomes derived from the analysis from the first model revealed a statistical inverse linked between board size and capital structure while board gender diversity and government ownership depicted a significant positive relationship with capital structure. Conversely, board independence exhibits a weak positive relationship with capital structure. However, the moderated model presents evidence that higher levels of government ownership strengthen the effect of board attributes (board independence and gender diversity) on capital structure decision. In line with the findings, it is therefore recommended that firms must thoroughly assess the particular requirements, objectives, and governance structure to ascertain the optimal board composition that best serves the interests of firms and other interested parties. Firms are encouraged to embrace government ownership and equally regulatory authorities in Nigeria such as Security and Exchange Commission should come out with a policy that will encourage female representation and ensure compliance with having autonomous board at any point in time.

Keywords: board attributes, capital structure, government ownership, manufacturing firms, Nigeria.

1. Introduction

Contemporary business discourse across the globe recognizes the profound consequences of effective corporate governance (CG) policies on organizational capital structure (CS) decision and its overall performance. CG practices have a bearing on CS in this setting. Notably, nations that have effectively established robust CG frameworks have typically witnessed significant expansion in the corporate sector and attracted substantial foreign investment. The extensive and in- depth literature on CG and CS suggests that CG practices highlights critical importance in determining CS. CS choices are crucial in optimising firm value, encompassing the optimal mix of financing sources for operational and investment activities of a going concern business entities.

According to the central bank of Nigeria (CBN) sectoral breakdown, the total debt of Nigeria's manufacturing sector's consolidated debt peaked at N4.54 trillion as of June 2022. Consequently, the sustained increase in debt burdens has led to widespread resource depletion and funding limitations, exacerbating the negative impact on CS decisions among the Nigerian listed manufacturing firms. The manufacturing industry in Nigeria has demonstrated an aggressive appetite for debt financing to support its growing market share (Bala, 2019).



In 2021, Dangote and BUA cement companies ranked among the companies with the most substantial debt burdens relative to their CS portfolios. Furthermore, Notore Chemical Industries Plc total debt stood at 122.17 billion naira, representing a debt-to equity ratio of approximately 3:1 as at 2021 financial year. Dong et al. (2021) suggests that excessive debt can inflate debt expenses and increase insolvency risk, whereas high indebted companies face heightened default risk under persistent financial pressure, potentially disrupting financial market stability.

The CS of a corporate entity has a profound influence on its investment decisions, implying that excessive debt levels can culminate in suboptimal investment outcomes (Li et al.2023). A robust CG system enables firms to attain their organizational objectives, protect stakeholder rights, and maintain legal compliance (Elamer et al., 2020a, Alshbili & Elamer, 2019). CG seeks to prevent self-serving actions by addressing prospective managerial opportunism (Eldaly & Abdel-Kader, 2018; Allam et al., 2017). Furthermore, it facilitates the development of specialized expertise necessary for informed decision-making and mitigates consequences of information imbalance (Muttakin et al., 2020; Hassan et al., 2019; Yu & Wang, 2018).

Consequently, the implications of board composition on CS decisions have a tangible influence on a firm's financial outcomes, ultimately contributing to the nation's economic expansion. As a vital component of internal governance structures, the efficacy of listed firms' boards of directors is intricately linked to agency issues and associated costs. Alqatan et al. (2019) emphasized that the efficacy of the board is contingent upon its optimal size, diverse composition, independence and specialized expertise. The author further proposes that board composition fulfill an essential responsibility in alleviating agency conflict revealing a significant connection between board dynamics and CS, thereby offering a theoretical underpinning for analyzing the board's role in shaping the CS decision of listed entities.

Developing and developed nations exhibit distinct regulatory, political, economic and cultural environments, necessitating context-specific models tailored to each country's unique characteristics (Mulili & Wong, 2011). The body of research on board attributes and CS is marked by diverse results, stemming from heterogeneous methodological and conceptual approaches (Shafana, 2016). Notably, the bulk of scholarly inquiry preponderance of research has been explored in developed countries with a scarcity of studies focusing on developing nations (Ahmadpour et al., 2012).

