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Effect Of Board Attributes on Profitability of Listed Consumer Goods Companies in Nigeria

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Abstract

This study examines the effect of Board Attributes that influences profitability of listed consumer goods in Nigeria. The study employed a quantitative research approach using an ex-post facto research design. The adoption of the ex-post facto design was justified by the reliance on data obtained from secondary sources. The study population comprised of 21 consumer goods companies listed on the Nigerian Exchange Group (NGX), from which 17 companies were selected using a purposive sampling technique. Data analysis involved descriptive statistics, correlation analysis, and multiple linear regression analysis. The study utilized STATA version 17.0 for data analysis. The finding suggests that board size has a negative and significant effect on profitability of listed consumer goods companies in Nigeria. However, independent directors on the board has no meaningful effect on profitability of listed consumer goods companies in Nigeria. In conclusion, the findings on Board size implies that larger boards may lead to inefficiencies, profitability of consumer goods companies in Nigeria. On the other hand, the finding from Board independence implies that merely having independent directors does not necessarily improve financial performance. The study recommended that regulators and policymakers should establish clear guidelines on board composition and independence to ensure that independent directors contribute meaningfully to corporate governance.

Kyewords: Board Size, Board Independence, Profitability, Consumer goods

1.0 INTRODUCTION

Profitability as a key financial performance indicator reflects a company's ability to generate earnings relative to its expenses and assets. It is influenced by various internal and external factors, including corporate governance mechanisms, market competition, and economic conditions. In the consumer goods sector, profitability is particularly crucial as firms operate in a highly competitive environment with fluctuating consumer demand. A well-governed company with an optimal board structure can enhance profitability by ensuring strategic decision-making, risk management, and efficient resource allocation (Gallego-Álvarez et al., 2025). Profitability remains a fundamental focus for firms across all sectors, as it is a serious measure of business accomplishment and sustainability. In the consumer goods sector, profitability replicates a company’s ability to generate earnings relative to its costs and resources, thereby guaranteeing shareholder wealth maximization and competitive advantage. In Nigeria, the consumer goods industry establishes a significant share of the non-oil sector, contributing significantly to GDP, employment, and foreign exchange earnings. Nevertheless, numerous listed consumer goods companies linger to face challenges such as rising input costs, inflationary pressures, foreign exchange volatility, and regulatory hurdles, which unfavourably affect their bottom lines (Abu, 2024).

Corporate governance has emerged as a crucial factor influencing firm profitability across the globe. The effectiveness of corporate governance mechanisms, including board size and board independence, has been widely debated in academic and professional circles. In developed economies, corporate governance frameworks have been significantly strengthened following major corporate scandals such as the Enron and WorldCom collapses, which exposed the need for strong oversight mechanisms to protect shareholders' interests (Gallego-Álvarez et al., 2025). Studies have shown that while larger boards may provide diverse expertise, they may also lead to inefficiencies in decision-making, thereby affecting firm profitability (Mansouri & Nezha, 2025). Board independence, which ensures the presence of non-executive directors who can oversee management decisions, has been linked to improved corporate accountability and firm performance, particularly in jurisdictions with strong regulatory environments (Huderek-Glapska & Ripoll-Zarraga, 2025).

In Africa, corporate governance practices are evolving, with increased regulatory efforts to enhance transparency and accountability in firms. However, many African countries still face governance challenges due to weak enforcement of regulations, political interference, and low levels of board independence (Mukaria & Aluoch, 2025). Studies on African markets indicate that board size and independence play varying roles in firm performance, depending on industry structure, ownership concentration, and regulatory effectiveness. For instance, in Kenya, firms with more independent directors have been found to perform better due to reduced agency conflicts, while in Morocco, corporate governance mechanisms are increasingly integrated into banking operations to enhance financial performance (Meryem & Nezha, 2025). Despite these efforts, there is still a need for improved governance structures to foster sustainable corporate growth in African markets.

