International Journal of Management, Social Sciences, Peace and Conflict Studies (IJMSSPCS), Vol.6 No.2 June, 2023; p.g. 17- 30; ISSN: 2682-6135

RISK MANAGEMENT COMMITTEE ATTRIBUTES AND PERFORMANCE OF NIGERIAN LISTED MULTI-NATIONAL COMPANIES

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ABSTRACT

This study examined the influence of risk management committee attributes on the performance of multi-national firms quoted on the Nigeria Exchange Group (NGX) for the periods 2012-2020. The study utilized risk management committee independence and risk committee meeting as indices of risk management attributes while Tobin's Q was used to measure the performance of the carefully chosen firms. Secondary data gathered from the annual report of 14 sampled quoted multi-national firms gotten from the Nigeria Exchange Group (NGX) Fact-book and website. Purposive sampling techniques was utilized in the study. Panel regression and correlation analysis likewise descriptive statistics are the method of analysis used in this study. The study equally failed to find empirical evidence for the significant impact of risk committee independence and risk committee meeting on the performance of listed multi-national firms in Nigeria. Thus, the study concludes that risk committee independence and risk committee meeting does not have any significant effect on the performance of Nigeria multi-national firms. Hence the study recommends even though risk committee independence and risk committee meeting does not have effect on performance the firms should not ignore the other benefits of having risk management committee on board and their traits, regulators in the industry should also encourage the firms to have functioning risk management committee through adequate regulations.

Keywords: Risk Committee Independence, Risk Committee Meeting, Risk Management, Tobin's Q.

1. INTRODUCTION

In the modern business world, the long-term success and survival of companies depend on the strategic decisions made by their management. The global financial crises of 2007 to 2009 brought attention to the risky behavior of public companies, leading to increased interest in risk management research worldwide. The crises also resulted in regulatory reforms from various government agencies and accounting standard setters (Chou &Buchdadi, 2017). Risk is a crucial component of any corporate operation, regardless of the sector in which it operates, meaning that all companies must take risks in order to function. Business organizations face different types of risks, including strategic, operational, regulatory, political and legal risks. Companies take various risks to achieve their business objectives and goals throughout their lifespan, which is managed by their management (Lombardi, et al. 2016).According to Beasely and Rclune (2004), Enterprise Risk Management (ERM) is designed to minimize the likelihood of financial problems and allow businesses to continue with their investment strategies with the goal of achieving smoother, more consistent, and growing profits throughout their lifespan, which is managed by their management (Lombardi, et al., 2016). The need for risk management is driven by the dynamic and turbulent business environment. Therefore, the nature and structure of the risk committee can significantly impact the risk management practices of a company. Dobler (2008) stated that corporate risk management involves identifying risk factors, analyzing and measuring their potential impact on future outcomes, and addressing risk mitigation as necessary. Inadequate risk management can result in perpetual losses and even liquidation for a company. More so, the effectiveness of a company's risk management practices is ultimately determined not only by the guiding framework but also by the body responsible for implementing and coordinating the firm's risk management processes.

Abdullahi & Said (2019) and Ugwu&Nwoko (2020) argued that the responsibility of detecting, controlling, and preventing risks in a corporate firm largely lies with the risk committees. The effectiveness of these committees, in turn, depends on their characteristics, including their activities (such as meetings), composition (independence), and size. For example, in Indonesia, risk monitoring committees are established in every bank, and their members must be independent and have no relationship with the banks (Chou &Buchdadi, 2017). Similarly, Sari's (2023) research in Jordan found that the structure of risk management committees (RMC) is a critical issue for investors. Studies have also linked the existence of a separate risk committee in a company to risk management disclosure and the prevention of financial crimes (Abdullahi& Said, 2019). Financial performance is a comprehensive evaluation of a company's overall status, including assets, equity, liabilities, revenue, expenses, and liabilities (Laux&Laux, 2019). Risk management committees are established to ensure that the financial health of a company does not decline as a result of known and unknown risks.

