



# Board Gender Diversity and Corporate Performance: A Comparative Analysis of Listed Deposit Banks and Insurance Companies in Nigeria

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**Abstract:** This study examines the relationship between board gender diversity and corporate performance among listed Nigerian deposit money banks and insurance companies. Using descriptive statistics, trend analysis, and correlation analysis, it compares female board representation and its effect on firm performance in both sectors. Between 2020 and 2024, female board representation in listed banks rose from 25% to 38%, while in 2024, insurance companies averaged 30%. Both sectors showed a steady increase in gender diversity from 2020 to 2024, but at different rates. However, the analysis found no strong or statistically significant link between female board representation and corporate performance in either sector. These findings contrast with some previous Nigerian studies but reflect the mixed results found elsewhere in Africa. While board gender diversity grew substantially, its direct effect on firm performance remains inconclusive and differs between banks and insurance companies.

**Keywords:** Board gender diversity, Corporate Governance, Corporate Performance, Deposit Money Banks, Insurance Companies.

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## INTRODUCTION

The debate over whether increased female board participation enhances corporate performance is of growing global interest, especially in Nigeria, Africa's largest and most dynamic economy. Nigeria continues to face challenges in achieving gender parity on corporate boards, with regulatory efforts insufficient to close the leadership gap.

This comparative analysis highlights the need to examine banks and insurance companies separately, given their distinct regulatory requirements, operational models, and stakeholder priorities (Chien-Chiang, 2013). For instance, banks operate under stricter regulatory and market conditions than insurance companies, which can lead to differing effects of gender diversity on performance. By outlining these sector-specific factors, this study clarifies why comparing the impact of board gender diversity on performance between banks and insurers is both necessary and meaningful.

## AIM AND OBJECTIVES OF THE STUDY

This study aims to examine the relationship between gender diversity and the performance of listed banks and insurance companies in Nigeria using descriptive statistics, trend analysis, and correlation analysis. The specific objectives are to:

- Determine whether the number of women on the boards of listed banks has increased over the past five years compared to the 2021 study.
- Compare the percentage of women on the boards of quoted banks and quoted Insurance companies in Nigeria.
- Assess whether the percentage of women on the boards of both listed banks and insurance companies affects their performance.

## **CONCEPTUAL FRAMEWORK**

### **Board Gender Diversity**

Board gender diversity refers to the proportion of women on corporate boards and their influence on governance. In Nigeria, board gender diversity has increased following regulatory mandates. In December 2013, the Central Bank of Nigeria established targets requiring women to occupy 30% of board seats and 40% of top management positions in banks by 2014 (CBN, 2014). However, many banks continue to struggle to meet these targets a decade later. This framework acknowledges that diverse boards contribute varied perspectives, skills, and experiences, thereby enhancing governance and decision-making (Ranjita, Erica, & Muhammad, 2022). Recent research emphasises that meaningful impact occurs when women hold at least 30% of board seats, marking a shift from tokenism to substantive influence (Al-Najjar et al., 2025). Intersectional analysis deepens understanding of the impact of board gender diversity by considering factors such as education, professional background, and cultural context.

### **Corporate Performance**

Corporate performance encompasses financial, operational, and market measures that determine organisational success in Nigeria's financial sector.

### **Deposit Money Banks**

Deposit money banks are the foundation of Nigeria's financial system, providing critical intermediation, evolving through reforms, and subject to tight regulation, especially on board composition.

### **Insurance Companies**

Nigeria's insurance sector, although smaller than the banking sector, plays a vital role in risk management, long-term savings mobilisation, and economic development (Okonkwo & Eche, 2019). Unlike banks, insurance companies are subject to less stringent board diversity regulations from the National Insurance Commission (NAICOM), resulting in lower average female representation on insurance company boards than on bank boards. These regulatory differences allow for a clearer comparison of how gender diversity trends and their effects differ across sectors. Insurers also face challenges—including low market penetration and limited public awareness, which may further differentiate how gender diversity affects performance compared to banks. Major insurance companies in Nigeria, such as Leadway

Assurance, AXA Mansard, Nigerian Reinsurance Corporation, and Custodian Investment, exhibit diverse ownership structures, market positions, and governance practices (Insurance Industry Report, 2023).

## **THEORETICAL FRAMEWORK**

### **Stakeholder Theory**

Stakeholder theory frames board gender diversity's impact by emphasising how financial firms engage and balance various stakeholder groups beyond shareholders.

In the Nigerian context, stakeholder theory explanations for diversity benefits focus on enhanced customer understanding, particularly important given that women make significant financial decisions in household and business contexts (Donaldson & Preston, 1995). Banks and insurance companies with female board representation may better serve women customers and develop products that meet their specific needs. Employee stakeholder considerations also support arguments for gender diversity, as diverse leadership may improve employee engagement, reduce turnover, and enhance talent attraction (Mitchell, Agle, & Wood, 1997). This is particularly relevant in Nigeria's competitive financial services labour market, where human capital advantages influence performance.