In the Nigerian business landscape, government ownership (GOVOW) exhibits distinct characteristics, notwithstanding their significant contributions to economic growth in various countries. Research data reveals that Nigerian listed manufacturing firms have minimal GOVOW, unlike China where public authorities wield considerable influence over corporate financing (Huang et al., 2018). In this scenario, companies possess ample internal financial resources, reducing their reliance on external funding sources and consequently leading to lower leverage ratios.

Notwithstanding the extensive scholarly discourse on CS decisions, existing research rarely examines GOVOW effect on CS (Wang et al., 2019) and neglect s to investigate indirect relationships, such as moderating effects, particularly in the Nigerian context. Furthermore, also, researches to date have mostly concentrated on the financial sector, overlooking the non-financial segments, particularly the manufacturing industry despite its pivotal role in fostering economic growth and national development. Consequently, the moderating influence of GOVOW regarding the interconnection between board of directors' attributes and CS remained understudied area, warranting further investigation (Wang et al., 2019, Daskalakis et al., 2017).

The present study offers quantitative evidence regarding the manner in which GOVOW influences the interconnection between board attributes and CS among Nigerian publicly traded manufacturing firms. The present study enriches the inter- regional CS discourse by providing insight from Nigeria as a developing economy, thus, complementing existing research largely based on



developed nations and centered on Pecking order and trade-off theories to explain CS decisions (Huang et al., 2018). Thus, this paper introduces a fresh theoretical lens by applying a resource-based theory to examine the intervening impact of GOVOW in the realm of board characteristics and CS, complementing prior studies. As theory posits that a firm's internal resources and capabilities drive its competitive advantage and performance. Company's key resources include tangible assets, intangible assets and human capital.

2. Literature Review and Hypothesis Development

Board Size (BSZ) and Capital Structure

BSZ optimization predicts firm superior performance, as boards possess the authority to shape strategic direction and provide visionary leadership. Similarly, their decision generates a profound consequence on numerous organizational consequences (Nwude & Nwude, 2021; Zubeltzu-Jaka, et al., 2020). Empirical literatures have established a strong connection between BSZ and CS. Some scholars posited that as BSZ increase, decision-making agility may decline, impeding collaborative decision-making, leading to heightened negotiation leverage (Mulwa & Ndede, 2021, Feng et al., 2020). Concurrently, expanded, expanded BSZ exacerbates principal - agent issues stemming from CG and ownership structures, consistent with agency theory, increased debt capital is necessary to address agency issues. Furthermore, creditors perceived that companies with expanded BSZs exhibit enhanced monitoring, leading to reduced borrowing cost (Khan & Wasim, 2016). Studies demonstrate a link between larger boards and reduced leverage, likely due to inefficiencies in decision-making, communication and coordination (Bazhair, 2023; Thakolwiroj & Sithipolvanichgul, 2021). Building on the preceding arguments, hypothesis 1 states that Board size has no significant influence on capital structure.

Board Independence and Capital Structure

Board autonomy is a crucial board attribute that substantially impacts CS decision. From the view point of principal-agent theory, board independence (BIND) denotes the extent of autonomy exercised by board in decision-making, unfettered by managerial influence (Vijayakumaran, & Vijayakumaran, 2019). As Ezeani et al, (2022) suggests, independent directors exercise a decisive effect in safeguarding shareholders' interests, alleviating knowledge gap and mitigating conflicts of interest within listed companies. This factor significantly contributes to a company's CS decisions, particularly regarding debt capital, though they also documented a negative implication of independent board in the context of German, China, and French (Ezeani et al. 2022). Agency theorist posits that independent directors, driven by reputation concerns, exhibit superior governance effectiveness compared to insider directors. According to Vijayakumaran and Vijayakumaran, external directors exhibit a superior grasp of macroeconomic and market factors influencing the firm decision. Previous investigation on the nexus between BIND and CS revealed a mixed findings with many reporting positive significant effect such as Li et al. (2023), feng et al. (2020), Mudalige & Ekanyake (2015), Sheikh & Wang (2012) while Thakolwiroj & Sithipolvanichgul, (2021), Boateng et al., (2017) and Feinerman (2017) documented an inverse significant effect of *BIND* on CS. Elaborating on the prior points, hypothesis 2 state that Number of external directors has no significant influence on company's CS.

