



**MODERATING EFFECT OF RISK MANAGEMENT COMMITTEE ON BOARD
ATTRIBUTES AND FIRM SURVIVAL AMONG LISTED MANUFACTURING
COMPANIES IN Nigeria**

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Abstract

The ability of a firm to endure, adapt and prosper over time is a multifaceted outcome influenced by an interplay of internal and external factors. However, the precise mechanisms and specific dynamics that contribute to sustained firm survival remain unclear. This study investigated the moderating effect of risk management committee on the relationship between board attributes and firm survival among listed manufacturing companies in Nigeria. The study utilized secondary data obtained from a sample of 34 manufacturing companies listed on the Nigerian Exchange Group during the period from 2011-2022. The data were analysed using Generalized Least Square. Findings indicate that board independence, board size and board expertise were statistically associated with firm survival, while board gender diversity has an insignificant impact on firm survival. The risk management committee on the other hand was found to exert no significant moderating influence on the relationship between board attributes and firm survival. The study concluded that board attributes are vital governance mechanisms capable of enhancing firm survival. It therefore recommended that shareholders of listed manufacturing companies in Nigeria should focus on optimal board size and should prioritize directors with requisite expertise rather than independence.

Keywords: Firm survival, Board attributes, Risk management, Corporate Governance.

JEL Classification: G32, G33, G34.

INTRODUCTION

Sustained increase in the number of business collapse worldwide, especially in recent years has made scholars and other stakeholders to continue to be interested in corporate survival analysis. Based on the fact that **corporate** collapses often result in significant losses to stakeholders, mostly owners, employees, creditors, investors, customers, and the economy at large, it has become a source of concern that, in spite of audit reports, the survival of most companies is constantly threatened by financial scandals and crisis, sometimes leading to liquidation (Altman et al., 2017; Nwaobia et al., 2019).

A company's ability to survive depends on numerous factors. Nwaobia and Jayeoba (2016) assert that solvency and liquidity are the primary drivers of any firm's survival. However, Lopez et al.



(2017) show that profitability, company size, and leverage are the main factors that determine a firm's ability to survive. They posit that larger businesses have a higher chance of surviving than smaller ones, just as firms with higher profits are more likely to remain in operation. Furthermore, it has been stated that corporate governance has a significant role in determining an organization's well-being and long-term financial viability, and that the demise of numerous organizations worldwide is mostly attributable to failures in governance systems (Sarbah & Xiao, 2015; Darrat et al., 2016).

Evidence from prior literature suggests that board attributes are associated with corporate survival. The findings of Igor and Steve (2018) show that there is a discernible difference between bankrupt and non-bankrupt corporations based on the makeup and qualities of their boards; the former seem to have larger and more independent board members as compared to bankrupt firms. This is in line with the response to the Enron-Andersen debacle, which activated reforms aimed at strengthening the functions of non-executive directors (NEDs) to enhance the board monitoring role. Similarly, the Nigeria Code of Corporate Governance (NCCG, 2018) places emphasis on having a suitable balance of independent non-executive, executive, and non-executive members on the board, with non-executive directors making up most members. In addition, it mandates that boards have a manageable and appropriate size given the scope and complexity of the company's operations. This concept assumes that a larger board will have a more diverse membership in terms of experience, education, and specialization. This will increase the board's capacity to obtain the necessary resources and increase the firm's chances of surviving (Darrat et al., 2016; Bekiaris, 2021).

The board of directors typically assigned some of its authority to committees that oversee a particular area in which the committee members specialized in order to increase the effectiveness of the board (Awang et al., 2021). The corporate board's subcommittee on risk management oversees supervising of problems pertaining to risk for listed companies (Ganesan et al., 2019). It is a crucial corporate governance tool that safeguards the interests of shareholders by offering independent supervision and identifying, assessing, and monitoring key business risks in order to safeguard the company's assets (Ngu & Amran, 2019).