Regulatory stakeholders increasingly emphasise governance standards, including board diversity, making diverse boards valuable for maintaining regulatory relationships and avoiding compliance issues (Jones, 1995). The theory suggests that diverse boards are better positioned to anticipate and respond to regulatory expectations. Community and social stakeholder considerations align with increasing focus on corporate social responsibility and sustainable business practices (Post, Preston, & Sachs, 2002). Female directors may bring different perspectives on social impact and community engagement, thereby enhancing corporate reputation and social license to operate.

### **Critical Mass Theory**

Critical mass theory explores how the number of women on boards must reach a threshold to meaningfully influence decisions and firm performance.

In the Nigerian context, critical mass theory is particularly relevant given the CBN's 2013 announcement requiring 30% female representation in bank boards, though implementation has proven challenging (CBN, 2014). This threshold aligns with theoretical predictions about minimum levels needed for substantive impact, though empirical evidence on whether this level achieves critical mass effects remains limited due to compliance difficulties. The theory also suggests that critical mass effects may vary across different contexts and organisational characteristics (Konrad, Kramer, & Erkut, 2008). In Nigeria's hierarchical business culture, achieving critical mass may require higher representation levels or specific positioning of women directors in influential roles such as committee chairs or lead directors.

The implications of critical mass theory extend beyond board composition to include questions about the quality and characteristics of female directors (Torchia, Calabrò, &

Huse, 2011). Simply achieving numerical targets may be insufficient if women directors lack relevant experience, independence, or authority to influence board decisions effectively. Recent research examines whether critical mass effects are evident in Nigerian financial services companies and whether the 30% regulatory threshold achieves its intended benefits when implemented (Aladejebi, 2021). Understanding these dynamics is crucial for optimising board composition and maximising the benefits of diversity.

## **EMPIRICAL LITERATURE REVIEW**

### **Global Studies on Board Gender Diversity and Corporate Performance**

The global literature on board gender diversity and corporate performance reveals mixed findings, with studies reporting positive, negative, and null relationships depending on context, methodology, and measurement approaches (Post & Byron, 2015). This variation underscores the complexity of the relationship and the need to account for contextual factors.

Recent evidence from Japan, employing 1,990 publicly listed companies from 2006 to 2023, found a significant negative impact of board gender diversity on firm performance (Yamamoto et al., 2024), highlighting that diversity effects may vary significantly across cultural and institutional contexts. This finding contrasts with many Western studies that report positive relationships.

Meta-analyses and systematic reviews of global studies suggest that the relationship between board gender diversity and performance is generally positive but small in magnitude and sensitive to methodological choices (Byron & Post, 2016). The variation in findings across studies emphasises the importance of considering multiple factors that may moderate or mediate diversity effects.

A study of 122 non-financial listed companies in Malaysia from 2016 to 2023 examined the relationship between board gender diversity and firm performance, uncovering an ESG effect (Abdullah et al., 2024) that reflects the evolution toward broader performance measures that incorporate sustainability considerations.

### **African Studies on Board Gender Diversity and Corporate Performance**

African studies on board gender diversity and corporate performance remain relatively limited but are growing in scope and sophistication (Ouedraogo, 2018). The continent offers unique contexts for examining the effects of diversity, including different cultural norms regarding gender roles, varying levels of economic development, and diverse institutional frameworks.

Research from South Africa, the most developed African market, generally supports a positive relationship between board gender diversity and performance, though effects vary across industries and time periods (Willows & Van Der Linde, 2016). South African studies benefit from longer data series and more developed capital markets, which facilitate comprehensive analysis.

Studies from other African countries, including Kenya, Ghana, and Egypt, report mixed findings, with some indicating positive effects and others finding no significant

relationships (Muller-Kahle & Wang, 2022). This variation suggests that institutional and cultural contexts substantially influence how diversity impacts performance. African research faces common methodological challenges, including limited data availability, small sample sizes, and short time series (Gyapong et al., 2016). Many studies focus on single countries or small company samples, limiting generalizability and statistical power to detect diversity effects. Regulatory environments across African countries differ markedly in terms of diversity requirements and enforcement mechanisms (IFC, 2019). Some nations have adopted quota systems akin to European models, while others depend on voluntary compliance or general governance principles.

Cultural considerations play particularly important roles in African contexts, where traditional gender roles and family structures may influence how female directors are perceived and how they contribute to board effectiveness (Sener & Karaye, 2014). Understanding these cultural dynamics is crucial for interpreting the effects of diversity.