Board Gender Diversity and Capital Structure

Gender diversity on boards helps expand the worldview and improve creativity. Scholarly research find that female score higher in risk aversion than men; consequently, they tend to spend high amounts of debt on high-risk financial activities (Vijayakumaran & Vijayakumaran, 2019). Thus, women directors usually incorporate low-risk strategies that can affect leverage negatively. In Ethiopia, investigated the influence of gender diversity on CS decisions among commercial banks



from 2010 to 2022. Dataset utilized in this research was sourced from annual reports of 15 banking institutions, the investigative factors used includes leverage, gender diversity of the board and BSZ. Panel data techniques, including GMM regression were utilized for data analysis. The outcome of the analysis disclosed that BGD has a significant relationship with lower debt utilization.

Li et al. (2023) analyzed the nexus between board characteristics and CS of China, France, Germany and United Kingdom for specified period 2009 to 2021. Data of 1166 public traded companies was acquired from the wind database and supplemented manually with the Bloomberg database, the sample, included 620 listed firms from China, 407 from the United Kingdom, 63 and 76 was drawn from France and Germany respectively. The sample selection was informed by distinct financial systems of the four countries, categorized as market-oriented and bank-based economies. The explained variable of the study is leveraging ratio while the explanatory variables include BGD and BSZ. The outcomes of multiple regression technique empirically provide evidence of significant relationships between the board characteristics and CS by estimating the fixed effects model. Despite variations in their financial system, quantitative research uniformly indicated that BSZ and gender diversity impact financing choices across shareholder-oriented and stakeholder-oriented framework.

Saad and Belkacem (2021), posits that the women presence on board shapes corporate capital allocation of the company. The authors additionally contend that women exhibit superior levels of diligence, responsibility, and autonomy men (Saad & Belkacem, 2021). Consequently, women directors generally exhibit rigorous oversight, guaranteeing the timely achievement of corporate objectives. Studies suggest that males exhibit higher level of aggression in their investment strategies than females (Hillesland, 2019). Founded upon the preceding analysis, *hypothesis 3 states that Board Gender Diversity has no significant effect on CS.*

Government Ownership and Capital Structure

The ownership composition of public traded firms worldwide impacts their CS decisions and subsequent external financing options. The literature suggests that significant shareholders with diversified portfolios across listed companies exhibit risk aversion, leading to avoidance of high-risk investment projects. Extensive researches analytically assess the interconnection between diverse ownership composition and CS across diverse firms, revealing distinct effects of ownership composition and investment choices on CS. For example, Mbanyele, (2020), Kharabsheh et al., (2019) and Al-Thuneibat, (2018) assessed the effect of ownership configuration on CS, whereas Hechmi, (2020), Sulistiono and Yusna, (2020) studied the relationship between investment decision and CS. The results of their investigation revealed that ownership structure negatively affects total liabilities to total assets while positively affecting leverage.

Amin et al. (2019) investigated the influence of GOVOW on CS decisions of business entities among G-20 selected nations in which 12 countries were used as the sample of the study. The study utilized financial and accounting data of 252 and 6503 government and non- government owned firms respectively for specified period of 2011–2015. The findings suggest that GOVOW is positively associated with leverage in all the selected sample countries. Conversely, Elgammal and Al-Najjar (2022) assessed the impact of ownership shareholdings on CS decisions of United Arab Emirates (UAE). The study data was extracted from Abu Dhabi and Dubai Stock Exchanges for 11 years (2008 – 2019). The study adopted panel models beside the 2 Stages Least Squares (2SLS) technique. The outcomes of the analysis revealed a positive impact of institutional ownership and managerial ownership on CS, whereas GOVOW is inversely correlated with CS of the selected firms. Based on the above literature, *hypothesis 4 states that Government Ownership has no significant effect on CS*

Conceptual Framework

The conceptual framework illustrates the interconnections between board attributes, moderating factor, and the study outcome variable.