In Nigeria, corporate governance has gained prominence following financial crises and corporate scandals that exposed weaknesses in board structures and oversight mechanisms. The Central Bank of Nigeria (CBN) and the Financial Reporting Council of Nigeria (FRCN) have introduced corporate governance codes to improve transparency and accountability among publicly listed companies (Umobong & Choba, 2025). However, studies on Nigerian firms show mixed results regarding the impact of board size and independence on profitability. Some researches indicate that larger boards reduce firm performance due to coordination challenges, while others suggest that an optimal board size enhances decision-making (Tonye, 2025). Similarly, the role of independent directors remains debatable, with some studies arguing that independent oversight improves governance, while others claim that ineffective board appointments undermine their role in enhancing profitability (Etukenyin et al., 2025).

Board attributes, such as board size and board independence play a crucial role in shaping a firm’s strategic direction and financial performance. Board size determines the number of directors involved in decision-making, where a larger board may provide diverse perspectives but could also lead to inefficiencies. Conversely, board independence ensures that non-executive directors provide oversight and reduce agency conflicts between management and shareholders (Nguyen et al., 2025). The effectiveness of these governance attributes varies across industries and regulatory environments, making it essential to examine their specific impact on profitability in Nigeria’s consumer goods sector.

Nigeria has adopted several corporate governance codes aimed at improving transparency and accountability in business operations. The Nigerian Code of Corporate Governance (NCCG 2018) issued by the FRCN sets guidelines for board composition, independence, and corporate accountability. The code emphasizes that listed companies should have a balanced board with a mix of executive and non-executive directors to ensure effective oversight. However, compliance with these regulations varies, and the extent to which governance attributes such as board size and independence impact profitability remains an area of ongoing research (Olufisayo & Ifeoma, 2025). This study examines the effect of Board Attributes on the profitability of listed consumer goods in Nigeria and the study aims to provide empirical evidence that can guide governance reforms and strategic decision-making in Nigerian firms.

2.0 LITERATURE REVIEW

Conceptual Review

Profitability

Profitability is a fundamental financial metric that reflects a firm's ability to generate earnings relative to its revenue, assets, or shareholders' equity (Gitman & Zutter, 2022). It serves as an essential indicator of a company's financial health, operational efficiency, and long-term sustainability. Profitability is commonly measured using financial ratios such as return on assets (ROA), return on equity (ROE), and net profit margin, which provide insights into a firm's capacity to utilize resources efficiently to maximize earnings (Brigham & Ehrhardt, 2021). According to Ross, Westerfield, and Jaffe (2020), profitability is influenced by various internal and external factors, including firm size, capital structure, market competition, and macroeconomic conditions. The ability of a firm to sustain profitability over time is crucial for attracting investors, securing financing, and ensuring business expansion (Pandey, 2021). In the context of consumer goods companies, profitability is particularly significant as it determines financial resilience in a highly competitive market environment (Damodaran, 2021). For the purpose of this study, return on asset (ROA) is adopted.

Board Size

Board size refers to the total number of individuals serving on a firm's board of directors. According to corporate governance guidelines, the composition of a board should be aligned with the company's scale and complexity to ensure diversity of expertise while maintaining independence, integrity, and availability for decision-making. Regulatory provisions stipulate that board membership should consist of a minimum of five directors, with a maximum of 20 directors as per the Central Bank of Nigeria (CBN, 2018) and 15 directors according to the Securities and Exchange Commission (SEC, 2003). Consistent with agency theory, board size is structured based on a firm's production complexity, meaning larger firms with more intricate operations may require larger boards to enhance governance effectiveness (Fama & Jensen, 1983). A well-structured board can strengthen oversight, improve decision-making, and positively impact firm profitability. Madi et al. (2023) emphasize that board size influences profitability through governance effectiveness, strategic alignment, expertise, representation, and accountability.