The manufacturing sector of any nation is thought to be its main driver of growth, a catalyst for development, and an asset for the advancement of the country. This is due to its great potential as a vehicle for generating income, jobs, and alleviating poverty among the citizenry (Okon & Osesie, 2017; Afolabi & Laseinde, 2019). However, the ability of Nigeria's manufacturing sector to take the citizens out of poverty by way of providing jobs while at the same time creating wealth is under threat as a good number of the firms have folded up over the years (including Peugeot Automobile Nigeria Ltd, Kaduna; Volkswagen of Nigeria Ltd., Lagos; United Nigeria Textile Ltd., Kaduna Textile Ltd., among others); others have relocated their businesses to other countries (Michelin and Dunlop relocated to Ghana), while the existing ones are grasping for breath (Babalobi, 2020; Adekoya, 2021).

These survival challenges have been attributed to several factors, including frequent changes in the business environment, unfavourable exchange rates, poor infrastructure, and high cost of raw materials (Williams & Shaibu, 2020). In addition, the challenges are, however, not solely due to adverse macroeconomic environment as weak corporate governance has also been identified as perhaps the most important factor to be blamed for corporate failures in Nigeria (Akpan & Adebisi, 2014; Emiaso & Okafor 2018). Therefore, the aim of this study is to explore the moderating effect of risk management committee on the relationship between board attributes and firm survival among listed manufacturing companies in Nigeria. This was inspired by the dearth of empirical evidence in this area of research, as majority of the existing studies mainly deal with the link between board attributes and operating performance or firm value. However, the factors that determine long-term firm survival are very different from those that determine financial performance. Thus, by embarking on this study, this research gap was filled.

LITERATURE REVIEW

Corporate Survival

Corporate survival is regarded as the ability of a business to consistently satisfy the needs of the market, its employees, shareholders, investors, host communities, the government, and other pertinent stakeholders (Garba et al., 2020). According to Stein and Wiedemann (2016), firm survival refers to a company's capacity to manage social and environmental issues and adapt to the external business environment, with a view to increasing stakeholders' value. Similarly, Khan and Ali (2017) state that a firm's ability to achieve its objectives in accordance with its mission is what makes it resilient against the external environment. Additionally, Erengwa et al. (2017) contend that corporate survival is a crucial component of evaluating an organization's potential for both the near and long term as well as its ability to expand, be profitable, and contribute to society.

Board Attributes

Board attributes, also referred to as board characteristics, are those features that could affect the effectiveness of the board in discharging its duties. According to Abdeljawad and Masri (2020), a few factors, including specific board characteristics like independence, CEO duality, size, diversity, and skills, among others, may affect how effective the board would be in carrying out its responsibilities. In addition, the NCCG (2018) asserts that, while maintaining competence, independence, and integrity, a proper mix of skills and diversity (including experience and gender) is necessary to ensure that the board and its committees' carry out their duties effectively. Previous research has measured board attributes using constructs such as board size, board meeting, board independence, board gender diversity, audit committee independence, board expertise, and education (Abdeljawad & Masri, 2020; Williams & Shaibu, 2020; Akinuoye & Onuoha, 2021). This study uses four proxies for board attributes—board independence, board size, board gender diversity, and board expertise—in keeping with previous research.

Risk Management Committee

Risk management is seen as one of the main tenets of sound corporate governance. This is because risk management is a major component of corporate governance, and effective risk management

is ultimately the board's responsibility (Omer et al., 2020; Rimin et al., 2021). *According to* Zabri et al. (2016), the company's risk management strategies and their execution are overseen by the risk management committee (RMC). *It is* increasing in prominence and is thought of as a governance support tool to help board members supervise the risk management process. Similarly, Awang et al. (2021) contend that the formation of a risk management committee will help the company implement a proactive risk management system and, as a result, foster an organizational culture that is risk-aware. Establishing a dedicated committee to identify and mitigate risks would promote comprehensive risk management, ultimately resulting in the sustainability and survival of the organization.