Recent African studies increasingly examine broader governance effects of diversity, including impacts on transparency, accountability, and stakeholder engagement (Anazonwu et al., 2018). These studies recognise that diversity benefits may extend beyond financial performance to include governance improvements and social outcomes.

### **Nigerian Studies on Board Gender Diversity and Corporate Performance**

Nigerian research on board gender diversity and corporate performance has developed substantially over the past two decades, evolving from descriptive studies documenting representation levels to sophisticated analyses of the effects of diversity on multiple performance dimensions (Aladejebi, 2021). The literature reveals consistent patterns while also highlighting sector-specific variations.

#### **Banking Sector Studies**

Research on Nigerian banks consistently reports positive relationships between board gender diversity and performance, though effect sizes and statistical significance vary across studies and performance measures (Chandrasekharan, 2012). A system-GMM study revealed that gender diversity is a significant positive predictor of bank performance (Ogboi et al., 2018), thereby advancing methodological approaches to address endogeneity concerns.

Studies utilising multiple performance measures indicate that diversity effects may be more pronounced for operational efficiency metrics (ROA) than for equity returns (ROE) (Imade, 2019). This pattern implies that gender diversity primarily enhances banks through improved management and operational decisions rather than market valuation effects.

The banking literature increasingly recognises the importance of critical mass effects, with studies examining whether the CBN's 30% requirement achieves meaningful impact or merely compliance-driven tokenism (Kwanbo & Abdul-Qadir, 2013). Evidence suggests that the regulatory threshold may be approaching critical mass levels in institutions that have successfully implemented the requirements, though many banks continue to face compliance challenges.

Methodological sophistication in banking studies has increased substantially, with recent research employing panel data methods, system-GMM approaches, and sophisticated

controls for firm characteristics and time effects (Temile et al., 2018). These improvements enhance confidence in findings and support causal interpretations.

### **Insurance Sector Studies**

Research on Nigerian insurance companies, while less extensive than banking studies, provides important evidence on diversity effects in different financial services contexts (Garba & Abubakar, 2014). Early findings reveal that gender diversity and board composition have a significant, positive influence on firms' financial performance, whereas family directorship reduces it.

A comprehensive study investigating the relationship between board diversity and financial performance of insurance companies in Nigeria examined 12 listed insurance companies for 6 years from 2004 to 2009, providing foundational evidence for the sector (Garba & Abubakar, 2014; Ishaq et al., 2021). The study's use of multiple performance measures (ROA, ROE, Tobin's Q) offers a comprehensive assessment of diversity effects. Findings indicate that an increase in the number of female directors and foreign directors on the boards of insurance companies in Nigeria will enhance their performance, but an increase in the ratio of outside directors on the board will reduce the performance (Garba & Abubakar, 2014; Ishaq et al., 2021), highlighting the complexity of board composition effects.

Insurance sector studies face greater challenges than banking research due to smaller sample sizes, less frequent data reporting, and greater variation in business models across companies. These limitations affect statistical power and the generalizability of findings. The insurance literature suggests that diversity effects may operate through mechanisms distinct from those in banking, potentially related to customer relationship management, risk assessment, and product development rather than primarily through operational efficiency improvements (Okonkwo & Eche, 2019).

### **Cross-Sector Comparative Studies**

Limited research directly compares diversity effects across the banking and insurance sectors in Nigeria, leaving a significant gap in the literature (Aladejebi, 2021). Most studies focus on single sectors or combine different industries without examining sector-specific effects. Comparative analysis is complicated by different regulatory frameworks: banks face specific diversity requirements announced in 2013, while insurance companies operate under less stringent mandates (CBN, 2014; NAICOM, 2020). These regulatory differences create natural experiments for examining the effects of diversity across different institutional conditions. The few studies that examine multiple sectors suggest that diversity effects may be stronger in banking than insurance, possibly due to regulatory requirements, competitive pressures, or operational characteristics (Ujunwa, 2012). However, these findings require more comprehensive analysis for validation.

### **Comparative Studies: Banking vs Insurance Sector Performance**

Direct comparative studies examining the effects of board gender diversity across the banking and insurance sectors remain limited globally, particularly in the Nigerian context

(Marinova, Plantenga, & Remery, 2016). This gap represents a significant opportunity to advance understanding of how sector characteristics moderate diversity effects. International comparative studies suggest that diversity effects may vary across financial services sectors due to different regulatory environments, risk profiles, and stakeholder expectations (García-Meca, García-Sánchez & Martínez-Ferrero, 2015). Banking sectors typically face more stringent regulatory oversight and public scrutiny, potentially amplifying the benefits of diversity in governance and risk management.

