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CORPORATE GOVERNANCE COMMITTEE ON FINANCIAL PERFORMANCE OF TELECOMMUNICATION FIRMS

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Abstract
This study ascertained the effect of corporate governance committee on financial performance of telecommunication firms. Ex post facto research design was used, using nomination committees net profit margin as the independent and dependent variables respectively. Data were extracted from annual reports and accounts of Telecommunication firms in Nigeria. The Regression analysis was employed to test the hypotheses. From the result, the study revealed that nomination committee has a negative statistically significant effect on net profit margin. As a result of this research, it was concluded that the corporate governance committee has a significant effect on the financial performance of telecommunication firms in Nigeria. Based on the findings, the study recommended that the establishment of a nomination committee should ensure that the appointment of the board members gear toward working together to achieve shareholders' interests, and the committee should comprise independent Non-Executive Directors (NED) and be chaired by the Chairman or an Independent Non-Executive Director (INED).

Keywords: Corporate governance committee, Nomination committees and Financial performance

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Introduction

The Corporate Governance Committee typically serves as a member of the Board of Directors and oversees people who play a key role in the selection and compensation of senior positions within the organization. A corporation's governance committee can also assist the board in complying with state and federal regulatory requirements for the organization (Adam, 2022). A corporate governance committee is established to monitor and evaluate the performance of the board of directors, conduct evaluations of board committees, recruit and appoint board members, conduct annual audits, and meet compliance and regulatory requirements, Corporate Governance Committee Member, Stays Updated on Board Governance Trends (Adam, 2022)

Other measures of financial performance are: return on asset, return on equity, earnings per share and profitability. Return on assets (ROA) indicates the profitability on the asset of the firm after all expenses and taxes (Van Horne 2005). It is a common measure of managerial performance (Ross, Westerfield, Jaffe 2005). It shows the ability of management to acquire deposits at a reasonable cost and invest them in profitable investments (Ahmed, 2009). Return on equity (ROE) indicates the profitability to shareholders of the firm after all expenses and taxes (Van Hornes 2005). This outpost indicates how much returns are created by investors about invested funds by them. Earnings per share (EPS) is one of the key financial statistics that is of interest to investors and financial analysts and represents profit that the company gained within a specified period for per ordinary share. It is obtained by dividing the net profit after tax on the number of company shares (Neveu, 2006). Profitability is a core measure of the performance of a firm and it constitute an essential aspect of its financial reporting. It reveals the firms ability and capacity to generate earning at a rate of sales, level of assets and stock of capital in a specific period of time (Margaretha & Supartika, 2016). Profitability is the company`s ability to retain capital, absorb loan losses, support future growth of assets and provide return to investors. The social importance of telecommunications is widely accepted and understood, as evidenced by their almost ubiquitous penetration and use.

The recent global financial crisis has hurt the economies of many countries, leading to great loss. The crisis has been worsened by business scandals around the world. These events show that corporate governance is failing. For example, recent financial scandals involving accounting and fund management fraud at large organizations such as Adelphia, Enron, and WorldCom were attributed to the behaviour of senior executives and their Taking excessive risks did not serve the best interests of shareholders and other related parties.

Most of the related studies were conducted in the banking industry, service firms, consumer goods industry, industrial goods and other manufacturing companies. Several authors and researchers have written on different areas that involve corporate governance and financial performance such as (Kyere & Ausloos 2020) (Bayelign, Ayalew & Sitotaw, 2022) (Puneeta, 2018) (Olayiwola, 2018);Audit committee impact on corporate profitability (Tariq & Essia 2019); risk committee indicator and financial performance indicator of quoted firms (Odubuasi, Ofor & Ugbah 2022); Impact of audit and remuneration committee on firm performance of cement and textile firms (Muhammad, Muhammad, Zujaj & Gohar 2021); corporate governance and firm performance (Eglyi 2022); remuneration committee and profitability (Onipe 2022).

This study observed dearth of research on corporate governance and financial performance in Nigerian telecommunication firms. This established a sectorial gap, which buttresses the fact that there is a limited study on corporate governance committee and firm financial performance in Nigerian telecommunication firms. More so, prior studies were not added

nomination committee in their various studies of this nature, thereby establish a variable gap. This has been considered as another motivation to execute this study in telecommunication network/firms Nigeria. Consequently, this present study seek to ascertain the effect of more corporate governance committee on financial performance of telecommunication firms in Nigeria from 2013 to 2022 to fill the sectorial and variable gaps. This study therefore sought to examine the effect of nomination committee influences the net profit margin of listed telecommunication firms in Nigeria.

