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THE INFLUENCE OF BOARD GENDER DIVERSITY ON FINANCIAL REPORTING QUALITY IN NIGERIA

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Abstract

This study examined the influence of board gender diversity on financial reporting quality in Nigeria over 12 years *between 2010 and 2021. Random effect pooled ordinary least square (OLS) was used to achieve the objective of the study; and the result established that there exists a relationship between gender diversity on financial reporting quality in Nigeria. Hence, the result shows a negative and insignificant influence of gender diversity on financial reporting quality using discretionary accruals. Though it was expected that the result for of gender diversity on financial reporting quality be positive and significant but it was otherwise; this could be as a result numerous problems facing the financial reporting ranging from out-dated technology, unusual data, lack of comparative data and diversification.*

Keywords: Influence, Board Gender Diversity, Financial Reporting Quality, Nigeria.

1. Introduction

In the past few years, the quality financial reporting has attracted considerable research interest across the globe, especially after the series of occurrence of corporate scandals and failures, both in developed and developing nations such as those of Enron Corporation in 2001; WorldCom in 2002; Tyco International in 2002; Global Crossing in 2002; and Arthur Anderson in 2001 in the United States. In the same vein, Parmalat scandal happened in Italy in the year 2003, in Indonesia, PT. Tiga Pilar Sejahtera Food Tbk, (AISA) accounting scandal occurred in 2017, and finally in Nigeria such as Cadbury Nigeria Plc in 2006; Unilever Nigeria Plc formerly known as Lever Brothers Nigeria Plc in 1998; Oceanic Bank in 2010;

Intercontinental Bank was between 2007 and 2008 among others (Abu, et al., 2016). These corporate collapses shook investors' confidence in the effectiveness of corporate board in promoting transparency and stewardship, thus stressing the need for improved measures to ensure that quality of financial information is enhanced, and firms are managed in a manner that guarantees the protection of the interests of corporate owners and other relevant stakeholders. The concern for quality financial reporting is due to the fact that financial reporting is a major means by which firms communicate financial information to owners and outside users (Adeyemi, et al., 2015). For this reason, it is important that financial statements disclose quality information so that decisions made by users based on them would be both qualitative and informed (Onatuyeh&Proso, 2019).

Mubarak (2018) gave some of the reasons for the previously mentioned corporate failures to include selfishness and greediness of the board of directors, the board surrendering control to corporate managers who pursue their self-interests, and the board being negligent in its accountability to stakeholders. The board of directors is a body of appointed members who jointly supervise the activities of a company. In line with Section 269(1) of the Companies and Allied Matters Act (CAMA, 2020) defines a board of director as a person who is duly appointed by the company to direct and manage the business of the company. The board of directors also acts as one of the most important corporate governance mechanisms in aligning the interest of managers and shareholders. Good corporate governance by boards of directors is recognized to influence the quality financial reporting, which has a significant impact on investor confidence. As a result of this, various corporate governance reforms have specially emphasized appropriate changes to the board of directors in terms of its size, diversity, frequency of meetings, and their independence (Nazar, 2018). This draws the attention of the public and investors to see the board of directors as the major factor responsible for the failure of corporations across the globe (Okoye, et al., 2018). In addition, the increasing pervasive failure of corporations world-wide, made it imperative to advocate for increased quality financial reporting and create more substantial management control by creating reliable board characteristics.

Globally, many firms have made huge loss due to the board members' characteristics, such as gender diversity, board meeting, board size and board independence which has affected the quality of financial reports (Ogbaisi, et al., 2019). Gender diversity has received growing attention throughout the last decade and, in general, there is a global call for the presence of women on corporate boards as a means of improving the quality of financial reports (Cumming, et al., 2015; Nguyen, et al., 2020). Some countries have initiated a spate of legislative changes requiring a predetermined representation of women on corporate boards (Terjesen& Sealy, 2016). For instance, Norway requires 40 per cent of women's representation on corporate boards, with penalties for non-compliance. Following this, Spain and Sweden have considered female representation on corporate boards of 40 per cent and 25 per cent, respectively and, consequently, the EU proposed women's board representation of 25 per cent for large listed firms (Terjesen& Sealy 2016).

A number of other developed and developing countries, such as Australia, Brazil, Canada and India, amongst others, have adopted or proposed similar quotas for women (Khlif&Achek, 2017; Kirsch, 2018). Nigeria is not an exception as gender diversity is becoming an issue such

that women are agitating for more slots in both public and private organisation. A new report on board gender diversity trends in Nigeria's corporate organisations has revealed that less than a quarter of board positions in companies quoted on the Nigerian Exchange Limited's (NXG) top 20 quoted companies are occupied by women. The report stated that 56 seats (23.4 per cent) out of 239 board seats available in the top 20 companies were held by women, while 183 seats (76.6 per cent) were held by men during the period under review (Dike, 2021). Huang and Kisgen (2015) reported in their study that, as opposed to their male counterparts, less overconfident women on board make superior corporate decisions, leading to high quality financial reporting. Leadership skills among women have been found to be more effective (Park, 2015). Also, their unique features positively impact the firm in terms of its strategic direction, and this improves the monitoring process of financial reporting.