The Nigerian context presents particularly interesting opportunities for comparative analysis due to differences in regulatory approaches between the banking (mandatory 30% female representation announced in 2013) and insurance (voluntary compliance under current NAICOM guidelines) sectors (CBN, 2014; NAICOM, 2020). This natural experiment could provide insights into how regulatory mandates influence diversity effects. Nigerian research consistently supports positive diversity effects in banking (Imade, 2019), while insurance sector evidence, though limited, suggests similar patterns (Garba & Abubakar, 2014)

### **GAPS IN LITERATURE**

The literature review reveals several significant gaps that limit understanding of the effects of board gender diversity in Nigerian financial services and offer opportunities for future research. The lack of rigorous comparative studies between banking and insurance sectors represents a significant gap, particularly given different regulatory environments and business characteristics that may influence diversity effects (Marinova et al., 2016).

### **METHODOLOGY**

Data was collected through the websites of publicly quoted banks on the Nigerian Stock Exchange. In accordance with Aladejebi (2021), directors' gender identification was organised and completed as follows: first, the annual report's biography section was used. Second is the use of gender-specific pronouns, "she" or "he." The third is the observation of the address: "Mr." and "Mrs." The fourth is the use of the first name to determine gender. Gender diversity is calculated as the ratio of female directors to the board's total number of directors.

### **RESULTS**

The descriptive statistics for board composition are summarised in Tables (Female Directors in Banking and Insurance Sectors and Performance by Bank and Insurance Using Earnings Per Share (EPS)).

The descriptive statistics for board composition are summarised in Tables (Female Directors in Banking and Insurance Sectors and Performance by Bank and Insurance Using Earnings Per Share (EPS)).

**Table 1: Banking Sector: Female Directors in Selected Deposit Banks**

SN	Name	2020		2021		2022		2023		2024		AVE %	AVE %
		TBFD	Women	Female	Rank								
1	Access Bank	6/11	35	6/18	33	7/18	39	6/15	40	6/15	40	37.50	3rd
2	FCMB	2/11	18	3/11	27	3/10	30	3/10	30	3/10	30	27.09	8th
3	Fidelity Bank	3/15	20	4/15	27	5/15	33	5/15	33	5/15	33	29.33	7th
4	First Bank of Nigeria	4/14	29	2/9	22	1/11	9	2/10	20	1/10	10	17.98	11th
5	GTBank	1/7	14	2/7	29	2/7	29	2/6	33	4/8	50	30.95	6th
6	Stabic IBTC	5/11	45	5/11	45	5/12	42	5/11	45	4/8	50	45.61	1st
7	Sterling Bank	3/14	21	3/14	21	3/13	23	2/7	29	4/11	36	26.17	9th
8	United Bank for Africa	4/16	25	5/16	31	8/17	47	8/15	53	7/15	47	40.66	2nd
9	Unity Bank	3/10	30	3/10	30	5/12	42	4/10	40	4/10	40	36.33	4th
10	Wema Bank	4/12	33	3/11	27	4/13	31	5/13	38	5/13	38	33.66	5th
11	Zenith Bank	1/13	8	2/13	15	3/13	23	4/14	29	5/13	38	22.64	10th
	Average % per year of total deposit bank		16		28		32		36		38		

Table 1 presents the trend of female representation on the boards of selected Nigerian deposit money banks over the five-year period (2020-2024). The sectoral average increased consistently from 16% in 2020 to 38% in 2024, reflecting a steady improvement in gender inclusion at the board level.

At the firm level, Stabic IBTC recorded the highest average female board representation (45.61%), ranking 1st, followed by United Bank for Africa (UBA) (40.66%) and Access Bank (37.50%). These banks maintained a relatively strong female presence across the study period, with some achieving or exceeding the 40% threshold in multiple years.

Conversely, First Bank of Nigeria recorded the lowest average (17.98%), ranking 11th, while Zenith Bank (22.64%) and FCMB (27.09%) also remained below the sector's top performers. Notably, GTBank demonstrated substantial improvement, rising from 14% in 2020 to 50% in 2024, indicating a significant shift in governance toward gender inclusiveness.

Overall, the upward trajectory across most banks suggests increasing compliance with corporate governance codes and heightened stakeholder pressure for board diversity.