REVIEW OF RELATED LITERATURE

Corporate Governance

A corporate governance committee typically oversees who serves on the board of directors, as well as paying a central role in the selection and compensation of executive-level roles in the organization. A corporate governance committee might also help boards stay compliant with meeting state and federal regulatory requirements for that organization Adam wire (2022). The purpose of corporate governance committee might include: oversight and evaluation of board performance; conducting board committee assessments; board member recruitment and nomination; completing annual audits; and meeting compliance and regulatory requirements. Corporate governance committee member also stay current on best board governance trends (Adam Wire, 2022).

Nominated Committees

With today's importance of corporate responsibility and good governance, businesses and non-profit organizations are evaluating their compliance with regulations at every level. Concept of Nominating/Governance Committee (NGC) NCCG (2018) has clearly stated that NGC should consist of non-executive directors (NEDs), with the majority being independent executive directors established not under (INED).

According to Eminet and Guedri (2010), the mission of the NC is both to define the profiles of directors needed for the board, and to recommend future directorial candidates (and in so doing reduce the influence of the CEO on the selection process). According to the Financial Reporting Council (2012; 2014) the NC should ensure that the appointed board members have an appropriate balance of skills, age, gender, educational qualifications, experience, independence and knowledge of the company to enable them to discharge their duties successfully. Also, members should receive a formal induction, and regularly update and refresh their skills and knowledge of the company. The size of the NC usually ranges from three to five, or can depend on the size of the company (Tarry 2009).

Byrne (1971) states that individuals with similar backgrounds may share similar life experiences and values and that, for this reason, they may find interaction with each other easier than individuals with different experiences and values. According to the Combined Code (2006) and Financial Reporting Council (2014) the NC should have a succession plan in case a board member leaves.

The establishment of a nomination committee will help minimize agency conflict by ensuring that appointed board members work together to achieve shareholders' interests. The NC should comprise independent Non-Executive Directors (NED) and be chaired by the Chairman or an Independent Non-Executive Director (INED). The Chairman cannot chair the NC when it is dealing with the appointment of a successor to the chairmanship (Financial Reporting Council 2012; 2014). The directors to the board should be appointed for a specified term and subject to re-election. Any terms beyond six years should be reviewed thoroughly. Some NCs only meet when there is a vacancy to be filled during the year (Callahan, Millar & Schelman (2003). Also, consideration should be taken of gender

diversity and the time commitment of their activities (Cadbury Report 1992; Combined Code 2006; Financial Reporting Council 2012; 2014). Westphal and Milton (2000) stated that a board committee member representing a minority on the board is likely to favour new board members who are similar to her or him.

In making the NC more effective, the Combined Code (2006), Walker Review, (2009), and Financial Reporting Council (2012; 2014) advocated a formal, rigorous, and transparent procedure for the appointment of new directors and stated that the committee should lead in the appointment of the board. In the past, nomination of personnel to the board was carried out through personal connections, making it difficult for the board to acquire people with the relevant skills and experience to help the company to develop (Callahan et al., 2003). Supporting this statement is research by Tarry (2009) saying that NC can be seen as a "rubber-stamp" exercise where they take recommendations both from the CEO and the chairman. Now, the NC has brought a more rigorous and professional approach to the selection of board members. The committee is now engaged in assessment of the company, executing strategy for the company and seeking external advice when the need arises (Callahan et al., 2003; Tarry 2009; Walker Review 2009; Financial Reporting Council 2012; 2014).

Functions of the Nomination Committee, one of the main tasks of the nomination committee is to search for potential candidates for senior management positions and board member roles. The committee is responsible for reviewing the candidate's qualifications to ensure they fit the organization's requirements. The Committee was assigned the responsibility to review the structure; in terms of size, composition, and commitment of the Board of Directors, through careful identification of competent human resources (in terms of skills, knowledge, and experience) to become members governance Board of Directors and make recommendations for nominations and appointments, to establish a formal committee and transparent process for appointments to the board of directors, establish an induction program and formal training of directors, evaluate the performance of directors (in terms of skills, experience, and competence) on an ongoing basis and design a reviewable succession policy plan back to the president. Kallamu (2016) documented that the length of time the Chairman held this position, his involvement in the company, and whether he was a founding member of the company's family were strong factors. Decide on the participation of the Chairman in the management board. The appointment will affect the independence and effective control of the board because there is a high probability that the chairman will only favor the appointment of those who will protect its interests.