Theoretical Framework

This research is anchored on agency and stakeholder theories. The relationships and contract between the principal and the agent are reflected in the idea of agency theory (Jensen & Meckling, 1976). According to proponents of agency theory (e.g., Fama & Jensen, 1983), managers and shareholders have competing objectives because each is only driven to meet his own needs. This creates a conflict of interest between them (Dwiharti & Adhariani, 2018). The assertion that independent non-executive directors have a significant impact on a company's success is supported by the agency theory (Salem et al., 2019). Dwiharti and Adhariani (2018) maintain that the existence of independent directors will safeguard shareholders' interests since non-executive directors can render independent judgment. In addition, Zhou et al. (2018) relate that a smaller board helps the board of directors keep an eye on and oversee management performance to safeguard shareholder interests and reduce agency problems. Thus, board attributes contribute to effective monitoring and decision-making, thereby reducing the likelihood of agency conflicts. Therefore, understanding and implementing agency theory principles can guide the selection and functioning of boards to enhance the accomplishment of the long-term survival objective of the firms.

According to the stakeholder theory, companies have a greater social purpose than only serving their shareholders. *This is because other parties have a stake in a company besides just the shareholders, since they may also be impacted directly or indirectly by the success or failure of the enterprise* (Salem et al., 2019). According to Ali and Nasir (2014), the theory acknowledges that a variety of interested parties have ties with the company and are impacted by its decisions. Given that stakeholders and businesses are inseparable and intertwined, Nwaobia et al. (2019) assert that companies may not survive within the business environment if the interests of stakeholders are not respected. As a result, the board of directors is expected to consider the interests of other groups, particularly those related to social, environmental, and ethical issues, in addition to the interests of shareholders.

The stakeholder theory is relevant to this study because the success or failure of the firms affect all the interested parties such as the shareholders in terms of wealth maximization, employees in terms of job security, government in terms of taxes and economic growth (e.g., employment of citizens), host communities (in terms of CSR), among others. Therefore, to survive, the board



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must protect the interests of all parties involved and must make sure that organizational procedures consider the sustainability of the communities in which they operate.

Empirical Studies

Gande and Kalpathy (2017) examine whether risk-taking among financial firms in the U.S. is related to CEO equity incentives before the 2008 financial crisis. Secondary data were obtained from the U.S. Federal Reserve emergency loans provided to these firms. The data were analyzed via logit regression. Findings indicate that equity incentives embedded in CEO compensation contracts were positively associated with risk-taking in financial firms which resulted in potential solvency problems. The study also found that having a CEO with an MBA from a top 20 school is beneficial to a bank in improving profitability.

Hapsari (2018) investigates the relationship between corporate governance structures and the likelihood of bankruptcy. The study covered the period of 15 years, 2000 - 2014 using a sample of 190 bankrupt and healthy companies. The findings show that smaller boards minimize the prospect of bankruptcy. More so, Goktan *et al.* (2018) examine corporate governance and firm survival among U.S. corporations over the period 1990-2004. The study utilized secondary data, which were analysed via multiple regressions models. Findings indicate that the more outsider members are on a board, the less likely a firm is to be acquired or go bankrupt. Similarly, Igor and Steve (2018) investigate corporate governance strategies and survival of UK cotton textile companies during the period 1950-1965. Findings show that more outside directors enhances the survival chances of the firms.

On the other hand, Nwaobia *et al* (2019) evaluate the interaction between earnings management and corporate survival of listed manufacturing companies in Nigeria. The study covers a period of 12 years, 2005 - 2016 and sample consists of 30 companies purposively selected from a population of 66 listed manufacturing firms. The study utilized secondary data and were analysed using the OLS regression. Findings reveal that board composition exerts a significant negative effect on firm survival.

The moderating impact of risk management committee on the financial performance and corporate governance of Malaysian listed firms was examined by Ngu and Amran (2019). Data from annual reports of the top 100 firms were obtained using content analysis. The partial least squares technique was used for the analysis. The findings show that while board independence has no impact on financial performance, director experience, board size, foreign nationality, and gender diversity were all strongly connected with financial performance. The associations between corporate governance traits and financial success were shown to be unaffected by the moderating variable, risk management committee.

Similarly, the moderating influence of risk management committee (RMC) on the link between sustainability disclosure and corporate governance was examined by Ganesan *et al.* (2019) using annual reports of 120 listed real estate and construction companies in Bursa, Malaysia. The



findings show that, in contrast to CEO duality, women on boards, and director experience, board size and independence do have an impact on sustainability disclosure. The findings also indicate that there isn't any proof that RMC has a moderating effect on the relationship.