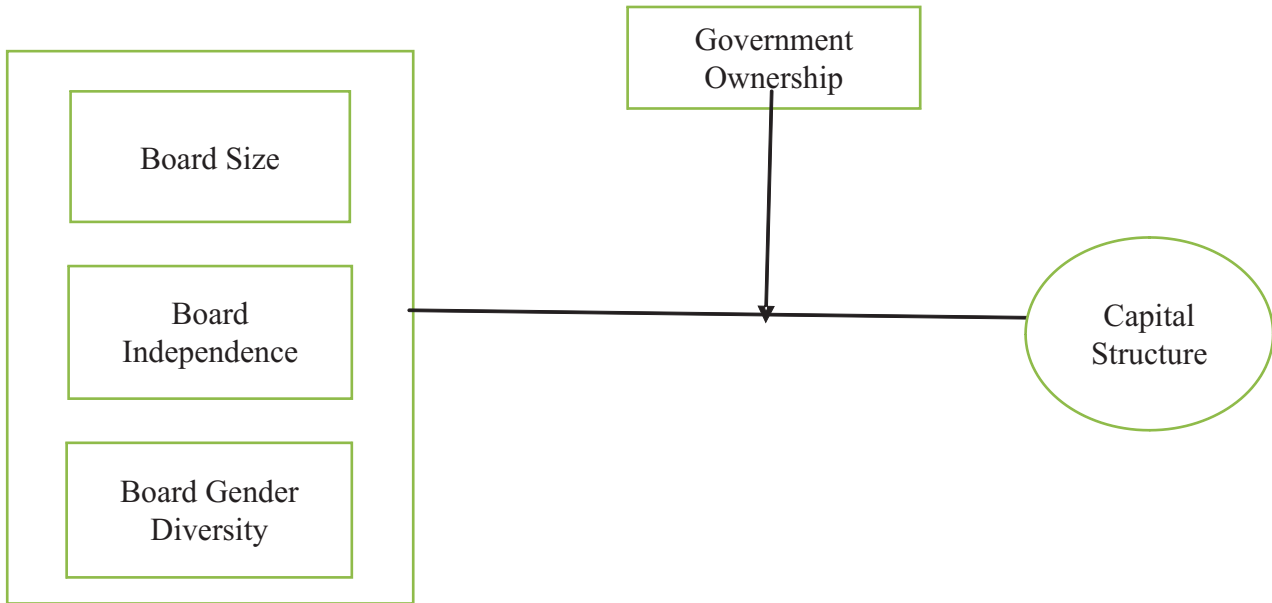


Figure 1. Conceptual framework

1. Methodology

This research utilized empirical quantitative method utilizing a correlational design to investigate the moderating role of GOVOW on the nexus between board attributes and CS of the Nigerian public traded manufacturing companies. The study's population comprised forty-eight (48) firms, but after applying a data filter, the final sample consisted of 37 public traded manufacturing companies in Nigeria. The study relied on secondary data obtained from the audited and published annual financial reports of the sampled firms on the Nigeria Exchange Group from 2013–2022 which is ten (10) years. OLS regression was the technique used for the purpose of descriptive and inferential analysis.

Models Specification

The models of this study are:

$$CS_{it} = \beta_0 + \beta_1 BSZ_{it} + \beta_2 BIND_{it} + \beta_3 BGD_{it} + \beta_4 GOVOW_{it} + \beta_5 FSZ_{it} + E_{it} \dots \dots \dots (1)$$

$$CS_{it} = \beta_0 + \beta_1 BSZ_{it} + \beta_2 BIND_{it} + \beta_3 BGD_{it} + \beta_4 GOVOW_{it} + \beta_5 BSZGOVOW_{it} + \beta_6 BINDGOVOW_{it} + \beta_7 BGDGOVOW_{it} + \beta_8 FSZ_{it} + E_{it} \dots \dots \dots (2)$$

Variable Measurements

Dependent variable:

CS = Ratio of total debts to total assets (Do et al., 2020)

Independent Variables:

BSZ = Total board composition (Thakolwiroj and Sithipolvanichgul, 2021); BIND = Ratio of independent board members to the cumulative total board composition (Thakolwiroj & Sithipolvanichgul, 2021); BGD = Proportion of female directors in a board (Li et al, 2023); GOVOW = Proportion of Government shareholding to the total equity holdings (Saleh et al. 2017)



4. Results and Discussions

This section presented and analyzed the statistical results derived from the data. The statistical overview of the variables used are shown and discussed below:\

Table 1
Descriptive Statistics for Pooled Data

Variables	Obs	Mean	Std. Dev	Min	Max
CS	370	0.5240	0.0545	0.4100	0.6044
BSZ	370	9.5865	2.1234	4.0000	17.000
BIND	370	0.3035	0.1796	0.0000	0.6364
BGD	370	0.1519	0.1280	0.0000	0.5714
GOVOW	370	0.0005	0.0008	0.0000	0.0020
FSZ	370	7.5903	0.7233	6.0309	9.4246

Source: Data analysis output 2024

Table 1 presented the descriptive statistics. The result reveals that manufacturing firms have an average CS of 52.4% and a standard deviation of 0.055. This indicates an insignificant variability among the firms in term of their CS. The summary statistics reveals that the minimum level of leverage utilised in the CS of manufacturing firms was 41.0%, while the optimum level of leverage utilised was 60.4%. Furthermore, findings indicated that the BSZ shows an average value of 9.59 with a variance of 2.123. This evident a relatively high variation among the firms operating in the manufacturing industry in Nigeria in respect of their size measured as natural logarithm of total assets. The range of BSZ values observed within the indicated period ranged from 4.00 to 17.

Furthermore, the BIND indicator has an average of 30.35% and a standard deviation of 0.18, suggesting a low level of dispersion between the mean and the standard deviation, with 0.00% as the minimum and 63.64% as the upper limit. Also, the average value and standard deviation of BGD in the manufacturing sector are 15.19% and 0.1443, respectively. The BGD ranges between a minimum of 0.00% and a peak value of 57.14%. In addition, GOVOW has a mean value of 0.0005 and a standard deviation of 0.0008, with a minimum of 0.00% and a maximum of 0.2%.The statistics revealed an insignificant patronage and commitment of government in investing among the Nigerian manufacturing firms. The average firm size in the manufacturing industry is 7.59, with a standard deviation of 0.7233, a minimum of 6.0309, and a ceiling of 9.425.

Correlation Analysis

The Pearson analysis of correlation shows the interconnectivity between the explanatory and the explained variables and also the relationship among all pairs of independent variables themselves. The analysis is suitable in detecting the magnitude or extent of multivariate relationship among predictors as unduly correlation could result to multicollinearity, which could consequently result to a misleading conclusions and decision making. Table 2 presents the correlation matrix for all the variables.



Table 2

Matrix of correlations for Pooled Data

Variables	CS	BSZ	BIND	BGD	BEXP	FSZ
CS	1.0000					
BSZ	-0.1063	1.0000				
BIND	-0.0471	0.0624	1.0000			
BGD	0.1452	-0.2733	- 0.1087	1.0000		
GOVOW	0.2222	-0.1875	- 0.1518	0.2097	1.0000	
FSZ	0.1576	0.3303	-0.2114	-0.0600	0.0478	1.0000

Source: Data analysis output 2024

The correlation matrix depicts the association of independent and dependent variables among themselves. Gujarati (2004) posits that the association measures between two independent variables above 0.80 is considered excessive. From the tables below, all predictor variables exhibit low to moderate correlations ($r < 0.80$), which confirms the absence of multicollinearity. However, to ensure the model stability, multicollinearity was examined using variance inflation factor (VIF). VIF scores ranged from 1.09 to 1.26 which are all within acceptable limit. Further evidence is provided by a mean VIF of 1.15, supporting no significant correlation (Hair, et al., 2014).BSZ and BIND shows an inverse association with CS depicting coefficients of -0.1063 and -0.0471 respectively while BGD, GOVOW and FSZ revealed a positive association with CS having coefficients of 0.1452, 0.2222 and 0.1576 respectively. The relationship among the explanatory variable themselves ranges between -0.0600 (BGD versus FSZ) to 0.3303 (BSZ versus FSZ).