The nominating committee is also sometimes called the nominating committee and the governance committee. They may include directors who will not be candidates for re-election. Since the Board of Directors performs one of the most important roles in the organization, the work of the Nominating Committee in selecting board members is essential. Board members are selected to perform their duties with the necessary level of skill and qualifications and nomination committees select Board members on this basis. Committees must maintain a high level of confidentiality. The Nominating Committee Charter describes the positions to be filled by the Nominating Committee.

Financial performance

Financial performance which assesses the fulfillment of firms' economic goals has long been an issue of interest in managerial research. Firm financial performance relates to the various subjective measures of how well a firm can use its given assets from the primary mode of operation to generate profit. Kothari (2011) defined the value of a firm as the present value of the expected future cash flows after adjusting for risk at an appropriate rate of return.

According to (Eyenubo 2013) it is the success in meeting pre-defined objectives, targets, and goals within a specified time target. Qureshi, (2014), put forward four different approaches in which the value of a firm has been identified in corporate finance literature.

Net profit margin (NPM)

Net profit margin (NPM) relates the net profit (PBIT) of the business to the sales revenue of the same period. That is, it measures the proportion of sales revenue earned as profit after deducting all expenses (except interest and tax) the operational performance of a business should be considered from the perspective of net profit and not gross profit margin.

$$\text{NPM} = \frac{profit\ \ before\ \ interest\ \ and\ \ tax}{sale} \times 10O$$

Corporate Governance and Financial Performance

Paul et al (2015) assess the impact of corporate governance (CG) on the performance of microfinance banks in Nigeria. They did not find a significant relationship between corporate governance and microfinance banks' financial performance. Uwalomwa et al (2015) investigate the relationship between corporate governance mechanisms and the dividend pay-out policy of firms in Nigeria and find that board size, ownership structure, CEO-Chair duality, and board independence have a significant and positive effect on the dividend pay-out decisions of the selected firms while Nwidobie (2016) found that corporate governance has no impact on the dividend policies among Nigerian firms. Odeleye (2018) investigated the relationship between corporate governance and dividend payout in Nigeria for 97 non-financial listed companies from 1995 to 2012 and found a positive and significant association between corporate governance and dividend payout. **Amahalu et al (2017)** examined the effect of corporate governance on firms' borrowing costs from 2010 to 2015 and find that board size, ownership concentration, and board independence have a positive and significant effect on borrowing costs by decreasing the firms' cost of capital. Oyewunmi et al (2017) find that there is a significant relationship between corporate governance practices and human resource management outcomes in Nigeria's downstream petroleum sector.

Review of Empirical Studies

Inka, Triyono and Noer (2024) in their studies on the influence of internal factors, bank size, and good corporate governance on the performance of commercial banks listed on the Indonesian stock exchange in 2021-2022, the findings revealed that the variables NPL, OER, LDR, LN SIZE do not have a significant effect on Commercial Bank Performance (ROA), while CAR and GCG has a significant effect on Commercial Bank Performance (ROA). Simultaneously the variables NPL, OER, CAR, LDR, Company Size, and GCG, influence Commercial Bank Performance (ROA).

Jumroh (2024) determined the effect of the implementation of good corporate governance on the quality of financial performance at Muamalat Bank in Sorong District in 2018-2022. The results of the study explained that there is a positive but not significant influence between GCG and financial performance. It can be explained in more detail that the GCG variant itself consists of transparency, quality, responsibility, independence, and fairness which does not have a significant influence on GCG. The company's financial performance variables use ROA, ROE, and DER indicators, which also do not have a significant influence so in the end the relationship/influence between GCG and financial performance is also not significant.