Board Independence

Board independence in corporate governance refers to the presence of directors who are free from conflicts of interest, allowing them to make objective decisions that align with the company's long-term goals and stakeholder interests (Peter et al., 2022). Independent directors are those without material relationships with the company, its management, or major shareholders, ensuring that their judgment remains unbiased (Nwaebuni et al., 2023). Their role is crucial in providing oversight, enhancing transparency, and reinforcing ethical business practices. Independent directors contribute to checks and balances within an organization, helping to mitigate managerial opportunism and uphold corporate accountability. A strong independent board structure is linked to improved corporate governance and can significantly influence firm profitability by fostering strategic decision-making and enhancing investor confidence.

Empirical Review

Oluwasegun et al (2024) investigated the effect of board attributes on tax aggressiveness among listed manufacturing firms in Nigeria. Specifically, this study examined the effect of board size on tax aggressiveness among listed manufacturing firms in Nigeria. Ex-post facto design was employed in the study with secondary data being gathered from published annual reports of these companies from 2012 up to 2021. The finding conforms with the results of Olaniyi & Okerekeoti (2022) and Kalbuana et al., (2023). This shows that big-sized companies among manufacturing companies quoted in Nigeria tend to be more tax aggressive. The study concluded that board size significantly affects tax aggressiveness in these companies. Consequently, it suggested that the Federal Inland Revenue Service (FIRS) need to promote transparency in tax reporting by encouraging companies to disclose their tax planning strategies, particularly given the significant influence of larger boards of directors on tax behaviour. This can be achieved by establishing detailed tax reporting standards that explicitly define acceptable and unacceptable tax practices, particularly concerning tax planning. Also, FIRS should promote board education on tax-related matters by organizing workshops and regular training sessions tailored to board members, focusing on the latest tax policies, compliance obligations, and tax planning strategies.

Yusufu et al (2023) investigated the relationship between board structure and the profitability of Listed Consumer Goods Firms in Nigeria. The ex post facto method was used for the study. The study drew on secondary data from twenty (20) listed consumer goods firms in Nigeria as of May 31, 2021.Data was gotten from the annual reports and accounts of the sampled listed consumer goods firms in Nigeria, as well as the stock exchange fact book website from time range (2012 to 2020). Generated data was analyzed using a fixed effect generalized least square (GLS) Multiple linear regression technique and descriptive statistics. The study found that board size (BDS) has a positive (020759) and statistically significant (0.033) relationship with return on asset (ROA) of selected listed consumer goods firms in Nigeria between 2012 and 2020. More also, findings reveal that board independence has a negative (-.3488214) and statistically significant (0.037) relationship with the return on asset of listed consumer goods firms in Nigeria from 2012 to 2020. The study recommended that listed consumer goods firms in Nigeria should maintain the required minimum and maximum size of their board as specified in the Nigeria code of corporate governance. However, it was also recommended that independent directors should possess the necessary skills and expertise relevant to the consumer goods industry

Jonah (2023) investigated the relationship between corporate governance attributes and the financial performance of listed industrial goods companies in Nigeria. The methodology adopted in this study was an ex -post facto research design. Secondary data from eleven (11) listed industrial goods companies in Nigeria for the period of eleven (11) years (2009-2019) was obtained based on the convenience sampling method. The statistical tools used were multiple regression analysis and Pearson's product-moment correlation aided by the statistical package for social science (SPSS) version 22. The finding showed that corporate governance had a significant positive relationship with financial performance. Likewise, the board size, board composition and board member competence have a positive relationship with net profit margin. It was concluded that corporate governance attributes influence the financial performance of listed industrial goods companies in Nigeria. It was recommended among others that external auditors should be mandated to issue certificates of compliance with the code of corporate governance for public companies as it is obtainable in some countries like India. Likewise, Appraisal tools for regular monitoring of boards of directors should be developed to help create credibility in corporations in Nigeria. Competent outside directors with requisite experience should be appointed to the board at all times necessary.

