CORPORATE SOCIAL RESPONSIBILITY, GENDER BOARD DIVERSITY AND EARNINGS QUALITY OF SELECTED QUOTED NON-FINANCIAL COMPANIES IN NIGERIA

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Abstract

The purpose of this study is to examine the triangular relationship between Corporate Social Responsibility (CSR), gender board diversity, and earnings quality in Nigerian non-financial companies. The study sampled 50 Nigerian Exchange Group companies from 2007 through 2020. The analysis reveals that CSR and gender diversity play a significant role in both accrual quality and earnings persistence in the baseline models, while firm size has a negative impact on both models, suggesting that larger firms may have lower quality financial reporting. Gender diversity on boards has an important effect on both metrics, with net profit and cash flow from operations having a positive effect on earnings persistence. In addition, net profit influences accrual persistence, indicating that more profitable and cash-generating firms tend to have higher earnings quality measures. This study aims to contribute to both academic understanding and practical policymaking in corporate governance and financial reporting in emerging markets by examining their potential impact on a crucial aspect of corporate performance - the quality of reported earnings.

Keyword: gender diversity, corporate responsibility, earnings quality, generalized moment method, VAR

Introduction

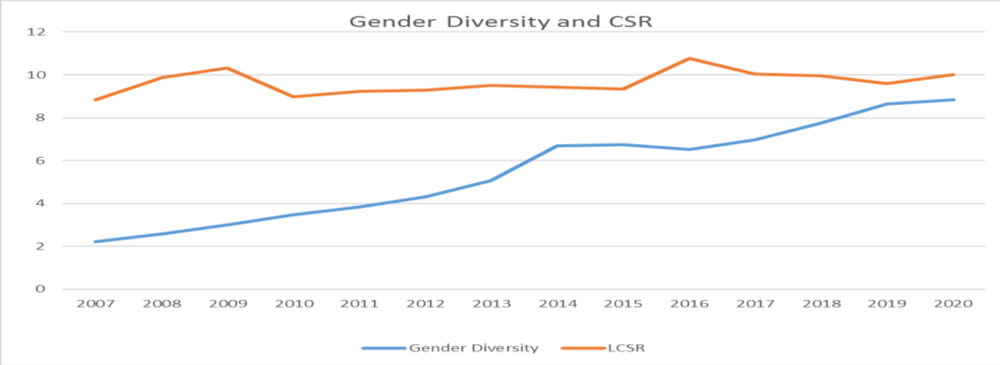
In emerging economies like Nigeria, corporate governance research has increasingly focused on the interplay between Corporate Social Responsibility (CSR), Gender Board Diversity, and Earnings Quality (Issa & Fang, 2019; Orazalin, 2019). CSR has evolved from a corporate obligation to a strategic imperative, particularly in Nigeria where social and environmental challenges are pressing (Adegbite et al., 2020; Adelopo et al., 2022). Recent studies suggest CSR can enhance stakeholder relationships and financial performance

(Michelon et al., 2013; Velte, 2017). Concurrently, global efforts to increase female representation on corporate boards have gained traction (Gull et al., 2018; Subba & Sujana, 2020), though women remain underrepresented in Nigerian boardrooms (Mordi & Obanya, 2014). Research indicates that gender-diverse boards may improve decision-making and corporate performance (Campbell & Mínguez-Vera, 2008; Nguyen et al., 2022).

Earnings quality, a crucial concern for investors and regulators, is particularly significant in emerging markets with weaker institutional frameworks (Leuz et al., 2003; Ozili, 2020). In Nigeria, high-quality financial reporting is essential for attracting foreign investment (Okoye et al., 2021). While CSR, female board diversity, and earnings quality have been studied individually, their interconnections, especially in Nigerian non-financial firms, remain unexplored. Previous research in Nigeria has linked CSR and gender diversity to financial and business performance (Adelopo et al., 2022; Mordi & Obanya, 2014), but their impact on earnings quality is understudied. Nigeria's unique cultural, economic, and legal environment, including the 2018 Nigerian Code of Corporate Governance (Financial Reporting Council of Nigeria, 2018), provides a novel context for examining these relationships. This study aims to address the literature gap by investigating the triangular relationship between CSR, female board diversity, and earnings quality in Nigerian non-financial firms.