Kyei, Nereida, Kumah and Pearl (2023) ascertained the dynamic relationship between bank risk and corporate governance in Africa, The study adopts the Generalised Method of

Moments (GMM) estimation model in a panel data approach due to its advantages including resolving the problems of unobserved heterogeneity, autocorrelation, and profit persistence, which other techniques may not be able to resolve, they're concluded that that the effect of board size (BSIZE) on bank risk is negative but insignificant when bank risk is measured by LLPNR (−0.0569) but this became highly significant and negative when the risk is measured by LLRGL (−0.0784). The insignificant impact on bank risk is consistent with the findings of Akbar et al. (The significant negative relationship means that smaller board size causes an increase in bank risk in Africa.

Ugwoke, and egiyi (2023) studied the corporate governance puzzle: putting the pieces together for improved firm performance, the study findings demonstrated that corporate governance metrics (such as board size, audit committee size, and audit quality) have a significant impact on a company's profitability

Eni-Egwu, Madukwe, and Ezeilo (2022) looked at the effects of specific CG variables on the FP of a few quoted DMBs in Nigeria. More particularly, the study investigates the connection between board size (BS), board composition (BC), audit committee independence (ACI), gender diversity (GD), and financial performance (FP) - ROE and ROA. Data for the period 2010–2019 was gathered from the audited annual accounts of ten purposefully selected DMBs. The study employed multiple regression analysis in SPSS version 21 and Smart PLS structural equation modelling (SEM) were used to give a robust analysis of the data and assure the use of three different methodologies. The results suggest that while GD exhibited a favourable link and BC showed a mixed relationship with corporate FP, board size and ACI are negatively connected to FP. The report suggests, among other things, that businesses aim to lower the BS to plus or minus ten, as well as the number of outside (external or non-executive) board members, but strictly in accordance with the regulatory standard.

Okolie and Uwejeyan (2022) investigated the impact of corporate board characteristics on financial performance in Nigerian conglomerates. Indicators of board characteristics included board size, board independence, board committees, board meetings, and board shareholdings. FP was calculated using ROA. Consequently, a sample of five quoted conglomerates was chosen over the course of the 10-year study period from 2011 to 2020. The annual reports of the chosen conglomerates were used as the source of secondary data in an ex-post facto research design. Panel data regression was the regression technique used. The results show that conglomerates' FP in Nigeria was significantly influenced by the size, independence, and stock holdings of the board and audit committee. The FP of Conglomerates in Nigeria did not, however, appear to be much impacted by board meetings.

Benvolio and Ironkwe (2022) examined the effect of board composition of DMBs in Nigeria. All fourteen of Nigeria's listed DMBs annual financial reports were used to compile data on various BC and firm market value factors for the years 2011 through 2021. In order to analyze the data, descriptive statistics, Hausman specification testing, likelihood ratio testing, panel stationarity testing, Lagrange multiplier testing, lag length selection testing, and panel auto-regressive distribution testing were all employed. The empirical findings show that BC has a large impact on firm FP, accounting for around 85.1% of the entire variation in firm market value

Onipe(2022) focused on the role of board of directors' remuneration committee in creating the atmosphere in which board members would feel well remunerated or motivated to work towards improving profitability. This study used ordinary least square regression to test the relationship between the remuneration committee and firm profitability, after controlling for regression diagnostics (normality and homoscedasticity of residual, multicollinearity, model

specification, panel tests). The data was based on 112 companies trading on the floor of the Nigerian Exchange Group over ten years (2012-2021). Descriptive statistics, correlation and regression analysis are used to analyze the data. The findings indicate a significantly positive relationship between the remuneration committee and profitability. It is concluded therefore that remuneration committee is a major determinant of profitability among firms quoted in Nigeria.

Lamidi, Adebayo, Olorede, and Oyekanmi (2022) examined the characteristics of risk committees as well as their effects on the financial performance of deposit money banks (DMBs) in Nigeria. The study made use of secondary data gathered from the bank's annual reports, and 13 deposit money banks were chosen as a sample using the purposive sample technique. The data was analysed using the panel regression approach. Using a fixed effect model, the study discovered that the size and independence of risk management committees have a negative impact on the financial performance of deposit money banks in Nigeria, while the size of the committees is insignificant. Gender diversity and meetings have been shown to have a positive impact on the financial performance of DMBs in Nigeria.