Abdeljawad and Masri (2020) evaluate the impact of board characteristics on firm performance using data from Palestinian listed firms during the years 2012-2014. The study employed secondary data collected from the audited annual reports of sampled firms. The results indicate that corporate performance is positively related to CEO duality, board gender diversity, and number of board meetings. However, board size, board independence and board academic background negatively affect performance of Palestinian listed firms.

In Nigeria, Williams and Shaibu (2020) investigate the connection between organizational survival and corporate governance of manufacturing companies. The findings showed that there is a favourable correlation between organizational survival and board monitoring, as well as board independence. Ibrahim et al. (2020) evaluate the effect of risk management committee on the financial performance of listed insurance companies in Nigeria from 2012-2018. The study used secondary data obtained from annual reports of 24 selected firms. Findings reveal that risk management committee expertise has negative and significant effect on the financial performance of listed insurance firms in Nigeria.

Bourib and Moudiab (2021) investigate the relationship between risk management committee (RMC) characteristics and financial performance of non-financial companies listed on the Malaysian stock exchange. Data were collected from secondary sources and were analysed using multiple regression analysis. Results indicate that RMC characteristics are significantly associated with the financial performance of the firms. Similarly, Ugwu et al. (2021) explores the effect of risk management committee on financial performance, using a sample of five listed deposit money banks in Nigeria from 2009-2019. Data collection was based on content analysis. The data were analysed using multiple regression techniques. Results show that risk management committee impacts return on assets (ROA) of the banks.

Additionally, corporate governance and survival of oil and gas firms in South-South Nigeria was examined by Akinnuoye and Onuoha (2021). Cross-sectional survey design was adopted by the study, and the findings indicate that board size and composition are positively correlated with business survival. Abu and Ibrahim (2022) assess the relationship between enterprise risk management (ERM) structure and the financial performance of Nigerian listed services firms from 2010 - 2019. The ex post facto research design was adopted, and data were analysed using regression techniques. The results revealed that board finance experts have no significant relationship with financial performance of listed service firms in Nigeria. In the same vein,

Hassan (2022) explores the relationship between board of director's characteristics and financial distress in the Egyptian economy from 2015- 2018. The study used secondary data and were analysed using logistic and multivariate discriminant analysis models. Results indicate that board independence has a significant negative impact on financial distress. Thus, the current study

contributes to the body of existing literature by analysing the moderating influence of risk management committee on the relationship between board attributes and firm survival. The goal of the study is to provide more insights into how the risk management committee modifies the impact of board attributes on firm survival by concentrating on listed manufacturing companies in Nigeria—an area that has not received as much attention as it should.

METHODOLOGY

The correlation research design was used in this work. Correlation design describes the statistical link between two or more variables and permits testing of this relationship, which justifies its use in the study. The population of the study consists of sixty-four (64) manufacturing firms listed on the Nigerian Exchange Group (NGX) as at 31st December, 2022. Census sampling technique was used in this study. It involves examining every segment of the population. However, firms with incomplete data and those delisted or suspended by the Nigeria exchange group during the study period were excluded. Consequently, a sample of 34 firms were used by the study. Secondary data was extracted from the annual reports of the 34 firms over the period from 2011-2022. The data were analysed using descriptive statistics, correlation and multiple regression techniques with the aid of Stata 14.2 statistical software.

Variable Measurement

The variables of the study and their measurements are as summarized in Table 1 as follows:

Table 1

Variables and their Measurement

Variables	Label	Measurement	Source
DEPENDENT			
Firm Survival	EMS	$3.25 + 6.56X_1 + 3.26X_2 + 6.72X_3 + 1.05X_4$	Sanja et al. (2014); Abdulateef et al. (2019)
INDEPENDENT			
Board Independence	BIND	Proportion of independent directors to total board size	Nongnit et al (2012), Iwasaki (2013), Abdeljewad and Masri (2020).
Board Size	BSIZ	The total numbers of directors on the board of a company during a particular year	Olabisi et al (2018), Abdeljewad and Masri (2020),
Board Gender Diversity	BGEN	Percentage of female directors to total board size	Ngu and Amran (2019), David and Okenwa (2021)
Board Expertise	BEXP	Percentage of directors with higher degrees/relevant professional certifications to total board size	Akpan & Amran (2014); Abu & Ibrahim (2022).
MODERATING			