Similarly, previous research conducted in Nigeria and beyond has primarily focused on specific sectors such as the consumer goods sector and non-financial firms, as seen in the studies of Salaudeen et al. (2018), Kacem&Zem ZEM (2014), Shima et al. (2013), and Quon et al. (2012), with little attention paid to multinational corporations. This study is, therefore, unique in that it examines the relationship between risk management practices and the performance of multinational firms, which is of particular concern to Nigeria's socio-economic development. Furthermore, while previous studies have primarily used return on assets as a proxy for firm performance and occasionally used return on equity, they have generally overlooked market performance as measured by Tobin Q, which is not as widely utilized. This study aims to address this gap by examining the influence of risk committee attributes, specifically risk committee independence and meeting frequency, on the performance of multinational companies in Nigeria, with Tobin Q as the proxy for performance. The practical implications of this research are relevant to practitioners, multinational firms, government, and researchers.

Statement of the Problem

However, effective management of risk is essential for the long-term growth and survival of a company as unmanaged risk-taking can hinder corporate sustainability (United Nations Global Compact, 2017). Today's business environment poses a growing number of challenges for firms, including multinational corporations operating in Nigeria, which have been affected by recent global economic crises. The impact of these crises on multinational companies in Nigeria has been significant, with some, like Etisalat and Brunel, ceasing operations in the country and others, like Coca-Cola and 7up bottling company, being delisted from the Nigerian Stock Exchange.

Furthermore, companies should implement risk management programs due to the prevalence of company failures, corporate scandals, and fraud. Some previous studies have also shown that having a separate risk committee in a company can lead to better risk management disclosure and a reduction in financial crimes (Abdullahi& Said, 2019). The frequency of risk committee meetings (RCM) is considered an indicator of their level of activity, which can directly impact their effectiveness and ultimately the corporate performance (Ugwu et al., 2021). Furthermore, the independence of risk committees, indicated by the presence of outside directors on the committee, is crucial to the effectiveness of risk management in a company. This is because independent directors can resist any pressure to withhold important information necessary for risk mitigation and control. The majority of empirical studies, including those by Kacem&Zem ZEM (2014), Salaudeen et al. (2018), and Shima et al. (2013), have reported that risk committee attributes have a significant impact on firm financial performance. However, other studies, such as those by Pgach&Warr (2010), Quon et al. (2012), and Tahir &Razali (2011), have failed to find significant evidence of this impact. These inconsistent and contradictory findings indicate a gap in the research on this topic. The contradictory results may be due to dissimilarities in research design, sample size, sector, and data analysis methods used by previous researchers.

Objectives of the study

The objectives of the study are to; examine the influence of risk committee independence (RCIND) on the performance of listed Nigeria multi-national companies, investigate the connection between risk committee meeting (RCM) and performance of listed Nigeria multi-national companies.

Hypotheses

H_{01}: Risk committee independence has no significant influenceon the performance of Nigerian listed multinational companies

H_{02}: Risk committee meeting has no significant relationship on the performance of Nigerian listed multinational companies.

2. LITERATURE REVIEW

Conceptual Review

Risk and Risk Management

Every business organization faces risks which are an essential component of their operations. Lombardi et al. (2016) suggest that companies must take risks in order to achieve their business objectives over time. Risks are classified into two types, as explained by Hanafi

(2006): pure and speculative risks. Pure risk, also known as downside risk, refers to the possibility of loss or an adverse event occurring without any potential for gain or favorable events. On the other hand, speculative risk, also known as two-way risk, involves the possibility of both adverse and favorable events occurring. Speculative risks may result in either upside or downside outcomes (Solomon, 2000). Juthamon (2016) states that the international standards organization codes such as COSO (2004) and ISO 31000 frameworks offer general standards and measures for creatingeffective risk management policies and providing the ERM with a framework. Additionally, the process of identifying and managing risks associated with a company's operations is referred to as risk management. This process involves implementing necessary controls to minimize the likelihood of risk occurrences and reduce their impact as much as possible (Vasile et al., 2012). However, the level of risk management implementation varies among organizations, particularly in the banking sector, and is influenced by their risk culture and appetite (Jorion, 2009). Risk management is a crucial approach used to effectively handle and mitigate unexpected events in organizations.

Risk Committee Attributes

The Corporate Governance Code (2018) in Nigeria mandates that risk management committees should convene at least twice annually. According to Abdullah & Said (2019), risk management committees (RMC) are crucial in detecting, preventing, and regulating various risks, particularly financial risks. Furthermore, the existence of stand-alone risk management committees is positively associated with the disclosure of risk management and the absence of financial crimes (Abdullah, et al., 2017). The increasing complexity of business risks in the non-financial sector necessitates the establishment of RMC. To be effective, RMC members must be knowledgeable and skilled in risk management (Choi, 2013). Various attributes of the risk committee include its existence, meeting frequency, independence, size, composition, diligence, and others. Corporate risk committee size is defined as the number of directors on the RMC of an organization at any given time (Khalik& Md. Sum, 2019).