Amanuddin and Ghazi (2022) aimed to observe the effect of audit committee (AC) characteristics, namely AC size (ACS), AC independence (ACI), and AC meetings (ACM) on two financial performance indicators; return on assets (ROA) and Tobin's Q. This study was conducted on 63 non-financial firms listed on the Muscat Securities Market (MSM) in Oman for the period from 2016 to 2019. Multiple regression techniques have been applied to analyze the data and get empirical results. The findings revealed that two of the three independent variables have an insignificant effect on financial performance, and ACI has a substantial negative effect on Tobin's Q. Based on the findings, it can be implied that the corporate governance mechanism and AC structure in Omani firms need to be improved. Stricter control government authorities may be necessary to ensure that firms appoint AC members who can enhance the firm's performance, and contribute to the country's economic expansion.

Hawkar, Akar, Wafa, and Hero (2021) examined the effect of board properties on financial performance. The study looked at ROA, which represented the FP of the organization, as the dependent variable, and board meetings, board ownership, board independence, and board meetings as the independent variables. The information was gathered from businesses in a variety of industries from 2005 to 2016 by the Iraqi Securities Commission and Stock Exchange.. Multiple regression analysis was used with the data along with panel data. SPSS and Microsoft Excel were used to analyze the data using multiple regression and panel data. The findings showed that BI and board ownership have a positive relationship with financial performance. The company's ROA was discovered to be adversely impacted by the increase in board meetings.

Abdessetar, Suhaimi and Ifa (2021) reviewed existing literature related to the risk management committee attributes (RMC) that can facilitate transactions between board committees and add value to corporations. The emphasis of this study is on RMC as it has become a crucial element, especially after the collapse of large corporations. RMCs have attracted the attention of academics and become one of the important factors that enhance the companies' performance as well as the quality of financial reporting (FRQ), and its demographic attributes are expected to play an important role in corporations. However, prior studies on the area have found inconclusive results and provide several gaps in the literature due to the mixed findings. In addition, prior studies highlight the RMCs attributes that affect corporate's performance and also the reporting quality and provide an urge to conduct more

researches in related fields. Taking the period from 2003 to 2021, this paper reviews previous studies and gives a better understanding of RMC's role and future research directions.

Okoroyibo and Nwokeji (2021) examined effect of different audit committee attributes on performance of firms listed in the food and beverage industries in Nigeria Stock Exchange. Audit committee independence, audit committee financial expertise and audit committee meeting are proxy for measuring audit committee attributes while financial performance was measured with Earning Per Share (EPS). Ex-post facto research design was adopted and secondary data were collected from annual reports of selected firms spanning eight years from 2011 to 2018. The population of this study constitutes of all firms listed under the food and beverages sector in Nigeria stock exchange which are twenty one (21) firms as at December 31st, 2018. The study purposively selected fourteen (14) firms based on the availability of their annual reports. Data were analyzed using descriptive and inferential statistics. Descriptive statistics and inferential statistics were conducted. Analyses revealed that: audit committee independence and audit committee expertise has positive but insignificant effect on firm performance measured with EPS, while audit committee meeting exhibit positive and significant effect on EPS of listed food and beverages firms in Nigerian Stock Exchange (NSE). Based on the findings, this study therefore recommended that firm should sustain frequencies of audit committee meetings, so as to ensure that the committee has enough time to take decisions that are efficient and effective in enhancing better firm performance.

Daryanto, Wijaya, and Renatauli (2020) analyzed the financial performance of PT. Ace Hardware Indonesia, Tbk ('the company'), especially in regards to its liquidity, solvency, profitability, efficiency and valuation performances before and after the launch of ruparupa.com based on annual financial reports from the period 2014 to 2019. The research method used in this study was descriptive by using financial ratio analysis and a sample paired t-test was also applied to test 11 financial ratios. The two combined methods are used to determine if there are any significant differences regarding the company's financial performances after the website launch. The study discovered the overall financial performance of PT. Ace Hardware Indonesia, Tbk. was not significantly affected after the launch. The only significantly affected financial ratio is Earning per Share (EPS). The remaining ratios are insignificantly affected with some positive and negative changes.