Muyiwa et al (2023) examine the effect of corporate governance and board attributes on the financial performance of listed insurance companies in Nigeria. Theoretical Framework: This research is based on the Stakeholder Theory, which was originally introduced by Professor Edward Freeman in 1984. According to this theory, companies are ethically responsible for acknowledging and fulfilling the concerns of diverse stakeholders, such as employees, suppliers, customers, government entities, investors, and the community. The research employed both ex-post facto and panel research designs to gather data from the audited annual reports of the selected insurance companies quoted on the Nigerian Exchange Group, covering a span of eleven (11) years from 2012 to 2022. The study's sample size was ten (10) insurance companies which were determined by purposive sampling techniques. Data analysis utilized both descriptive and inferential statistical methods. The study's findings showed that board size and board independence had a statistically significant positive influence on Tobin Q but had a positive but not statistically significant effect on return on equity. Board diversity exhibited a significant positive effect on both returns on equity and Tobin Q. The research results indicate that board diversity and board independence are crucial factors influencing the financial performance and market value efficiency of insurance companies in Nigeria. For insurance companies and policymakers, these findings highlight the importance of promoting board diversity and independence as they are positively associated with financial performance and market value efficiency. While a larger board size might enhance market value efficiency, its impact on ROE is less reliable. It is essential for insurance firms to consider these governance factors in their decision-making processes.

Deshi, et al., (2024) examined the effect of corporate governance mechanisms on value relevance of financial statements of listed consumer goods companies in Nigeria. The current study adopted a quantitative research approach with the ex-post facto research design in examining the effect of corporate governance mechanisms on value relevance of financial statements of listed consumer goods firms in Nigeria. The choice of the ex-post facto research design was due to the fact that this research made use of data extracted from secondary sources. The population of this study was made up of 21 consumer goods companies listed on the Nigerian Exchange Group (NGX). A purposive sampling technique was adopted to select 17 companies. The findings reveal that Board Size, Board Independence and Board Meeting have significant negative effect on the value relevance of financial statements for listed consumer goods companies in Nigeria.

Udosen and Akpan (2024) investigated the effect of board attributes on investors’ confidence of listed consumer goods companies in Nigeria. Corporate governance mechanisms used in the study were; board size, board gender diversity and board independence while investors’ confidence was measured using earnings multiple. The population of this study was 21 consumer goods companies listed on the Nigerian Exchange Group (NGX) while 18 consumer goods companies were the final sample size after employing purposive sampling technique. Secondary data were extracted from the annual reports of these companies and analysed using panel least square regression techniques. The results of the analysis revealed that board size and board gender diversity have significant negative effect on earnings multiple of the companies under study, while board independence has no significant effect on earnings multiple of these companies.

Agency theory

This study is anchored on the agency theory to examine how board size and board independence influence profitability of listed consumer goods companies in Nigeria. Agency theory was developed by Jensen and Meckling (1976), provides a framework for understanding the relationship between corporate managers (agents) and shareholders (principals). The theory suggests that managers, who control a firm's resources, may pursue personal interests at the expense of shareholders, leading to agency conflicts and inefficiencies. To mitigate these issues, corporate governance mechanisms such as board oversight are established to align managerial actions with shareholder interests (Fama & Jensen, 1983). The theory aserts that board size and board independence are critical governance attributes that influence firm performance. While larger boards may enhance decision-making through diverse expertise, excessive board size can lead to inefficiencies and slower responses to market dynamics (Umobong & Choba, 2025; Dalton et al., 1999). Similarly, board independence is intended to enhance managerial accountability by ensuring that non-executive directors provide unbiased oversight. However, its effectiveness varies across firms, as independent directors may lack the authority or incentives to enforce significant changes (Nguyen et al., 2025).