The research is significant as it explores how CSR initiatives and board gender composition influence financial reporting in emerging markets, aligning with global emphasis on sustainable business practices and diverse leadership. By examining how CSR and gender diversity may affect earnings quality, this study could provide insights beyond social and ethical considerations, potentially supporting CSR and gender diversity initiatives in Nigerian firms.
Figure 1 shows that the relationship between gender diversity and CSR performance in Nigerian non-financial companies is complex, with gender diversity increasing from 2007 to 2014 and improving CSR performance. However, after 2014, gender diversity decreases and CSR performance declines, requiring further research to understand its impact on earnings quality.

Figure 1: Trend and Pattern of CSR and Gender diversity of quoted non-financial companies in Nigeria.



Source: Authors, Compilation, 2023.

Literature Review

CSR refers to a company's commitment to managing the social, environmental, and economic effects of its operations responsibly and in line with public expectations (Carroll, 1999). McWilliams and Siegel (2001) define CSR as "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." In contrast, Friedman (1970) argued that the sole responsibility of businesses is to increase profits for shareholders. Recent views, such as Porter and Kramer's (2011) concept of "Creating Shared Value," suggest that CSR can be strategically integrated into core business operations to benefit both the company and society. Gender board diversity refers to the inclusion and representation of women on corporate boards of directors (Terjesen et al., 2009). Adams and Ferreira (2009) argue that gender-diverse boards can improve corporate governance through better monitoring and decision-making processes. However, Ahern and Dittmar (2012) found that mandated gender quotas for boards in Norway led to a decrease in firm value, suggesting potential drawbacks to forced diversity. Recent research by Post and Byron (2015) indicates that the relationship between board gender diversity and firm performance is complex and context dependent.

Earnings quality refers to the extent to which reported earnings reflect a company's true economic performance and are useful for predicting future earnings (Dechow and Schrand, 2004). Schipper and Vincent (2003) define high-quality earnings as those that faithfully represent the features of the firm's fundamental earnings process relevant to specific decision-making. Ball and Shivakumar (2005) argue that the quality of earnings is influenced by both the firm's fundamental performance and the accounting system that measures it. Recent studies, such as Perotti and Wagenhofer (2014), emphasize the multidimensional nature of earnings quality and the need for multiple measures to capture it comprehensively. There is growing consensus that CSR, gender board diversity, and earnings quality are interrelated and can collectively impact firm performance and stakeholder trust (Harjoto et al., 2015). The mechanisms through which these concepts interact and their relative importance in different contexts remain debated (Gul et al., 2011; Kim et al., 2012). In our opinion, CSR, gender board diversity, and earnings quality are crucial, interconnected aspects of modern corporate governance. CSR reflects a company's commitment to stakeholders beyond shareholders, potentially enhancing long-term sustainability. Gender board diversity can bring diverse perspectives to decision-making, potentially improving governance and CSR initiatives. High earnings quality is essential for maintaining investor trust and making informed decisions.

However, we believe the relationships between these concepts are complex and context dependent. The effectiveness of CSR initiatives and the impact of gender diversity may vary based on cultural, regulatory, and industry-specific factors. Similarly, the pursuit of high earnings quality must be balanced with other corporate objectives. Future research should focus on understanding these nuanced relationships in various contexts, particularly in emerging markets like Nigeria, where corporate governance practices are still evolving. This could provide valuable insights for policymakers and corporate leaders in developing more effective governance frameworks.