Risk committee independence (RCIND) is the proportion of external directors on an organization's risk management committee. The Corporate Governance Code of 2011 requires a majority of non-executive directors on board committees of publicly traded firms in Nigeria, and non-executive directors can chair them. The frequency of risk committee meetings is an indicator of how often the risk management committee members gather to address relevant risk-related issues in the company, as per Elamer and Benyazid (2018). Risk committee independence and risk committee meetings were utilized as measures for evaluating risk management attributes in this research.

Performance

The capacity of a firm to earn income after considering all expenses and overheads is referred to as performance. Profitability can be calculated using the three most common financial ratios, according to Ross et al. (2009). Financial performance is used by investors and analysts to compare similar companies in the same industry or to compare industries or sectors (Ugwanyi& Imo, 2021). According to Ben Naccur and Goaied (2008), profitability is one of the factors that generates future value and attracts new investors. There are numerous common performance metrics, including return on assets (ROA), return on equity, and net profit after tax. Tobin's Q is one of the latest measures utilized by researchers to proxy performance. Chou and Buchdadi (2017) are among the researchers who have used Tobin's Q as a measure of performance, and this study likewise employs it.

Risk Committee Attributes and performance

Business performance relates to how efficiently a company utilizes its resources and handles its activities. Battaglia and Gallo (2015) suggest that holding RMC meetings is positively linked to business performance, while Kakanda et al. (2018) argue that conducting more meetings demonstrates a stronger commitment to proper oversight processes and results in greater value creation. Salim et al. (2016) also support the idea that risk committee meetings (RCM) a significant and positive impact on efficiency. However, Elamer and Benyazid (2018) found evidence to the contrary, indicating that the frequency of RMC meetings is negatively correlated with business performance. Chou and Buchdadi (2017) discovered that meetings of risk committees are linked to lower bank return on assets. On the other hand, according to Hoistash and Hoistash (2019) and Kakanda et al. (2017), having more independent directors on the risk management committee is associated with better firm performance. Similarly, Kallamu (2015) and Sethi et al. (2018) found a positive relationship between the composition of the risk committee and firm performance. However, Kakanda, Salim, and Chandren (2017) and Chou and Buchdadi (2017) suggest that the independence of the RMC is related to adverse accounting performance reporting. Elamer and Benyazid (2018) reported that independent board members have a positive impact on net interest margin in large-scale banks, while Cavaci et al. (2017) found a negative connection between independent boards and operating performance.

Theoretical Framework

This study is anchored on agency theory.

The underpinning theory of this study is agency theory, which was introduced by Ross and Mitnick in 1973 to address conflicts of interest between a firm's principal and its agents who act on its behalf. According to Jensen and Meckling (1976), this theory assumes that agents possess more information than principals, creating an imbalance of power that makes it challenging for principals to observe agent activities (Olagunju&Adenle, 2022). Additionally, agency theory proposes that the audit committee can enhance monitoring effectiveness with advanced financial and accounting knowledge, preventing corporate fraud and mitigating agency problems between managers and shareholders, which could lead to better firm performance (Zahirul et al., 2010). Therefore, it is the responsibility of the risk management committee to ensure that only appropriate activities are undertaken, and suitable risk control strategies are implemented to prevent undesirable outcomes (Dorathy& Akai, 2022). The theory suggests that a sound risk management system could enhance overall business performance and shareholder value (Idris&Norlida Abdul, 2016).

Empirical Review

Aliyu et al., (2023) examined the impact of risk management committee on performance of Nigeria Listed manufacturing firms using ex-post facto research design. The period of study is 8 years 2013-2020. The hypothesis was tested with the aid of panel corrected standard errors regression. Outcome from their test of analysis revealed that RC independence, size, gender diversity have a negative and significant connection on performance. The frim performance was proxy with Tobins Q.