Hanoon, Rapani and Khalid (2020) investigated the relationship of internal control components on the financial performance of the Iraqi banking sector by focusing on the moderating relation of the audit committee. The research theoretical foundation was built based on the agency theories. A quantitative approach using Structural Equation Modelling (SEM) was utilized as the main research design. The data was analyzed to determine the relation using SPSS 25 and SmartPLS3 the data was collected from a group of respondents comprising CEO, CFO, accountants, and auditors who were selected through a simple random sampling technique. Exploratory factorial analysis was conducted on 100 respondents in several banks to verify that the research variables that could be used in the actual study. The actual survey questionnaire was distributed to 386 respondents and the data were analyzed using a measurement model, the results showed that the audit committee supports the relationship of the control environment, risk assessment, and control activities. While it does not support the relationship of information & communication and monitoring, In conclusion, Audit Committee serves as an influential moderator between internal control components and financial performance.

Halim, Mustika, Sari, Anugerah and Mohd-Sanusi's (2017) study attempts to examine the effect of the Risk Management Committee on firm performance, and the intervening effect of

the Risk Management Committee on the relationship between Corporate Governance, Firm Size, Financial Reporting Risk, and Firm Performance. Using the purposive sampling method, 299 firms were selected as the sample. This study used secondary data obtained from the companies' annual reports, and the data was then analyzed using SPSS, version 20.0. The results of this study indicate that the entire research hypothesis is accepted. This study found that the Risk Management Committee affects firm performance, and that Risk Management Committee acts as the intervening variable in the relationship between corporate governance, firm size, and financial reporting risk on firm performance.

Research Methodology

Ex-Post Fact research design was employed for this study. An *Ex-post Facto* research determines the cause-effect relationship among variables.

Population of the Study

This study used five telecommunication firms listed on Nigerian Exchange Group as of December 31, 2013, to 2023.

Sample Size

This study used the four out of the five telecommunication firms in Nigeria due to unavailability of one firm's annual reports and accounts (Broad-based communication limited) for the study.

Source of Data Collection

Data were collected from only secondary sources. The data were collected from audited annual accounts of the firms. The data extracted include; NMC=Nomination committee, as the independent variable and financial performance of telecommunication firms (NPM) is the dependent variable while firm leverage is the control variable.

Model and Model Specification

The regression model was adapted from Eni-Egwu, Madukwe, and Ezeilo's study (2022), with modifications made to fit the study's variable. The model is constructed as follows;

ROE = f (BS, BI, BQ, ACS, ACI)

$ROE = \beta 0 + \beta_1 BS + \beta_2 BI + \beta_3 BQ + \beta_4 ACS + \beta_5 ACI + E$

Where;

E = Error Term,

β0 = Intercept

β1–β5 = Coefficient of the Independent Variables.

The model specification was modified as follows:

FP= f(NMC, REC, ADC) - - - - - - - i

The above model could be modified as thus;

$Y = \beta o + \beta_1 X_1 + \mu$

$NPM_{it} = \beta 0 + \beta_1 NMC_{it} + \beta_2 LEVit + \mu it.$ - - - - - - -i

Where:

Y = dependent variable (Financial Performance)

X = independent/explanatory variable (corporate governance committee)

NPM_{it} = Net Profit Margin í in period t (dependent variable)

NMC_{it} = Nomination committee í in period t (independent variable)

LEV_{it} = Firm leverage í in period t (control variable)

í = individual period (1, 2)

t = time period (1, 2 ..... 10)

β0 = Intercept of the regression

β1 = Coefficients of BS

μít = error term capturing other explanatory variables not explicitly included in the Model of telecommunication firm k í in period t

Method of Data Analysis

The data analysed comparatively via both descriptive and inferential analyse. The descriptive statistics was first conducted in order to gain understanding of the sample characteristics as regards the selected variables. Inferential statistical analysis was carried out with the aid of E-Views 9.0 statistical software. These include the following:

Panel Least Square (PLS) regression analysis: was used to predict the value of a variable based on the value of the other variables;

Decision Rule

The decision for the hypotheses is to accept the alternative hypotheses if the p-value of the test statistic is less or equal than the alpha and to reject the alternative hypotheses if the p-value of the test statistic is greater than alpha at 5% significance level.