3.0 METHODOLOGY

The study employed a quantitative research approach using an ex-post facto research design to examine the effect of board attributes on the profitability of listed consumer goods firms in Nigeria. The adoption of the ex-post facto design was justified by the reliance on data obtained from secondary sources. The study population comprised 21 consumer goods companies listed on the Nigerian Exchange Group (NGX), from which 17 companies were selected as the sample sze using a purposive sampling technique. Secondary data were sourced and obtained from the annual reports of the sampled companies and the Nigerian Exchange Group Factbook. Data analysis involved descriptive statistics, correlation analysis, and multiple linear regression analysis (Deshi et al., 2024). The study utilized STATA version 17.0 for data analysis.
Model Specification:

In order to test the hypotheses formulated in the study and to achieve the objectives of the research, the study adopted and modified the model of Deshi, et al., (2024). Hence, the model specification of the study was expressed as;

$$PROF_{it} = \beta_0 + \beta_1 BSIZE_{it} + \beta_2 BIND_{it} + \beta_3 FSIZE_{it} + \mathcal{E}_{it}$$

Where: $PROF_{it}$: = Profitability for firm i at time t. $BSIZE_{it}$: = Board Size for firm i at time t. $BIND_{it}$: = Board Independence for firm i at time t. $FSIZE_{it}$: = Firm Size for firm i at time t. B0: = Intercept. B_1, β_2, and β_3 = the Coefficients of the independent and control variables. $\mathcal{E}_{it}$: = Error term for firm i at time t.

4.0 DATA ANALYSES AND RESULT

Table 4.1: Descriptive Statistics

VARIABLE	OBS	MEAN	STD. DEV.	MIN	MAX
PROF	187	.0577914	.1290825	-.197	1.495
BSIZE	187	10.12834	2.870802	4	18
BIND	187	70.58512	14.71422	29.3856	93.33334

FSIZE	187	11.5647	2.270367	5.112	14.564

Source: STATA Version 17.0, 2025

The profitability (PROF) of listed consumer goods companies in Nigeria shows an average value of 0.0578, indicating that, on average, these companies generate a relatively low profit margin. The standard deviation of 0.1291 suggests significant variation in profitability among firms, meaning some companies perform considerably better or worse than others. The minimum value of -0.197 highlights that certain firms experienced losses during the period, whereas the maximum value of 1.495 indicates that some companies achieved substantial profitability. This wide range suggests that while some firms struggle with financial performance, others manage to generate impressive returns.

The board size (BSIZE) of listed consumer goods companies in Nigeria averages 10.13 members, suggesting that most firms adopt a moderately sized board structure. With a standard deviation of 2.87, there is noticeable variation in the number of board members across companies. The smallest board observed has 4 members, while the largest board consists of 18 members. This variation reflects differences in governance structures among companies, where some firms prefer smaller, more agile boards, while others opt for larger boards, possibly to enhance decision-making through diverse expertise.

Board independence (BIND) among listed consumer goods companies in Nigeria averages 70.59%, signifying a strong presence of independent directors on the boards. However, the standard deviation of 14.71 indicates a considerable difference in board independence levels among firms. The lowest recorded independence level is 29.39%, meaning some companies have a relatively low proportion of independent directors, potentially increasing insider influence. On the other hand, the highest value of 93.33% suggests that certain companies maintain highly independent boards, which may contribute to better corporate governance and objective decision-making.

Table 4.2: Correlation Analysis

	PROF	**BSIZE**	**BIND**	**FSIZE**
PROF	1.0000			
BSIZE	-0.0492	1.0000		
BIND	-0.0085	0.1202	1.0000	
FSIZE	0.1244	0.6236	0.1304	1.0000

Source: STATA Version 17.0, 2025

The correlation analysis provides insights into the strength and direction of relationships between profitability (PROF) and other corporate governance variables in listed consumer goods companies in Nigeria.