Sari (2023) investigated the connection between the risk disclosure and RMC on the values of banks in Jordan. 18 banks were sampled for the purpose of this study. The study ranges from 2014-2021. The data utilized for the study was analysed with descriptive and multiple regression analysis. The outcome of the study exposed that RCIND, RC size, RC expertise, RC composition, RC compensation and other RC attributes all have a significant impact on bank value (Market to book ratio.)

Dorathy and Akai (2022) in their study assessed the effect of RMC on financial performance in Nigeria using ex-post facto research design. The study period covers 2011-2020. Correlation analysis was utilised to analysed the data used for this study. The outcome of this study discovered that RMC size and RCIND has a negative and insignificant connection with performance (ROA). Whereas RMC diligence has a positive and significant impact on performance.

More so, Yahaya and Ogwiji (2021) studied the influence of risk management trait on profitability of Nigeria banking sector. The findings from the study revealed that gender diversity, RC meeting and presence does not have any significant connection with profitability.

Ibrahim (2020) reviewed the influence of RMC attributes of financial performance of insurance companies in Nigeria. Data of 24 insurance companies covering a period of 2012-2018 were used for the purpose of this study. Random effect panel analysis was used in the study. Outcome of the test of hypotheses carried out in the study discloses that RMC size and independence does not have any significant connection with the performance of insurance firms. Whereas RMC expertise has negative significance with performance. Performance was proxy with ROA.

The effect of risk committee attributes on financial performance was examined by Elamer and Benyazid (2018) in United Kingdom. Data of 115 financial institutions were gathered and evaluated. The period covers in the study ranges from 2010-2014. Performance was measured with ROA and ROE, the study utilizes OLS regression and correlation analysis to analysed the data gathered for the purpose of the study. Findings from the study show that RC size, meeting and independence has an unfavorable connection with financial institutions in the United Kingdom. Kakanda et al. (2018) reviewed the features of RMC and their effect on performance of quoted financial firms in Nigeria. The study finds out that RMC size has a negative and significant relationship with performance whereas RMC composition and RC meeting also has a significant positive impact on performance.

However, Kallamu (2015) investigated the influence of risk committee qualities on performance of close 37 listed fiancé companies in Malaysia. Performance was proxy with Tobin's Q and ROA. Period ranging 2007 -2011 was examined in the study. The outcome of the study revealed that RC independenthas a significant impact on Tobin's Q and a negative impact on ROA.

3. METHODOLOGY

This study utilized a longitudinal research design, which was deemed appropriate because panel data was used. The study period spanned nine years, from 2012 to 2020, and the population consisted of all 16 multinational firms in Nigeria. Secondary data was used, and it was collected from the annual reports of 14 selected quoted multinational companies obtained from the Nigeria Exchange Group (NGX) Fact-book and website. Purposive sampling techniques were employed in the study, and the analysis methods included panel regression and correlation analysis, as well as descriptive statistics.

Measurement of variables

Variables	Nature of Variable	Indicators	Measurement
Performance	Dependent	Tobin Q (TOBQ)	Measured as market performance
Risk Committee Management	independent	Risk Committee Independence (RCIND)	The proportion of non-executive on the risk committee
		Risk Committee Meeting (RCM)	Number of times the RC meet in a year
Firm Specific Factors	Control	Firm age (FA)	Number of years since an enterprise is quoted on the stock exchange
		Firm Size (FS)	Log of Total Assets
Macroeconomic Variables		GDP growth (GDPG)	The Change in GDP over time
		Inflation (INF)	The rate of inflation measured by consumer price index

Author's compilation 2023

Model specification

$$TOBQ = \text{f (RCIND, RCM, FSZ, FA, LEV, GDPG, INF)} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots i$$

$$TOBQ_{it} = \delta_0 + \delta_1 RCIND_{it} + \delta_2 RCMET_{it} + \delta_3 FSZ_{it} + \delta_4 FA_{it} + \delta_5 GDPG_{it} + \delta_6 INF_{it} + \mu_{it} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{ii}$$

Where:

TOBQ = Tobin's Q

RCIND = Risk committee independence

RCM = Rsk committee meeting

FAG = the firm's age

FSZ = the firm size

GDPG= GDP Growth

INF = Inflation

δ_0 represents the constant for each of the equations

δ_1 to $\delta_9$are the coefficient of the explanatory variables

ε_{it}error term

4. RESULT AND DISCUSSION

Result of the Findings

Table 4.1: Estimated Descriptive Statistics Results

Variable	Obs.	Mean	Std. Dev.	Min.	Max.
TOBQ	126	2.057	1.818	.39	9.287
RCM	126	2.23	1.79	0	6
RCIND	126	46.58	36.601	0	100
FSIZ	126	8.496	1.422	7.196	12.221
FIRA	126	36.143	10.52	6	55
GDPG	126	3.166	2.572	-1.617	6.671
INF	126	11.588	2.822	8.062	16.524