Diagnostic Test and Regression Result

Diagnostic analyses were undertaken to uphold the unbiasedness of the parameters, as contended by Wooldridge (2012). The evaluation of heteroskedasticity was performed using Modified Group Wise proved insignificant with a p-value of 0.5094, which therefore signifies the emergence of homoscedasticity. The non-existence of heteroscedasticity supports the homoscedasticity assumption. This study therefore interprets the OLS model. Below is the OLS regression results. The regression analysis result is presented in table 3.

Table 3

OLS Regression Result (Model 1)

CS	Coef.	St.Err.	t-value	p-value
BSZ	-0.003002	0.0014	-2.09	0.037
BIND	0.01208	0.0158	0.76	0.445
BGD	0.03942	0.0225	1.76	0.080
GOVOW	12.4413	3.6564	3.40	0.001
FSZ	0.0152	0.0041	3.69	0.000
Constant	0.4213	0.0314	13.38	0.000
No of obs	370.00	F(5, 364) 7.66	Prob > F	0.0000
		Adjusted R ²		0.0828
Hetest	0.44	Prob>chi2		0.5094

Source: Data analysis output 2024



Table 4
OLS Regression Result (Model 2)

CS	Coef.	St.Err.	t-value	p-value
BSZ	-0.00294	0.0016	-1.82	0.069
BIND	0.04495	0.0176	2.55	0.011
GOVOW	33.5038	0.0299	3.20	0.001
BGD	0.42030	19.824	1.69	0.092
BSZGOVOW	1.00696	1.8828	0.53	0.593
BINDGOVOW	-75.4104	21.138	-3.57	0.000
BGDGOVOW	-58.9526	26.522	-2.22	0.027
FSZ	0.01484	0.0403	3.67	0.000
Constant	0.04054	0.0321	12.64	0.000
No of obs	370.00	F(8, 361) 7.33	Prob > F	0.0000
		Adjusted R ²		0.1206

Source: Data analysis output 2024

From Table 3 and 4, the summarized models and estimated OLS regression relationship, substituting the coefficient of the variable in regression equations gives the following:

CS = 0.4213 -0.003BSZ + 0.01208BIND + 0.03942BGD + 12.4413GOVOW + 0.0152FSZ (Unmoderated Model).

CS = 0.04054 -0.00294BSZ + 0.04495BIND + 0.42030BGD + 33.5038GOVOW + 1.007BSZGOVOW -75.410BINDGOVOW -58.953BGDGOVOW + 0.0148FSZ (Moderated Model).

Table 3 and 4 reveals an R² of 8.28% and 12.06% respectively. The values which represent the coefficient of multiple determination of the two models, this implies that 8.3% and 12.1% of the total variation in the outcome variable (capital structure) of publicly traded manufacturing firms in Nigeria is jointly explained by the explanatory variables (BSZ, BIND, BGD, GOVOW and FSZ). The F values (5, 364), 7.66 and (8, 361), 7.33 which are both significant at 1% indicates that the two models are fit to explain the relationship expressed in the study models and further suggest that the GOVOW moderated the relationship between the explanatory variables of the study. Also, the variables are properly selected, combined and used.

Discussion of Findings

Board Size and Capital Structure

Results in Model 1, Table 3 (coefficient -0.0030, t-value -2.09, P-value 0.037) indicates that BSZ significantly influences CS of publicly traded manufacturing companies in Nigeria. The study therefore rejects the null hypothesis which states that BSZ has no significant effect on CS among listed Manufacturing firms in Nigeria. Hence, an increase in the BSZ by 1 person will lead to a corresponding decrease in their CS by 0.003. This indicates that expanded boards increased monitoring and consequently, reduces the reliance on debt financing. The results of this study align with the conclusion drawn by Bazhair, 2023; and Thakolwiroj & Sithipolvanichgul, 2021. The discovery also aligns with the principles of agency theory, which states that larger boards may lead to increased monitoring and oversight of management by directors, which can reduce conflicts between shareholders and management. Subsequently, organizations with larger board composition may be less inclined to take excessive debt, as they have more effective monitoring mechanisms in place to ensure responsible financial decisions.