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Risk Mgt. Committee	RMC	Proportion of risk committee members with accounting/finance qualification/experience	Malik (2017); Jia and Bradbury, (2020).
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CONTROL

Firm profitability	PROF	PBIT/Total assets	Abdelkarim (2016); Abdeljewad and Masri (2020), Mohammed and Barde (2021).
Financial leverage	LEV	Total debt/Equity	Lopez et al. (2017); Adulateef et al. (2019).

Source: Authors' compilation (2023).

NOTE:

X_1 = Working capital/Total assets

X_2 = Retained earnings/ Total assets

X_3 = Earnings before interest and taxes/ Total assets

X_4 = Book value of equity/Total liabilities

PBIT = Profit before interest and taxes

Model Specification

The study adopts the hierarchical regression model commonly used in moderating studies in existing literature including Ngu and Amran (2019), and Abdullah et al. (2017). The general regression model is specified as follows:

$$Y_{it} = \beta_0 + \beta_1 X_{it} + \beta_2 Z_{it} + \beta_3 X_{it} * Z_{it} + \epsilon_{it}$$

Where the dependent variable is denoted by Y_{it} of firm i at time t , β_0 is the constant, the coefficients of the independent variable and the moderating variables are denoted by β_1 and β_2 for firm i at time t while β_3 is the coefficient of the interaction effect between X and Z which measures the moderating effect and ϵ_{it} is the error term.

Specifically, the models of the study are stated as follows. Model 1 represents the direct relationship between firm survival and independent variables, moderating as well as control variables as expressed thus:

$$EMS_{it} = \beta_0 + \beta_1 BIND_{it} + \beta_2 BSIZ_{it} + \beta_3 BGEN_{it} + \beta_4 BEXP_{it} + \beta_5 RMC + \beta_6 PROF_{it} + \beta_7 LEV_{it} + \epsilon_{it} \quad (1)$$

Model 2 presents the interactions between independent and moderating variables. The model is used to ascertain the moderating role of risk management committee on the relationship between board attributes and firm survival. It is stated as follows:

$$EMS_{it} = \beta_0 + \beta_1 BIND_{it} + \beta_2 BSIZ_{it} + \beta_3 BGEN_{it} + \beta_4 BEXP_{it} + \beta_5 RMC_{it} + \beta_6 BIND * RMC_{it} + \beta_7 BSIZ * RMC_{it} + \beta_8 BGEN * RMC_{it} + \beta_9 BEXP * RMC_{it} + \beta_{10} PROF_{it} + \beta_{11} LEV_{it} + \epsilon_{it} \quad (2)$$

Where:

EMS = Emerging Market Score

BIND = Board Independence.

BSIZ = Board Size
 BGEN = Board Gender Diversity
 BEXP = Board Expertise
 RMC = Risk management committee
 PROF = Profitability
 LEV = Leverage.
 ε_{it} = Error term
 β_0 = Intercept
 β_1 - β_{11} = Parameter estimates.
 it = Period i at time t

RESULTS AND DISCUSSION

Descriptive Statistics

Table 2 presents the descriptive statistics of all the variables utilized in the study as follows:

Table 2

Descriptive Statistics

Variable	Obs.	Mean	Std. Dev.	Min.	Max.
EMS	408	5.121	3.821	-7.834	12.859
BIND	408	0.469	0.258	0	0.923
BSIZ	408	9.367	2.507	4	15
BGEN	408	0.171	0.140	0	0.666
BEXP	408	0.509	0.132	0.142	0.818
RMC	408	0.431	0.160	0.166	0.833
PROF	408	0.094	0.148	-0.557	0.792
LEV	408	0.474	0.220	0.092	0.881

Source: Authors' Computations (2023).