Source: Author's Computation, 2023

In the table 4.1 the Tobin's Q has a mean value of 2.057 with standard deviation, minimum and maximum values of 1.818, 0.39 and 9.287. While the RCM has a mean and Stan dev. values of 2.23 which represent the average number of time the RC meets with a minimum meeting time of 0 and maximum of 6. RCIND mean value is 46.58 with a max. and min. values of 0 and 100 respectively. While its Stan. Dev. is 36.60. Nevertheless, the control variables FSIZ has a low Stan. dev. value of 1.422 which signifies that the multinational firms are almost equal in size the mean, min. and max. of the FSIZ are 8.496, 7.196 and 12.221. More so, FIRA has a mean, std. dev., min and max values are 36.14, 10.52, 6 and 55 respectively. The mean and std.dev. Values of GDPG and INF are (36.143, 3.166) and (2.572, 2.822) while their min. and max. are (-1.617, 8.062) and (6.671; 16.524) correspondingly.

Correlation Analysis

Table 4.2: Estimated Matrix of correlations

Variables	TOBQ	RCM	RCIND	FSIZ	FIRA	GDPG	INF
TOBQ	1.000						
RCM	-0.106	1.000					
RCIND	-0.078	0.711	1.000				
FSIZ	-0.031	0.387	0.272	1.000			
FIRA	-0.049	-0.118	-0.103	-0.778	1.000		
GDPG	0.251	-0.119	-0.132	-0.040	-0.161	1.000	
INF	-0.169	0.089	0.094	0.029	0.096	-0.822	1.000

Source: Author's Computation, 2023

The correlation analysis result revealed that RCM has inverse connection with the Tobin's Q of the quoted multi-national firms in Nigeria given its estimated correlation coefficient of -0.106. Also, RCIND has weak negative relationship with the Tobin's Q of the selected firms in

Nigeria. In addition, For the control variables, the results show that FSIZ and FIRA are inversely associated with the Tobin's Q of the chosen firms as they recorded respective correlation coefficient of -0.031 and -0.049 implying that Tobin's Q reduces with increase in both FSIZ and FIRA. While GDP growth with a correlation coefficient of 0.251 has positive connection with the Tobin's Q, inflation has weak inverse connection with the Tobin's Q given its correlation coefficient of -0.169.

Table 4.3: Post-Estimation Test Results

Test	P-value	Remarks
Chow F-test	0.000	There is firm effect
Modified Wald Group wise heteroskedastic	0.000	Existence of heteroscedasticity
Wooldridge Test	0.000	Existence of autocorrelation
Hausman	0.7024	Random effect performs better

Source: Author's Computation, 2023

Analysis of the Panel Regression Result

Table 4.4: Estimated Robust Panel Regression Results for Model with Tobin Q

	(1)	(2)	(3)
VARIABLES	POLS	FE	RE
RCM	-0.143	0.0513	0.0255
	(0.327)	(0.557)	(0.766)
RCIND	0.000152	-0.00410	-0.00438
	(0.983)	(0.497)	(0.471)
FSIZ	-0.0370	0.261	-0.224
	(0.818)	(0.443)	(0.548)
FIRA	-0.00356	-0.132**	-0.0877*
	(0.843)	(0.0188)	(0.0507)
GDPG	0.238**	0.144*	0.172**
	(0.0229)	(0.0798)	(0.0182)
INF	0.0755	0.0238	0.0392
	(0.460)	(0.523)	(0.267)
Constant	1.006	3.066	5.454
	(0.683)	(0.526)	(0.233)
Observations	126	126	126
R-squared	0.078	0.421	

Robust pval in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Source: Author's Computation 2023

Since the random effect (RE) is appropriate for this study the result of the panel regression for random effect show that RCM estimated coefficient is 0.0255 with associated p-value of 0.766. This indicates that RCM has positive but insignificant (0.766>0.1) influence on the Tobin's Q of quoted multi-national firms in Nigeria. The result of Salaudeen, et al., (2018) and Quon, Zeghal&Maingot, (2012) is consistent with the findings. While the outcome of the study fails to align with the findings in previous empirical literatures where significant positive impact of RCM on firm performance was recorded (Nahar, et al., 2016; Kacem&Zemzem, 2014).