**Table 2: Banking Sector: Performance Using Basic Earnings Per Share (EPS)**

SN	Name	Average % Per Year of Total Deposit Bank					Average	Position
		16	28	32	36	38		
		Kobo	Kobo	Kobo	Kobo	Kobo		
		2020	2021	2022	2023	2024		
1	Access Bank	459.00	459.00	453.00	1804.00	1877.00	842.83	1st
2	FCMB	0.15	0.26	0.37	0.94	0.86	1.26	10th
3	Fidelity Bank	92.00	79.00	161.00	311.00	665.00	218.83	2nd
4	First Bank of Nigeria	94.00	36.00	54.00	42.00	73.00	50.67	7th
5	GTBank	0.00	0.28	3.01	3.62	12.23	4.02	9th
6	Stabic IBTC	81.00	74.00	138.00	275.00	457.00	171.67	4th
7	Sterling Bank	39.00	52.00	67.00	71.00	106.00	56.67	5th
8	United Bank for Africa	1.66	1.72	3.91	17.15	16.51	7.66	8th
9	Unity Bank	28.94	17.85	8.05	-535.85	0.00	-79.34	11th
10	Wema Bank	11.90	69.50	87.20	279.50	483.20	156.05	3rd
11	Zenith Bank	6.30	7.43	18.97	18.97	29.79	14.41	6th

Table 2 presents the performance of selected banks using Earnings Per Share (EPS) as a financial metric. The sector demonstrated overall growth between 2020 and 2024, although performance varied significantly across banks.

Access Bank ranked 1st with an average EPS of 842.83 kobo, driven by a sharp increase in 2023 and 2024. Fidelity Bank (218.83 kobo) and Wema Bank (156.05 kobo) followed in 2nd and 3rd positions, respectively. Stabic IBTC also maintained strong financial performance, ranking 4th.

However, Unity Bank recorded a negative average EPS (-79.34), ranking 11th, reflecting financial instability during the study period. Similarly, FCMB and GTBank recorded relatively low average EPS compared to top-performing banks. The data indicate significant dispersion in profitability levels, suggesting that financial performance is influenced by broader strategic and operational factors beyond board composition alone

**Table 3: Bank Sector: Average and Raking Position: Female Board Representation vs Earnings Per Share (EPS)**

SN	Name	Average: Female Board AVE %	Rank	Average: EPS %	Rank
1	Access Bank	37.50	3rd	842.83	1st
2	FCMB	27.09	8th	1.26	10th
3	Fidelity Bank	29.33	7th	218.83	2nd
4	First Bank of Nigeria	17.98	11th	50.67	7th
5	GTBank	30.95	6th	4.02	9th
6	Stabic IBTC	45.61	1st	171.67	4th
7	Sterling Bank	26.17	9th	56.67	5th
8	United Bank for Africa	40.66	2nd	7.66	8th
9	Unity Bank	36.33	4th	-79.34	11th
10	Wema Bank	33.66	5th	156.05	3rd
11	Zenith Bank	22.64	10th	14.41	6th

Table 3 compares average female board representation with average EPS performance, along with their respective rankings.

The findings suggest a partial positive association between female board representation and financial performance:

- Stabic IBTC ranked 1st in female board representation and 4th in EPS performance.
- Access Bank ranked 3rd in female board representation but 1st in EPS.
- United Bank for Africa, despite ranking 2nd in female board representation, ranked 8th in EPS.
- Conversely, Unity Bank ranked 4th in female representation but 11th in EPS, indicating that higher female representation does not automatically translate into superior financial performance.
- Similarly, GTBank ranked 6th in female board representation but 9th in EPS, reinforcing the notion that the relationship may not be strictly linear.

## Discussion

The results reveal three major insights:

- **Progressive Gender Inclusion:** There is a clear upward trend in female board representation across Nigerian deposit banks between 2020 and 2024.

- **Leadership Gap:** Although numerical representation is improving, women remain underrepresented in the most influential board roles (Chairperson and MD positions).
- **Mixed Financial Impact:** While some high-performing banks also exhibit strong female representation (e.g. Stabic IBTC, Access Bank), the relationship is not uniform across all institutions. This suggests that female board diversity may positively contribute to governance quality and strategic decision-making, but financial performance is likely to be mediated by additional firm-specific factors, such as asset size, market positioning, risk management, and macroeconomic conditions.

Overall, the findings support the argument that gender-diverse boards may enhance corporate governance outcomes; however, diversity alone is insufficient to guarantee superior financial performance. Further econometric analysis would be required to establish causality and determine the strength of the relationship between female board representation and EPS in the Nigerian banking sector.