Theoretical Review

Jensen (2001) argues that evaluating a company's success solely on shareholder value maximisation is insufficient, as business goes beyond just financial gain for owners. This contradicts the stakeholder theory. Businesses have responsibilities to their clients, workers, neighbours, individuals concerned with diversity, and environmental watchdogs (Moratis & Van 2018). Freeman (1984) suggests that this can be achieved by identifying, evaluating, structuring, and protecting the connection between an organization's numerous stakeholder groups and their claims.Clarkson (1995) identifies two types of stakeholders: major stakeholders, who are individuals or groups who continuously support the organization's functioning, including shareholders, employees, customers, and vendors. Secondary stakeholder groups like media, NGOs, and the host community are not involved in crucial transactions for a company's survival. The company's operations are influenced or impacted by them. They have an effect on or are influenced by the company's operations. Donaldson and Preston (1995) suggest that a corporate governance system that prioritizes stakeholder interests can help an organization achieve its core objectives.

The signalling theory is the most accurate framework for describing the interactions between two entities with unequal informational advantages. They decide to communicate something crucial to the other party. Spence (2002) outlines that, signalling theory seeks to reduce information gaps between the involved parties. Miller and Triana (2009) confirm that this method helps bridge the information gap between stakeholders and the desired information about an organization. Bird and Smith (2005) are concerned that in situations where the interests of the signaler and receiver are in conflict, the signaler may benefit from deceiving the receiver. Outside stakeholders are studied as recipients, while managers and directors are examined as senders (Certo, Daily & Dalton, 2001; Carter, 2006; Goranova et al., 2007; Kang, 2008; Miller & Triana, 2009). The theory suggests that insiders, such as management and directors, provide crucial information to outsiders about unobservable qualities and their anticipated outcomes. The idea of managers and directors as signalers is problematic as they may spread false information that exaggerates the positive qualities of an organization. Confirming these signals can be challenging and tracking their destination is usually a concern.

Agency theory emerges from the dynamic between a company's owners and executives. Balancing the interests of the company's owners and management is crucial due to the potential conflicts of interest (Schroeder & Clark, 1995; Jensen & Meckling, 1976). The emphasis is that the agents, as demanded by shareholders, have a duty to disclose significant company information. Agents often use discretionary authority to pursue their personal interests, rather than shareholders', as a reason for this (Barnea, Haugen, & Sanbet, 1985; Bromwich, 1992; Chowdhury, 2004; Famaand Jensen, 1983). In sum, the board of directors is tasked with ensuring that managers' actions align with the interests of shareholders. The concern then is that, separating ownership and management in a company leads to increased agency costs and decreased shareholder value (Shubhi, Rohit, & Pushpendra 2014). Eisenhardt (1989) criticized this approach for only acknowledging the board's "monitoring-of-management" role, ignoring its other responsibilities. It does not provide information on the directors' use of corporate assets, services, or other strategic functions.

Methods

The study samples 50 non-financial Nigerian Exchange Group companies from 2007 through 2020. The study period in Nigeria analyzed economic reforms and fluctuations, highlighting the country's growth patterns and the impact of global trends. The period saw robust growth, high oil prices, and significant policy initiatives, highlighting the importance of understanding these economic trends. The sample is randomly picked from 106 non-financial companies. CSR, board gender diversity, and earnings quality are study variables. The data analysis technique adopted in this study include fixed effect model and random effect model, while system GMM was adopted as a robustness check. Different criteria are used to approximate earnings quality. Earnings quality is measured in this study using accrual quality and earnings persistence. This is because they are both accounting-based measures for earnings quality that may inform the quality of accruals as represented by a company as well as gauge the amount to which firm future earnings are reflected by current period earnings. Accrual quality is estimated using the statistical computation technique developed by Dechow and Dichev (2002), and it is calculated as follows:

$$\frac{TCA_{i,t}}{TASSET_{i,t-1}} \emptyset_0 + \emptyset_1 \frac{CFO_{i,t-1}}{TASSET_{i,t-1}} + \emptyset_2 \frac{CFO_{i,t}}{TASSET_{i,t-1}} + \emptyset_3 \frac{CFO_{i,t+1}}{TASSET_{i,t-1}} + \varepsilon_{i,t} \quad = \quad (1)$$