Results of the descriptive statistics in Table 2 indicate that the dependent variable (firm survival), represented by the emerging market score (EMS) has an average value of 5.121, which is higher than the 2.60 cut-off point for the 'safe zone' (Swalih et al., 2021). This means that, on average, listed manufacturing companies in Nigeria are safe and free from financial distress. The minimum and maximum observations for the EMS variable are -7.834 and 12.86 respectively, with a standard deviation of 3.821. Board independence has a mean of 46.9% and ranges between 0% at the minimum to 92.3% at the maximum. The mean of board size is approximately 9 directors, signifying a relatively large board, which ranges from 4 directors at the minimum to 15 directors at the maximum. Board gender diversity averaged 17.1% and ranges between 0% at the minimum to 66.6% at the maximum respectively.

Table 2 further shows that board expertise has a mean of 0.509, which indicates that, on average, about 50.9% of the board members possess higher degrees. This value ranges from 14.2% to 81.82%. Risk management committee averaged 43.1%, with minimum and maximum values of 16.6 and 83.3% respectively. Profitability ranges from a minimum of -55.7% to a maximum of

79.2% respectively; with a mean of 9.4%. Lastly, Leverage has a mean value of 47.4% and ranges from a minimum of 9.2% to 88.1% as maximum value respectively.

Table 3
Correlation Matrix

	EMS	BIND	BSIZ	BGEN	BEXP	RMC	PROF	LEV
EMS	1.0000							
BIND	-0.2421	1.0000						
BSIZ	-0.0209	0.1380	1.0000					
BGEN	-0.0737	-0.1135	-0.1653	1.0000				
BEXP	0.1867	-0.0854	-0.1353	-0.1696	1.0000			
RMC	-0.0678	0.1494	0.0828	0.0122	-0.0584	1.0000		
PROF	0.5423	0.0041	-0.0277	0.0219	-0.0216	-0.1378	1.0000	
LEV	0.0311	0.0109	-0.0512	-0.0566	0.0320	-0.0598	0.0387	1.0000

Source: Authors' Computations (2023).

The results of the correlation analysis conducted by the study are as presented in Table 3. The results show that there are no high correlations among the independent variables of the study which could signal the existence of multicollinearity, since the correlation coefficients of all the variables are less than 0.80. Since the explanatory variables do not have strong correlation among themselves, they can be jointly fitted into the same model (Gujarati & Porter, 2009).

Table 4
Normality Test

Variables`	OBS	W	V	Z	Prob>Z
resid	408	0.96636	0.428	5.344	0.00000

Source: Authors' Computations (2023).

In order to determine whether the data collected for the study were normally distributed or not, the study conducts the Shapiro Wilk normality test. The outcomes reveal that all the variables have probabilities of less than 0.05 (i.e., were all significant). Consequently, the null hypothesis of normally distributed data was rejected. To mitigate the effect of non-normality of data, the study conducts robust standard error of the estimated models.

Table 5
Breusch-Pagan / Cook-Weisberg test for Heteroskedasticity

Variable: Fitted values of EMS

Chi2 0.80

Prob.>chi 0.3699

Source: Authors' Computations (2023).

The results of the Breuush-pagan/Cook-Weisberg test for Heteroskedasticity shows an insignificant probability value (Prob.>0.3699). This indicates the absence of Heteroskedasticity among the panel of the study.

Hausman Specification Test

The study conducts both the fixed and random effect models. The study subsequently estimates the Hausman specification test to choose the most appropriate models between fixed and random effects.

Table 6

Hausman test

	Model 1	Model2
Chi2	14.13	13.99
P-value	0.0489	0.2338

Source: Authors' Computation (2023)

Table 6 presents the result of Hausman test which indicate that model 1 has a chi2 statistic of 14.13 and P-value of 0.0489. On the other hand, model 2 has a chi2 statistic of 13.99 with a P-value of 0.2338. Thus, the fixed model is more appropriate for model 1 while random effect is preferable to the fixed effect in model 2, and was subsequently interpreted.