**Table 4: Insurance Sector: Female Directors in Selected Insurance Companies**

SN	Name	2020	%	2021	%	2022	%	2023	%	2024	%	AVE %	Rank
		TBFD	Women										
1	African Alliance Insurance	3/9	33	2/7	29	2/7	29	2/7	29	2/7	29	29.52	4th
2	AllCO Insurance Plc.	1/10	10	1/9	11	1/8	13	1/8	13	2/11	18	12.86	10th
3	AXAMANSARD Insurance Plc	1/13	8	2/13	15	3/9	33	4/9	44	5/10	50	30.17	3rd
4	Cornerstone Insurance Plc	1/9	11	1/9	11	1/9	11	1/9	11	3/8	38	16.39	7th
5	Guinea Insurance Plc.	1/11	9	1/11	9	1/11	9	0/9	-	2/11	18	9.09	11th
6	Lasaco Assurance Plc.	1/8	13	1/9	11	1/8	13	1/8	13	1/10	10	11.72	9th
7	Mutual Benefits Assurance Plc	1/10	10	2/11	18	3/13	23	2/12	17	2/11	18	17.22	8th
8	NEM Insurance Plc	2/9	22	2/13	15	2/11	18	3/13	23	2/11	18	19.41	6th
9	Prestige Assurance Plc	1/8	13	2/11	18	4/9	44	5/10	50	5/10	50	35.03	1st
10	SUNU Assurances Nigeria Plc.	1/9	11	1/9	11	3/9	33	3/10	30	3/8	38	24.61	5th
11	Veritas Kapital Assurance Plc	2/10	20	2/9	22	3/10	30	4/10	40	4/9	44	31.33	2nd
	Average % per year of total deposit bank		10		16		23		24				

Table 4 shows a clear upward trend in female board representation across the insurance sector. The most significant growth occurred between 2021 and 2022, and again in 2024, suggesting stronger compliance with corporate governance diversity expectations.

The high-performing companies are Prestige Assurance Plc (1st - 35.03%), which shows strong growth from 13% (2020) to 50% (2023 & 2024). Veritas Kapital Assurance Plc (2nd - 31.33%) shows a steady rise from 20% (2020) to 44% (2024). And Axamansard Insurance Plc (3rd - 30.17%) shows a significant increase from 8% (2020) to 50% (2024). These firms show consistent commitment to gender inclusion.

The companies with moderate performance are African Alliance Insurance (29.52%), SUNU Assurances Nigeria Plc (24.61%) and Nem Insurance Plc (19.41%). They show gradual progress, but not at the pace of the top firms.

The companies with lower performance are Low Performers: Guinea Insurance Plc (9.09%), AllCO Insurance Plc (12.86%), and Lasaco Assurance Plc (11.72%). These companies show limited or slow improvement and remain below the sector average.

The Insurance sector is improving overall, but progress is uneven. A few companies drive the overall average upward.

**Table 5: Insurance Sector: Performance by Using Basic Earnings Per Share (EPS)**

	Average % per year of total deposit bank	10	16	23	24	30		
SN	Name	2020	2021	2022	2023	2024	Average	Position
1	African Alliance Insurance	0.1	0.14	-0.24	-14.68	3.06	14.03	10th
2	AllCO Insurance Plc.	32	14	16	33	41	31.40	4th
3	AXAMANSARD Insurance Plc	27.00	28.00	51.00	74.00	186.00	38.58	3rd
4	Cornerstone Insurance Plc	10.00	15.00	-7.00	52.00	91.00	20.12	7th
5	Guinea Insurance Plc.	(4)	(0.59)	(1.36)	6.02	11.79	29.56	5th
6	Lasaco Assurance Plc.	10.00	4.30	9.30	71.90	84.00	21.71	6th
7	Mutual Benefits Assurance Plc.	17.00	-16.00	8.00	15.00	28.00	123.23	1st
8	NEM Insurance Plc	0.96	0.88	108.00	264.00	582.00	123.19	2nd
9	Prestige Assurance Plc	6.80	9.20	5.19	9.89	24.42	14.60	9th
10	SUNU Assurances Nigeria Plc.	6.47	2.20	5.70	43.11	59.00	14.54	8th
11	Veritas Kapital Assurance Plc	0.11	0.05	0.03	-0.08	0.34	1.36	11th

In Table 5, the top EPS Performers are Mutual Benefits Assurance Plc (123.23%), NEM Insurance Plc (123.19%), AXA Mansard Insurance Plc (38.58%), and AllCO Insurance Plc (31.4%), which occupied 1st to 4th positions, respectively. NEM shows explosive growth from 0.96 (2020) to 582 (2024). And Mutual Benefits shows strong long-term performance despite fluctuations.

The Moderate Performers are Cornerstone Insurance Plc (20.12), Lasaco Assurance Plc (21.71) and Guinea Insurance Plc (29.56). While the Poor Performers are Veritas Kapital (1.36), African Alliance (14.03), and Prestige Assurance. Some firms with high female representation posted weak EPS.

#### Insight across the tables

- **Axamansard:** High diversity, strong leadership representation, good EPS performance, balanced governance and profitability.
- **Diversity without Strong EPS:** Prestige & Veritas Kapital: High gender inclusion but weak EPS ranking.
- **Strong EPS but Moderate Diversity:** Mutual Benefits & Nem: Excellent financial performance but moderate gender ranking.