Where $TCA_{i,t}$ represents firm i’s total current accruals in the year t which is represented as

$$\Delta CA_{i,t} - \Delta CL_{i,t} - \Delta Cash_{i,t} + \Delta STDEBT_{i,t}$$

$TAsset_{i,t-1}$ represents firm i’s total asset in the year t-1, $CFO_{i,t}$ represents firm i’s cash flow from operations in the year t. $\Delta CA_{i,t}$ represents the changes in firm i’s current asset between the year t-1 and year t. $\Delta CL_{i,t}$ represent changes in firm i’s current liabilities between the year t-1 and year t. $\Delta Cash_{i,t}$ represents changes in firm i's cash between the year t-1 and year t and finally, $\Delta STDEBT_{i,t}$ represents changes in firm i's debt current liabilities between the year t-1 and year t. The measureof accrual quality is thus based on the Standard deviation of estimated residuals which is given $\sigma(\varepsilon_{i,t})$ in equation 1. Earnings persistence is measured based on Francis et al 2004 measure;

$$\frac{EBE_{i,t}}{TASSET_{i,t-1}} = \emptyset_0 + \emptyset_1 \frac{EBE_{i,t-1}}{TASSET_{i,t-1}} + v_{i,t} \quad (2)$$

Where $EBE_{i,t}$ represent firm i’s net earnings/income before extraordinary items in the year t.

Size refers to firm size and it is computed as the natural total log of assets. *Fpro* is the firm's profitability expressed by the firm's total net profit after extraordinary expenses. *CF* represents the firm's net cash flow from operations.

Data presentation and analysis.

The study explores the impact of CSR and gender diversity on earnings quality using Arellano and Bond's GMM. It compares baseline models and adds moderating variables to understand their interaction. The interactive model examines the interaction's influence on earnings quality, while Vector Auto Regression estimates impulse response functions.

Model 1: Baseline model for CSR, Gender Diversity, and Earnings quality.

$$Aq_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 GD_{it} + \beta_3 Size_{it} + \beta_4 Fpro_{it} + \beta_5 CF_{it} + \varepsilon_{it} \quad (3)$$

$$Ep_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 GD_{it} + \beta_3 Size_{it} + \beta_4 Fpro_{it} + \beta_5 CF_{it} + \varepsilon_{it} \quad (4)$$

Model 2: Interactive Model for CSR, Gender Diversity, and Earnings quality

$$Aq_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 GD_{it} + \beta_3 CSRxGD_{it} + \beta_4 Size_{it} + \beta_5 Fpro_{it} + \beta_6 CF_{it} + \varepsilon_{it} \quad (5)$$

$$Ep_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 GD_{it} + \beta_3 CSRxGD_{it} + \beta_4 Size_{it} + \beta_5 Fpro_{it} + \beta_6 CF_{it} + \varepsilon_{it} \quad (6)$$

Descriptive Statistics.

The analysis reveals that gender diversity and CSR play a significant role in a firm's success. Accrual quality values are consistent with firm size, with the highest value being 23.76. The interaction effect of CSR and gender diversity also plays a role. However, the distributions of accrual quality, earning persistence, gender diversity, and cash from operations are not normally distributed. Despite this, observational values are still greater than 300 out of 700.

Correlation Analysis

The study reveals a weak correlation between CSR and gender diversity, with earnings persistence positively correlated with net profit, corporate social responsibility, and cash from operations. However, gender diversity has a negative correlation with CSR and accrual quality. The correlation coefficient matrix allows for minimal correlations, revealing a positive correlation between small business size and CSR. However, earnings persistence is negatively correlated with earnings quality.

TABLE 1: Descriptive Statistics of the variables of the study.