In addition, the respective estimated coefficient and p-value of -0.00438 and 0.471 revealed that risk committee independence has negative impact which is however insignificant (0.471>0.1) on Tobin's Q of listed multi-national companies in Nigeria. By implication, proportion of non-executive director on the risk committee does not have significant impact on the valuation by the investors of quoted multinational firms in Nigeria. The finding is similar to that of Laisasikorn (2014) in Thailand, whereas the outcome here fails to agree with the submission in previous empirical literature including that of Girangwa, Rono and Mose (2020) in Kenya and Shima, et al. (2013) in Malaysia.

Discussion of Findings

The first hypothesis test indicates that there is no significant connection between RCM and Tobin's Q, which suggests that RCM has no significant influence on the market performance of Nigerian listed multi-national firms. These results contradict the study's prior expectation of a positive link between RCM and firm market performance. However, the number of times the RMC meets is important because the more frequently they meet, the better they are equipped to discuss issues arising in companies and solve pending problems, which may not directly affect firm performance but can impact other variables such as risk reduction and prevention. The findings of Salaudeen et al. (2018) and Quon, Zeghal&Maingot (2012) are consistent with this study's results. However, the outcome of the study differs from previous empirical research, where a significant positive impact of RCM on firm performance was reported (Nahar et al., 2016; Kacem&Zemzem, 2014). Conversely, Aliyu et al. (2023) discovered a negative correlation between RCIND and Tobin's Q.

The results from the robust random effect panel regression indicate that RCIND has no significant influence on Tobin's Q, suggesting that risk committee independence does not affect financial or market performance of firms. This means that the composition of the risk committee does not matter when it comes to firm performance. However, having independent or non-executive directors on the risk committee can be beneficial to the firm in other ways. Protiviti (2011) emphasizes that this is necessary for establishing constructive coordination with the administrators and officers in charge of RM operations of an organization, while Ng et al. (2013) believe that timely objective evaluation of main risk areas could mitigate the vulnerability to major risks. This finding is consistent with the results of Dorathy and Akai (2022) and Laisasikorn (2014), who also found a non-significant negative connection between RCIND and performance, but it differs from previous studies by Chou and Buchdadi (2017), Girangwa et al. (2020), Hoistash and Hoistash (2019), Sethi et al. (2018), and Subramanian et al. (2019), which suggested a positive relationship between RCIND and performance.

5. CONCLUSION AND RECOMMENDATION

The management's strategic decisions are crucial for a firm's survival and growth in the current business world. Hence, the role of risk committee attributes in the growth and survival of an organization has become crucial since modern business environment that are highly characterized by volatility, uncertainty, and turbulence with unpalatable implication on their day to day business activities and performance. The influence of risk management attributes on the performance of quoted Nigeria multi-national firms was examined in this study. The risk management attributes examined are RCIND and RCM. While Tobin Q's was utilized as the indices to measure performance in this study. The outcome of the study revealed that no matter the number of times the risk management committee meet or the level of their independence it does not have any effect on the performance of the listed multi-national firms. Majority of previous empirical research has also attested to this in their findings while very few identify that there is significant relationship between RCIND, RCM and performance. Nevertheless, setting up a risk management committee in multi-national firms is essential, not only for improving performance but also for preventing risks that can affect or reduce profit.

This research concludes that certain attributes of a risk management committee (RMC) do not necessarily have a significant impact on the performance of multinational firms listed in Nigeria, particularly the risk committee independence and risk committee meeting. However, this does not mean that the independence of risk management committeemembers and the frequency of RC meetings are unimportant. In fact, they are critical to the effective and efficient performance of risk management committee duties. While the study did not show a direct connection between risk management committee attributes and performance, it still suggests that risk management committee traits are valuable to firms in other ways. Therefore, firms should not overlook the importance of risk management committee and their attributes. The study recommends that industry regulators should promote the implementation of functional risk management committee through appropriate regulations and that risk management committee attributes should be given due consideration as they are crucial to the firm, regardless of their impact on performance.

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