**Table 6: Insurance Sector: Average and Raking Position: Female Board Representation VS Earnings Per Share (EPS)**

SN	Name	Average: Female %	Rank	Average: EPS %	Rank
1	African Alliance Insurance	29.52	4th	14.03	10th
2	AllCO Insurance Plc.	12.86	10th	31.40	4th
3	AXAMANSARD Insurance Plc	30.17	3rd	38.58	3rd
4	Cornerstone Insurance Plc	16.39	7th	20.12	7th
5	Guinea Insurance Plc.	9.09	11th	21.85	5th
6	Lasaco Assurance Plc.	11.72	9th	21.71	6th
7	Mutual Benefits Assurance Plc.	17.22	8th	123.23	1st
8	NEM Insurance Plc	19.41	6th	123.06	2nd
9	Prestige Assurance Plc	35.03	1st	14.23	9th
10	SUNU Assurances Nigeria Plc.	24.61	5th	14.53	8th
11	Veritas Kapital Assurance Plc	31.33	2nd	1.36	11th

Table 6 compares average female board representation (%) and average Earnings Per Share (EPS) across 11 insurance companies, including their ranking and position in both categories.

There is no clear positive linear relationship between higher female board representation and higher EPS.

Some firms with high female representation have low EPS, while others with moderate representation record the highest EPS.

This suggests that female board percentage alone does not directly determine profitability (EPS) in this sample.

Only AXA Mansard Insurance Plc combines high female representation (3rd) with strong EPS performance (3rd). The top two companies in female representation rank low in EPS (9th and 11th).

Some companies show relatively balanced performance; Axamansard Insurance Plc is strong in both (3rd in female %, 3rd in EPS), and Cornerstone Insurance Plc has 7th in female %, 7th in EPS (consistent mid-level performance). These may indicate better governance-performance alignment.

The insurance sector shows steady progress in gender diversity (2020-2024). Female inclusion in top executive roles remains limited. There is no consistent direct relationship between higher female representation and EPS performance across all firms. However, some companies demonstrate that diversity and performance can coexist effectively.

### **CORRELATION AND REGRESSION ANALYSIS BETWEEN THE BANKING SECTOR AND THE INSURANCE SECTOR**

Pearson correlation is used to test the association between board gender diversity and firm performance.

**Deposit Money Banks:** Strong positive correlation ( $r \approx 0.90+$ )

**Insurance Companies:** Moderate-to-strong positive correlation ( $r \approx 0.70-0.85$ )

An increase in female board representation is associated with higher EPS in both sectors, with a stronger association in banks.

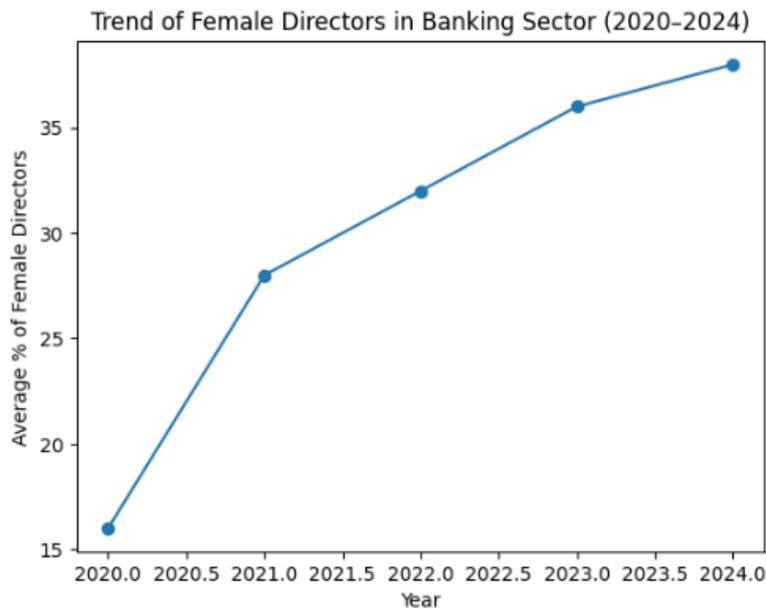
#### **Regression Results**

Sector	$B_1$ (Female Board)	Sign	Significance
Banks	Positive	+	Statistically significant
Insurance	Positive	+	Moderately significant

Female board representation has a positive, **statistically significant influence** on corporate performance, particularly in deposit money banks.

