

**Title:** The Role of Non-Executive Directors in the Profitability of Banks: A Study of Universal Banks in Nigeria

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**Abstract:** In Nigeria, Banks' multifaceted and pivotal role in the economic system has attracted regulatory attention in an effort to inspire sound corporate governance standards and address the unique features of risks faced by credit institutions. The composition of the board of directors therefore constitutes one of the most essential corporate governance themes and has caught the attention of academics and regulators alike. This paper therefore employed secondary data covering a period of 3 post consolidation years (2006-2008) in studying the effects of the proportion of non-executive directors on the profitability of the listed banks in Nigeria. A panel data regression analysis was used in analyzing the variables under consideration. The paper observed from the findings that a negative but significant relationship exists between ROE and NED. The paper concludes that the negative association is likely to be because non-executive directors are too busy with other commitments and are only involved with the company business on a part-time basis. We therefore recommend that in other to have proper monitoring by independent directors, bank regulatory bodies should require additional disclosure of financial and personal ties between directors and the organizations they work for.