Board size (BSIZE) has a weak negative correlation with profitability, as indicated by the coefficient of -0.0492. This suggests that as the number of board members increases, profitability tends to decline slightly. However, since the correlation is very weak, the effect of board size on profitability is minimal. This may imply that increasing the number of directors does not significantly enhance firm profitability in Nigeria's consumer goods sector.

Board independence (BIND) shows a negative correlation with profitability at -0.0085. This suggests that the proportion of independent directors on the board has little to no direct impact on the profitability of listed consumer goods companies in Nigeria. While independent directors are often associated with improved corporate governance, their presence alone does not seem to be a strong determinant of financial performance in this sector.

Table 4.3: Multicollinearity

Variable	VIF	1/VIF
FSIZE	1.64	0.608039
BSIZE	1.64	0.609628
BIND	1.02	0.980514
Mean VIF	1.43	

Source: STATA Version 17.0, 2025

The Variance Inflation Factor (VIF) analysis provides insights into potential multicollinearity issues among the independent variables in the study of corporate governance and profitability in listed consumer goods companies in Nigeria. A VIF value below 10 generally indicates no serious multicollinearity concerns.

Firm size (FSIZE) and board size (BSIZE) both have a VIF of 1.64, suggesting a low correlation between these variables and the rest of the model. This indicates that they do not pose multicollinearity issues, meaning they can be reliably used in the regression analysis without distorting the results. Board independence (BIND) has a VIF of 1.02, which is very close to 1, indicating that there is no multicollinearity issues. In general, the mean VIF of 1.43 further supports the conclusion that multicollinearity is not a concern in this study.

The study conducted a Breusch–Pagan/Cook–Weisberg test for heteroskedasticity checks, this is to confirm whether the variance of the residuals is constant. The null hypothesis (H_0) assumes homoskedasticity, meaning that the variance of errors is constant across observations. The test statistic $chi^2(1) = 0.00$ and the probability value ($p = 0.9984$) are extremely high, meaning the study fails to reject the null hypothesis.

This further confirms that heteroskedasticity is not present in the model, indicating that the regression results are reliable and do not suffer from issues of inconsistent variance.

Table 4.4: Regression Analysis

F(3, 183)	=	2.68		
Prob > F	=	0.0485		
R-squared	=	0.0421		
PROF	**Coefficient**	**Std. err.**	**t**	**P>t**
BSIZE	-.0092794	.0041665	-2.23	0.027
BIND	-.0001494	.000641	-0.23	0.816
FSIZE	.0145136	.0052753	2.75	0.007
_CONS	-.0055244	.0622118	-0.09	0.929

Source: STATA Version 17.0, 2025

The regression analysis examines the impact of board attributes variables: board size (BSIZE), board independence (BIND), and firm size (FSIZE) on profitability (PROF) in listed consumer goods companies in Nigeria. The F-statistic (F = 2.68, p = 0.0485) indicates that the overall model is statistically significant at the 5% level, meaning that at least one of the independent variables significantly affects profitability. However, the R-squared value of 0.0421 suggests that only 4.21% of the variation in profitability is explained by the independent variables, indicating a weak explanatory power.

Board size (BSIZE) has a negative coefficient value of -.0092794, this means that board size has a negative effect on profitability of listed consumer goods companies in Nigeria. With a p-value of 0.027, the indicates that board size is statistically significant. Therefore, the null hypothesis is rejected. Finding suggests that board size has a negative and significant effect on profitability of listed consumer goods companies in Nigeria. This finding aligns with the findings of Deshi, et al., (2024); Udosen and Akpan (2024); Enoidem et. al., (2023) and Muhammad et. al., (2023).

However, Board independence (BIND) has a negative coefficient value of -.0001494, this means that Board independence (BIND) has a negative effect on profitability of listed consumer goods companies in Nigeria. However, with a p-value of 0.816, suggesting Board independence is not statistically significant. Therefore, the null hypothesis failed to be rejected. Finding suggests that independent directors on the board has no meaningful effect on profitability of listed consumer goods companies in Nigeria. This finding contradicts with the findings of Deshi, et al., (2024) and Enoidem et. al., (2023).