STATISTIC	LACCQUA	LERNPER	LCSR	LCSRGEN	LGENDIV	LFIRMSIZE	LNETPROFIT	LCASHFROP
Mean	-2.87784	-2.98614	16.52949	14.79649	-1.90217	23.75823	21.15114	21.67795
Median	-2.82828	-2.87579	16.58429	14.92307	-1.94591	23.66224	21.11019	21.81623
Maximum	1.794434	1.957055	24.73753	21.4885	-0.40547	28.33533	26.69025	27.47846
Minimum	-9.1889	-9.72369	11.45835	9.585034	-2.83321	17.86358	12.51723	11.37366
Std. Dev.	1.270465	1.80092	2.203838	2.246881	0.454723	2.002166	2.080626	2.363488
Skewness	-0.65735	-0.28994	0.143796	-0.07808	0.436492	-0.093714	-0.08965	-0.370337
Kurtosis	6.58452	4.254375	2.975105	2.846288	2.365921	2.822768	3.478871	3.676231
arque-Bera	294.5813	13.04966	1.659643	0.688214	22.26453	1.846486	5.959257	23.84791
Probability	0	0.001467	0.436127	0.708853	0.000015	0.397229	0.050812	0.000007
Sum	-1395.75	-489.727	7901.096	5089.993	-873.098	15822.98	11569.68	12334.75
Sum Sq.ev.	781.2148	528.6599	2316.741	1731.627	94.70217	2665.766	2363.637	3172.892
Observations	485	164	478	344	459	666	547	569

Source: Authors' Computation, 2023.

Note: *LACCQUA- log of accrual quality, LERNPER- log of earnings persistence, LCSR- log of Corporate social responsibility, LGENDIV- log of gender diversity, Firm size – log of total asset, LNETPROFIT- log of net profit, LCASHFROP- log of cash flow from operation*

Table 2: Correlation Matrix

VARIABLE	LACCQUA	LERNPER	LCSR	LCSRGEN	LGENDIV	LFIRMSIZE	LNETPROFIT	LCASHFROP
ACCQUA	1							
RNPER	0.03856	1						
CSR	-0.32925	0.0638	1					
CSRGEN	-0.29966	0.001027	0.259	1				
GENDIV	0.016713	-0.30637	0.343273	0.503861	1			
IRMSIZE	-0.27614	0.054995	0.676613	0.655155	0.174825	1		
NETPROFIT	-0.14424	0.185654	0.601586	0.548837	-0.0235	0.06883	1	
CASHFROP	-0.2512	0.204674	0.612649	0.5793	0.084323	0.12665	0.0465047	1

Source: Authors' Computation, 2023.

Analysis and Interpretation of Baseline model.

TABLE 3: Effect of Gender Diversity and CSR on Accrual Quality (Baseline Model).

Source: Authors' Computation, 2023.

Note. *t-values are in brackets. The list of instruments for the GMM include: ACCUQUA (-6), LCASHFROP (-1), LSCR (-1), LFIRMSIZE (-1), GENDIV (-1),*

Variables	Pooled OLS	FEM	GMM
C	0.421**(0.7108)	3.2399(1.7762)	-
ACCQUA (-1)	-	-	0.0025(0.3759)
LCASHFROP	-0.0422(-1.3111)	-0.03638(-1.2132)	-0.1022***(-19.7265)
LCSR	-0.02153(-0.0164)	-0.03396(-0.8432)	-0.02534***(-9.7862)
LFIRMSIZE	-0.0165(-0.3897)	-0.1141**(-2.229)	-0.03599***(-3.8814)
GENDIV	0.1752(-1.3508)	-0.4412(-0.915)	0.2628***(5.3401)
LNETPROFIT	0.0604(1.8689)	0.0452(1.1803)	0.0225***(4.0701)
AR (1)	-	-	0.0066
AR (2)	-	-	0.5633
R2	0.0125	0.1374	-
Adjusted R^2	-0.0039	-0.024	-
F-Statistics	0.7624	0.851	-
Durbin Watson	2.2132	2.117	-
Hausman Test	-	-	-
J-Statistics	-	-	33.9019
Instrument Rank	-	-	37
No. of Observations	369	369	213
Cross Sections included	41	41	37

*LNETPROFIT (-1). **, *** denotes 5% and 1% level of significance.*

The baseline model (Model 1) investigated CSR and gender board diversity's impact on earnings quality using FEM, pooled OLS, and GMM techniques, finding no serial correlation and appropriate variable selection. Results showed that lagged accruals quality positively affects current quality, while cash flow negatively impacts it. CSR demonstrated a small negative effect on accrual quality, whereas gender diversity had a larger positive impact. Net profit positively influenced accrual quality, but firm size showed a negative effect, consistent with previous research. These findings were generally consistent across all three estimation methods.