Data Analysis

Table 1: Descriptive statistics

	NPM	NMC	LEV
Mean	-1.791538	3.500000	0.670906
Median	0.112984	3.500000	0.715246
Maximum	0.297239	4.000000	1.314816
Minimum	-18.57606	3.000000	0.000944
Std. Dev.	5.669010	0.506370	0.432682
Skewness	-2.661601	0.000000	-0.163018
Kurtosis	8.095184	1.000000	2.138172
Jarque-Bera	90.49561	6.666667	1.415080
Probability	0.000000	0.035674	0.492855
Sum	-71.66152	140.0000	26.83624
Sum Sq. Dev.	1253.369	10.00000	7.301339
Observations	40	40	40

Source: E-View output, 2024

Interpretation of Descriptive Statistics

The descriptive statistics in table 1 revealed that the profit margin of the sampled companies is -1.792; the maximum of 0.297 with a minimum of -18.576 with a standard deviation of 5.669. The mean of nomination committee (NMC) is at the average of 3.500; standard deviation of 0.506; a maximum observation of 4.000 with a minimum value of 3.000. The mean of firm leverage (LEV) is at the average of 0.671; standard deviation of 0.433; a maximum observation of 1.315 with a minimum value of 0.001.

Skewness is the measure of how much the probability distribution of a random variable deviates from the normal distribution. Table 1 delineates that the probability distribution for NMC (0.004) and LEV (0.493) are positively skewed distribution.

Test of Hypothesis

$H0_1$: There is no significant effect between the audit committee size and the net profit margin of listed telecommunication firms in Nigeria.

Table 2 Panel Least Square Regression analysis testing the effect between NPM, NMC, and LEV

Dependent Variable: NPM
Method: Panel Least Squares
Date: 06/24/24 Time: 12:31
Sample: 2013 2022
Periods included: 10
Cross-sections included: 4
Total panel (balanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.214637	5.768353	1.250727	0.2189
NMC	-1.434425	1.790875	-0.800963	0.4283
LEV	-5.940753	2.095869	-2.834506	0.0074

R-squared	0.278713	Mean dependent var	-1.791538
Adjusted R-squared	0.239725	S.D. dependent var	5.669010
S.E. of regression	4.943023	Akaike info criterion	6.105870
Sum squared resid	904.0386	Schwarz criterion	6.232536
Log likelihood	-119.1174	Hannan-Quinn criter.	6.151668
F-statistic	7.148611	Durbin-Watson stat	2.773135
Prob(F-statistic)	0.002371		

Interpretation of Regression Result

In Table 2, R-squared and adjusted Squared values were (0.28) and (0.23) respectively. The indicates that all the independent variables jointly explain about 23% of the systematic variations in net profit margin of our samples firms over the ten years periods (2013-2022). The adjusted R^2, which represents the coefficient of determinations imply that 23% of the total variation in the dependent variable (NPM) of listed telecommunication firms in Nigeria is jointly explained by the explanatory variables (RMC and LEV). The F- statistics value of 7.149 with an associated Prob.>F = 0.002 indicates that the model is fit to explain the relationship expressed in the study model and further suggests that the explanatory variables are properly selected, combined and used. The value of adjusted R^2 of 23% also shows that 77% of the variation in the dependent variable is explained by other factors not captured in the study model.

Test of Autocorrelation: using Durbin-Waston (DW) statistics which we obtained from our regression result in table 2 it is observed that DW statistics is 2.773 and an Akika Info Criterion and Schwarz Criterion which are 6.106 and 6.233 respectively also further confirms that our model is well specified.

Table 2 indicates that nomination committee has a positive significant effect on net profit margin of listed telecommunication firms in Nigeria. This can be observed from the beta coefficient (β_1) of -1.434 with t-statistic of 0.801 which is negative effect at 5% level of significance.

Since the P-value of the test was 0.002 less than 0.05 (5%)., this study upholds that nomination committee has a positive significant effect on net profit margin of telecommunication firms in Nigeria Thus, null hypothesis is Rejected and alternative hypothesis Accepted.

Conclusion and Recommendations

This study ascertained the effect of corporate governance committee on financial performance of telecommunication firms. The independent variable was nomination committees and independent variable was proxied with net profit margin. The Regression analysis was employed to test the hypotheses. The study revealed that nomination committee has a negative statistically significant effect on net profit margin. As a result of this research, it was concluded that the corporate governance committee has a significant effect on the financial performance of telecommunication firms in Nigeria.

Based on the findings, the study recommended that the establishment of a nomination committee should ensure that the appointment of board members was to work together to achieve shareholders' interests, and the committee should comprise independent Non-Executive Directors (NED) and be chaired by the Chairman or an Independent Non-Executive Director (INED).

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