5.0 CONCLUSION AND RECOMMENDATIONS

In conclusion, the findings on Board size implies that larger boards may lead to inefficiencies, such as slower decision-making or conflicts of interest, which could negatively affect firm performance of consumer goods companies in Nigeria. On the other hand, the finding from Board independence implies that merely having independent directors does not necessarily improve financial performance, possibly due to factors such as weak enforcement of corporate governance rules or the limited effectiveness of independent directors in influencing firm decisions.

The study Recommend for the:

i. Listed consumer goods companies in Nigeria should maintain a moderately sized board that balances diverse expertise and efficient decision-making. Oversized boards should be avoided, as they may slow down strategic actions and reduce overall firm performance.

ii. Companies should focus on enhancing the role of independent directors by ensuring they possess relevant expertise, independence from management influence, and active involvement in corporate strategy. Strengthening their oversight functions and accountability can help improve governance effectiveness.

iii. Regulators and policymakers should establish clear guidelines on board composition and independence to ensure that independent directors contribute meaningfully to corporate governance. Providing training, setting stricter independence criteria, and enforcing compliance with governance codes can enhance the impact of independent directors on firm performance.

6.0 CONTRIBUTION TO KNOWLEDGE

This research focuses specifically on **listed consumer goods companies in Nigeria,** a sector that plays a vital role in national economic development but is often understudied in governance literature. The study boosts the understanding of how board attributes such as **board size and independence** affect profitability in an **emerging market context**. The study also contributes to the theoretical discourse by applying the agency **theory** within the Nigerian consumer goods sector. This strengthens the importance of this theory in non-Western and developing economies.

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APPENDIX

```
. summarize prof bsize bind fsize
```

Variable	Obs	Mean	Std. dev.	Min	Max
prof	187	.0577914	.1290825	-.197	1.495
bsize	187	10.12834	2.870802	4	18
bind	187	70.58512	14.71422	29.3856	93.33334
fsize	187	11.5647	2.270367	5.112	14.564

```
. correlate prof bsize bind fsize
(obs=187)
```

	prof	bsize	bind	fsize
prof	1.0000			
bsize	-0.0492	1.0000		
bind	-0.0085	0.1202	1.0000	
fsize	0.1244	0.6236	0.1304	1.0000

```
. regress prof bsize bind fsize

      Source |       SS           df       MS      Number of obs   =       187
-------------+----------------------------------   F(3, 183)       =      2.68
       Model |  .130333114         3  .043444371   Prob > F        =    0.0485
    Residual |  2.96885175       183  .016223234   R-squared       =    0.0421
-------------+----------------------------------   Adj R-squared   =    0.0263
       Total |  3.09918487       186  .016662284   Root MSE        =    .12737

------------------------------------------------------------------------------
        prof | Coefficient  Std. err.      t    P>|t|     [95% conf. interval]
-------------+----------------------------------------------------------------
       bsize |  -.0092794   .0041665    -2.23   0.027        -.0175   -.0010587
        bind |  -.0001494    .000641    -0.23   0.816     -.0014141    .0011153
       fsize |   .0145136   .0052753     2.75   0.007      .0041053    .0249219
       _cons |  -.0055244   .0622118    -0.09   0.929     -.1282691    .1172203
------------------------------------------------------------------------------

. vif

    Variable |       VIF       1/VIF
-------------+----------------------
       fsize |      1.64    0.608039
       bsize |      1.64    0.609628
        bind |      1.02    0.980514
-------------+----------------------
    Mean VIF |      1.43

. hettest

Breusch–Pagan/Cook–Weisberg test for heteroskedasticity
Assumption: Normal error terms
Variable: Fitted values of prof

H0: Constant variance

    chi2(1) =   0.00
Prob > chi2 = 0.9984
```