Table 7

Regression Results

Model 1 (Direct relationship)			Model 2 (Moderated relationship)	
Variable	COEF.	P-Value	COEF.	P-Value
BIND	-0.039	0.357	-0.124	0.005
BSIZ	-0.111	0.171	-0.247	0.007
BGEN	0.010	0.666	-0.003	0.898
BEXP	0.080	0.056	0.098	0.083
RMC	0.013	0.012	-0.117	0.270
BIND*RMC			0.034	0.152
BSIZ*RMC			0.041	0.283
BGEN*RMC			0.006	0.644
BEXP*RMC			0.004	0.811
PROF	0.501	0.009	0.521	0.002
LEV	0.054	0.474	0.055	0.460
Constant	0.457	0.085	0.898	0.001
R ² :				
Within		0.0649		0.0752
Between		0.5420		0.5611
Overall		0.2690		0.3006
Wald Chi2		4.74		174.76

Prob.>Chi2	0.0009	0.0000
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Source: Authors' Computations (2023).

The regression results in Table 7 show that the two models are statistically significant from Wald Chi- values of 4.74 and 174.76 with all p-values less than 0.01. As for the coefficient of determination, the results reveal R^2 overall values of 26.9% and 30.06% for model 1 and model 2 respectively. Regarding the performance of the independent variables, the results show that board independence has a negative relationship with firm survival. While this relationship was found to be insignificant in model 1, model 2 however shows a statistically significant connection between board independence and firm survival (from a coefficient of -0.039 and 0.124; with p-values of 0.357 and 0.005 respectively). This finding does not conform to the a priori expectation of a positive sign and is also inconsistent with the agency theory prediction. The finding is, however, consistent with those of Nwaobia et al. (2019), Abdeljawad and Masri (2020), and Hassan (2022), but inconsistent with those of Goktan et al. (2018), Igor and Steve (2018), Williams and Shaibu (2020).

Similarly, the study establishes a negative but insignificant relationship between board size and firm survival in model 1. This relationship is however statistically significant in model 2 (with a coefficient of -0.247 and p-value of 0.007). This finding contradicts the a priori expectation of a positive sign and does not conform to the agency theory prediction. However, the finding is in line with Hapsari (2018), Abdeljawad and Masri (2020), but inconsistent with those of Igor and Steve (2018), and Akinnuoye and Onuoha (2021). This finding suggests that large board size is detrimental to firm survival among listed manufacturing companies in Nigeria. Board gender diversity on the other hand depicts no significant impact on firm survival. This outcome is in line with Hapsari (2018), but contradicts Igor and Steve (2018), Abdeljawad and Masri (2020).

The results of the study also indicate that board expertise exerts a positive significant impact on firm survival. This implies that the presence of persons with relevant industry knowledge and experience on the board improves the likelihood of firm survival. This finding agrees with Gande and Kalpathy (2017), but contrary to Abu and Ibrahim (2022). Furthermore, the study found a significant positive impact of risk management committee on firm survival. This finding is in agreement with Bourib and Moudiab (2021), and Ugwu et al. (2021). It however, contradicts Ibrahim et al. (2020), Abu and Ibrahim (2022). Regarding the interactive terms, the study documents that risk management committee has an insignificant impact on the relationship between board attributes and firm survival. This confirms the earlier findings of Ngu and Amran (2019) and Ganesan et al. (2019). On control variables, profitability was found to have positive significant impact on firm survival while leverage does not have a significant relationship with firm survival.



CONCLUSION AND RECOMMENDATIONS

The present study investigates the moderating role of the risk management committee on the relationship between board attributes and firm survival among listed manufacturing companies in Nigeria. Using a sample of 34 firms for a period of 12 years (2011-2022), the findings reveal that board independence and board size have significant negative impact on firm survival. However, board expertise was found to exert a significant positive impact on firm survival. Gender diversity on the other hand demonstrate an insignificant impact on firm survival. Similarly, the study records no proof of moderating role of risk management committee on the relationship between board attributes and firm survival among the listed manufacturing companies in Nigeria.

It is hereby recommended that shareholders of listed manufacturing firms in Nigeria should emphasize an optimum board size for effective decision making. In addition, when appointing board members, they should consider individuals with requisite knowledge and experience rather than independence. This will foster a culture of innovation, growth and overall organizational success.

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