TABLE 4: Effect of Gender Diversity and CSR on Earnings persistence (Baseline Model).

Variables	Pooled OLS	FEM	GMM
C	-0.1459(-1.4140)	-0.5234(-0.7991)	-
ERNPER(-1)	-	-	-0.5446***(-104.3686)
LCASHFROP	-0.0032(-0.6048)	-0.0009(-0.143)	0.0627***(24.0424)
LCSR	-0.00299(-0.568)	-0.0024(-0.2804)	-0.0248***(-9.0991)
LFIRMSIZE	0.0086(0.9622)	-0.0069(-0.3071)	-0.03881***(-8.8626)
GENDIV	-0.0563(-0.7667)	0.0532(0.5129)	0.1442***(3.5695)
LNETPROFIT	0.0018(0.1912)	0.0333***(2.7664)	0.10002***(56.3832)
AR (1)	-	-	0.1781
AR (2)	-	-	0.1211
R2	0.02628	0.1434	-
Adjusted R^2	0.0102	0.0214	-
F-Statistics	1.6327	1.1757	-
Durbin Watson	2.2532	2.2841	-
Hausman Test	-	-	-
J-Statistics	-	-	33.9487
Instrument Rank	-	-	36
No. of Observations	370	370	212
Cross Sections included	41	41	36

Source: Authors' Computation, 2023.

Note. *t-values are in brackets. The list of instruments used for the GMM include; ERNPER (-2), LCASHFROP (-2), LSCR (-3), LFIRMSIZE (-2), GENDIV (-1), LNETPROFIT (-1). **, *** denotes 5% and 1% level of significance*

Model 2 reveals that cash from operations positively impacts earnings persistence, contrary to pooled OLS predictions but aligning with Kusmuriyanto's 2018 findings. CSR negatively affects earnings stability across all models. Gender diversity shows a positive effect on earnings stability in the GMM model, supporting Olaoye and Adewumi's 2020 research but contradicting Ye et al.'s 2010 study. Net profit increases correlate with equal rises in earnings persistence. Firm size negatively influences earnings persistence, consistent with Soana's 2019 observations of declining persistence trends, though results vary slightly between pooled mean and fixed effect models.

The moderating variable's effect on the baseline GMM is evaluated by comparing interactive and baseline models. For accrual quality, the baseline model shows a slight increase over one lag period, while the interaction model indicates a significant drop. Cash generation negatively impacts both models. CSR and firm size negatively influence accrual quality, with stronger effects in the interaction model. Gender diversity positively affects the baseline model but negatively impacts the interaction model. Net profit improves accrual quality in both models. The CSR-gender diversity interaction significantly impacts accrual quality. For earnings persistence, both baseline and interactive models show negative impacts, with the interactive model having a stronger effect. Cash generation positively influences both models. CSR and firm size have mixed effects in the interactive model. Gender diversity positively impacts the baseline model but negatively affects the interactive model. Net profit improves earnings persistence in both models. The CSR-gender diversity interaction negatively impacts earnings persistence. Overall, the analysis reveals complex relationships between variables and highlights the importance of considering interactions in assessing financial reporting quality.

TABLE 5: Comparison of Baseline model with Interactive Model.

Dependent Variable: ACCQUA			Dependent Variable: ERNPER		
	Baseline Model	eractiveModel		Baseline Model	Interactive Model
Variables			**Variables**		
C	-	-	Constant	-	-
ACCQUA(-1)	0.0025(0.3759)	69***(-27.21)	ERNPER(-1)	.5446***(-104.3686)	731***(-149.05)
LCASHFROP	1022***(-19.7265)	52***(-0.95)	LCASHFROP	0.0627***(24.0424)	0.012805***(3.98)
LCSR	534***(-9.7862)	51***(-4.37)	LCSR	-0.0248***(-9.0991)	0.144764***(2.73)
LFIRMSIZE	599***(- 3.8814)	24***(- 19.42)	LFIRMSIZE	-0.03881***(- 8.8626)	0.1632***(22.71)
GENDIV	28***(5.3401)	365**(- 2.83)	GENDIV	0.1442***(3.5695)	-0.03857(-0.13)
LNETPROFIT	25***(4.0701)	4***(6.06)	LNETPROFIT	0.10002***(56.3832)	0.172436***(73.29)
LCSR*GENDIV		***(5.04)	LCSR*GENDIV	-	-0.20799***(3.99)
AR (1)	56	9	AR (1)	0.1781	0.9683
AR (2)	33	8	AR (2)	0.1211	0.9919
J-Statistics	019		J-Statistics	33.9487	23.95
Instrument Rank			Instrument Rank	36	33
No. of Observations			No. of Observations	212	175
Cross Sections included			Cross Sections included	36	33