The results in Model 2, Table 4 (coefficient value 1.00696, t-value 0.53, P-value 0.593) signifies that GOVOW has insignificant moderating effect on the relationship between BSZ and CS. Therefore, the study find sufficient evidence for failing to reject the null hypothesis which states that GOVOW has no significant moderating effect on the relationship between BSZ and CS among listed Manufacturing firms in Nigeria.

Board Independence and Capital Structure

The results reveals that there is insignificant relationship between board BIND and CS as indicated in Model 1, Table 3 (coefficient 0.01208, t-value 0.76, P-value 0.445). The study failed to reject the null hypothesis which states that BIND has no significant effect on CS among publicly traded manufacturing companies in Nigeria. This outcome is contrary to the findings of Li et al. (2023), feng et al. (2020), Mudalige and Ekanyake (2015), Sheikh and Wang (2012) who documented a substantial positive relationship between BIND and Cs. The result also, is not in harmony with the findings of Thakolwiroj and Sithipolvanichgul, (2021), Boateng et al., (2017) and Feinerman (2017) who reported an inverse significant effect of BIND on CS. This study, thus, rejects the null hypothesis which presumes that GOVOW has no significant influence on the link between BIND and CS. The results indicate that the interaction of GOVOW has significant negative effect on the relationship between BIND and CS. This signifies that the higher the interaction of GOVOW the lesser the leverage of the sampled companies.

Board Gender Diversity and Capital Structure

Results in Model 1, Table 3 (coefficient 0.03942, t-value 1.76, P-value 0.080) indicates that BGD has significant effect on CS. The study therefore rejects the null hypothesis which states that BGD has no significant effect on CS among publicly traded manufacturing companies in Nigeria. This implies that an increase in the female population on board of publicly traded Nigerian manufacturing firms would result in a rise in CS by 0.039. This phenomenon may be attributed to the tendency that diverse perspectives and experiences brought by gender diverse boards can lead to better decision making and governance practices, including financial matters like CS. Also, the finding is in congruence with the findings of Li et al. (2023) and contrary to the finding of (Hordofa, 2023). On the other hand, the moderating effect of GOVOW on the relationship between BGD and CS in Model 2, Table 4 revealed a coefficient of -58.95, t-value -2.22, P-value 0.027. The result implies that a unit increase in the interaction effect of GOVOW on BGD leads to -58.95 decrease in CS. This indicates a significant negative moderating effect of GOVOW on BGD and CS at 5% significant level. This provides the justification for rejecting the null hypothesis which proposes that GOVOW has no significant moderating influence on the link between BGD and CS among listed manufacturing firms in Nigeria.

5. Conclusion and Recommendations

This study investigated the moderating effect of GOVOW on the relationship between board attributes and CS among listed manufacturing firms in Nigeria. The study analyzed the balanced panel data of 37 publicly traded companies for 10 years (2013-2022) using OLS regression technique. This study presents evidence that higher levels of GOVOW strengthen the effect of BIND and BGD of the firms. Hence, this finding implies that BIND and BGD may enhance the CS of publicly traded manufacturing firms in Nigeria. Furthermore, our investigation in this study provides new insight into the corporate governance literature in the following ways. Firstly, the evidence from this inquiry proved that the interaction between GOVOW on BIND and BGD might serve as a viable monitoring tool that can reduce the agency cost incurred as a result of attaining an optimal CS among the Nigerian Manufacturing companies. More importantly, insight generated by this research has some implications on the policy decisions of the Nigerian listed manufacturing firms. Firms are encouraged to embrace



government ownership and equally regulatory authorities in Nigeria such as SEC should come out with a policy that will encourage female representation and ensure compliance with having autonomous board at any point in time. This is because BIND and BGD influences the CS among publicly traded manufacturing companies in Nigeria as evident by the significant interaction between BIND, BGD and CS.

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