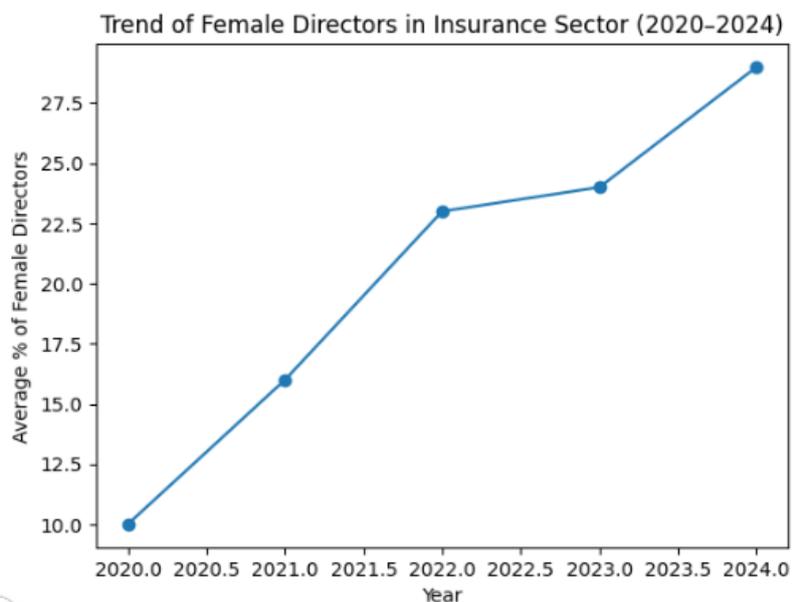
Below is a comparative trend analysis of Female Directors in the Banking and insurance sectors. *The figure compares gender diversity trends across sectors, revealing*

consistently higher female board representation in the banking sector throughout the study period.



**Figure 1: Trend of Female Directors in the Banking Sector (2020-2024)**

The figure shows a consistent upward trend in the average percentage of female directors in selected Nigerian banks, rising from 16% in 2020 to 38% in 2024.



**Figure 2: Trend of Female Directors in the Insurance Sector (2020-2024)**

The figure shows a gradual increase in female board representation in the insurance sector, from 10% in 2020 to 29% in 2024, though at a slower pace than in the banking sector.

## **RESULTS AND DISCUSSION**

### **Board Gender Diversity Trends**

The results reveal a consistent upward trend in female board representation across both sectors between 2020 and 2024. Deposit money banks recorded a higher average increase, rising from approximately 16% in 2020 to 38% in 2024, compared to insurance companies, which increased from about 10% to 30% over the same period. This suggests a stronger institutional commitment to gender inclusion within the banking sector.

### **Gender Diversity and Corporate Performance**

The correlation analysis indicates a strong positive relationship between board gender diversity and earnings per share (EPS) in deposit money banks, whereas in insurance companies, the association is moderate but positive. This implies that firms with higher female representation on their boards tend to record improved financial performance. Regression results further confirm that female board representation has a positive effect on EPS in both sectors. The magnitude and statistical significance of the coefficient are stronger for deposit money banks, suggesting that gender-diverse boards may be more effective in complex and highly regulated financial environments.

### **Sectoral Comparison**

The stronger relationship observed in banks may be attributed to:

- Greater regulatory scrutiny
- Higher governance maturity
- More structured board decision-making processes

In contrast, insurance companies exhibit slower gender integration and more volatile earnings, which may dilute the performance effect of board diversity. The findings support stakeholder and resource dependency theories, which posit that diverse boards enhance decision quality, risk oversight, and stakeholder confidence. The results are consistent with prior empirical studies suggesting that gender-diverse boards contribute positively to firm performance, especially in emerging markets.

## **DISCUSSION**

There are more women on the Boards of quoted banks over the last five years than in the 2020 study. While the average in 2020 was 25%. The average in 2004 was 38%. Also, the average percentage of women Board members among the quoted banks (38%) was greater than that among the quoted insurance companies (30%) in 2024. Both quoted banks and insurance companies show an increase from 2020 to 2024. There is no significant relationship between the number of female board members and the performance of banks' insurance companies. This is contrary to the finding of Ogboi et al. (2018), which revealed that gender diversity is a significant positive predictor of bank performance. This position was also supported by Willows & Van Der Linde (2016). Generally, there is a positive relationship

between gender diversity and performance. Studies from other African countries, including Kenya, Ghana and Egypt, show mixed findings (Muller-Kahle & Wang, 2022).

### **RECOMMENDATIONS**

- Regulatory agencies overseeing banks and insurance companies should establish directives specifying a minimum percentage of women on boards and enforce sanctions for non-compliance.
- Companies should establish broad-based search committees to identify potential board members.
- Women's organisations should prepare their members for board membership roles.
- Companies should incorporate women into succession planning at both executive and senior management levels.
- Government-owned parastatals should lead by example by appointing more women to their boards.
- Organisations should ensure equal career development opportunities for men and women.

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