Source: Authors' Computation, 2023

Note. *t-values are in brackets. The list of instrument used for the GMM for the interactive effect onboth accrual quality and earnings persistence include; ACCQUA (-6) LCASHFROP (-1), LSCR (-1), LFIRMSIZE (-1), GENDIV (-1), LNETPROFIT (-1), ERNPER (-2) LCASHFROP (-1), LSCR (-1), LFIRMSIZE (-1), GENDIV (-1), LNETPROFIT (-1). **, *** denotes 5% and 1% level of significance.*

Conclusion and Recommendation

The study reveals that CSR efforts negatively impact earnings persistence and accrual quality, while gender diversity on boards enhances quality. The scale of a firm negatively impacts these factors, while cash flow from operations and net profit positively affects earnings quality. The study suggests a complex relationship between CSR, gender diversity, and profitability. The following recommendations were made based on the findings of this study:

i. Given the positive effects of gender diversity on financial reporting quality, policymakers should encourage or mandate increased gender diversity on corporate boards.

ii. To address the negative relationship between CSR and earnings quality, regulators should develop more stringent reporting standards for CSR activities to ensure they don't compromise financial reporting quality.

iii. Since firm size negatively affects earnings quality, regulators should consider implementing more stringent reporting and auditing requirements for larger firms to mitigate this effect.

iv. Policymakers should promote integrated reporting frameworks that combine financial and non-financial (including CSR) information to provide a more holistic view of company performance and encourage alignment between CSR activities and financial reporting.

v. Strengthen corporate governance regulations to ensure that increased CSR activities and board diversity translate into improved financial reporting quality and overall transparency.

vi. Develop programs to educate board members, especially female directors, on the importance of maintaining high-quality financial reporting while pursuing CSR initiatives.

vii. Implement a system for regular review of the impact of CSR and board diversity on financial reporting quality and be prepared to adjust policies as needed based on emerging evidence.

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Appendix 1: **List of the selected firms**

1	Van Leer Containers	**10**	Longman	**19**	Cappa & Dalberto	**28**	UNILEVER Plc	**37**	Aluminum Extrusion	**46**	Mobil
2	Avon Crowncaps	**11**	University Press	**20**	Guinness Nigeria	**29**	PZ Plc,	**38**	Nigeria Ropes	**47**	Alumaco
3	Beta Glass	**12**	Academy Press	**21**	CFAO	**30**	Cement company of Northern Nigeria	**39**	Vita foam	**48**	African Petroleum
4	African Paints	**13**	Dunlop	**22**	Northern Nigeria Flour Mills	**31**	Costain	**40**	WAPCO	**49**	NCR
5	D.N. Meyer	**14**	R.T. Briscoe	**23**	23 Seven-up Bottling Company	**32**	International Breweries	**41**	Nigerian Enamwelware	**50**	CON Oil
6	IPWA	**15**	Incar	**24**	SCOA Plc	**33**	Julius Berger	**42**	Oando Plc		
7	Berger	**26**	UACN	**25**	John Holt	**34**	Nigerian Breweries	**43**	First Aluminum Plc		
8	CAP PLC	**17**	BHN	**26**	Chellerams	**35**	BOC Gases	**44**	Texaco		
9	Nigerian German Chemicals	**18**	Arbico	**27**	UAC Nigeria	**36**	Benue Cement Company	**45**	Vono Foam		

Source: Authors' Compilations, 2023.