Manufacturing firms have in the past resorted to different measures to tackle board characteristics. However, each of these measures has resulted in either little effect on the financial reporting quality or even no effect at all. According to Wyatt (2019), board characteristics are particularly important to the manufacturing firms in Nigeria because of a number of financial failures, frauds and questionable business practices that had adversely affected investors' confidence. This draws the attention of the investors to see the board of directors as the major actors responsible for the failure of corporations, both in developed and developing nations. In fact, board of directors are criticized for being responsible for the dwindling in shareholders' wealth, both in developed and developing economies, particularly in Nigeria where this study is based. They are seen as prime factor for the fraud cases that had resulted in the failure of major corporations, such as Enron Corporation, Tyco International, WorldCom, Global Crossing, Arthur Anderson, Parmalat, PT. TigaPilar Sejahtera Food Tbk, (AISA),Cadbury Nigeria Plc, Unilever Nigeria Plc, Oceanic Bank, and Intercontinental Bank (Ebimobowei, 2016). As a result of these, there is a need to examine the effect of board characteristics on financial reporting quality among quoted manufacturing firms in Nigeria. Looking at how important the manufacturing firms are to any economy, and the magnitude of the products and services they deliver to a given economy, it is imperative that the effect of board characteristics on financial reporting quality is studied. This study therefore investigates the effect of board gender diversity on financial reporting quality among quoted manufacturing firms in Nigeria.

2. Literature Review

2.1 Gender Diversity and Quality Financial Reporting

Barua (2018) investigated the connection between female executives and accruals quality, and found that firms having women as chief financial officers were more prudent in their financial reporting practices than those without female executives. The study sample size was 1,559 (1,222) firms in 2005 (2004). The study also shows that companies with female CFOs have lower performance-matched absolute discretionary accruals and lower absolute accrual estimation errors, after controlling for other factors that prior research has shown to be associated with accruals.

Firoozi, et al., (2016) conducted a study on the board diversity and financial reporting quality. The study adopted the use of multivariate analysis. The findings show that financial reporting quality, as measured by the level of abnormal accruals and restatements, is lower for firms

with independent directors who are geographically spread out than for firms with less geographically diverse boards. And also board diversity is not related to quality financial reporting. The results of this study contributed to the board diversity literature by examining a new dimension of diversity that is the location of directors, and showing that director proximity (or lack thereof) does matter when monitoring managers' decision-making regarding financial reporting quality, consistent with findings in other setting. The study recommended that firms should add more women on the board, as they tend to contribute positively to the organisation.

Kemebradikemor (2019) conducted a study on the board characteristics and financial reporting quality. The study was driven by the positivist research philosophy and a deductive research approach using a multi-method quantitative research design. Descriptive and inferential statistics were employed to summarize the data and to draw inference on the population studied. They employed the Generalized Linear Model Regression in testing the hypotheses stated. Findings revealed that board diversity was found to be insignificantly related to financial reporting quality at 5% level of significance. This implies that the inclusion of more female in the board will not improve the financial reporting quality of firms investigated. The study concluded that board characteristics partially affect financial reporting quality.

Makhlouf, et al., (2018) conducted a study on the board diversity and accounting conservatism. The study depends on a panel data set drawn from 68 industrial firms listed on Amman Stock Exchange (ASE) for the period from 2013 to 2016. The results indicate that gender diversity, education level and nationality diversity are significantly positively correlated with accounting conservatism. However, the findings fail to reveal any significant effect for directors' age on accounting conservatism. The findings of this study assert that it is necessary to take board diversity (directors' demographic characteristics) into account when choosing board of directors members because demographic characteristics diversity influences directors' behaviour to deal with different issues that are related to accounting principles.

Martín-Ugedo (2019) conducted a study on the relationship between female directors and firm performance. The finding shows that women on the boards may have specific skills that are more relevant in some environments and industry. This implies that female directors without the right professional skill and experience may not be influential in their firms; hence we conjecture that under certain conditions, there may not be link between board gender diversity and quality financial reporting. The mixed results regarding the impacts of board gender diversity, as shown above, may be due to the fact that these studies were performed at different timeframes and in different countries under different corporate governance structures.

Muhammad, et al., (2016) conducted a study on female directors and financial reporting quality in the Nigerian listed non-financial companies. The study employed the ordinary least square technique in analysing the data, using a sample of 101 firms of non-financial companies for the period from 2010 to 2014. The result indicates that board gender diversity proved to be non-significant but positively associated with the quality of financial reporting, perhaps

due to the negligible number on the corporate boards. The finding also shows the inability of women directors to have any influence in the boardroom over financial reporting quality. The study recommended that further studies should investigate the mitigating factors responsible for women limited numbers on boards. And also, further study should focus on the competencies, skills and expertise of females that may increase their presence.

Onatuyeh and Proso (2019) conducted a study on board gender diversity and financial reporting quality. Based on data gleaned from the audited annual reports of fourteen selected listed Nigerian Deposit Money Banks for the period 2013 to 2017 results of the system Generalized Method Moments (GMM) regression technique revealed a positive relationship between gender diversity on boards and financial reporting quality by banks in Nigeria. The study concluded with a number of recommendations, including suggesting the need for firms to include more female members in the board as they tend to have a significant impact on the quality of decision making as well as bringing a new perspective to deliberation processes.

Wang (2015) conducted a study on the board gender diversity and accounting conservatism. The sample consists of all the firms of OMX Helsinki 25 over the fiscal years 2009-2014. The data is mainly collected from Data Stream databases. Only the data items of total board members and female board directors for firm i year t are manually collected from firm's annual reports. The study employed the use of descriptive statistics and Pearson correlation. The findings show that there is a positive association between board gender diversity and conditional accounting conservatism. The study recommends that boards with female directors are more likely to employ conservative accounting practices with the purpose of monitoring management more effectively.

2.2 Theoretical Framework

The most suitable theory underpinning this topic was the stewardship theory, which postulates that a steward protects and maximizes shareholder wealth through the quality financial reports because by doing so, the steward's utility functions are maximized. The steward derives greater utility from satisfying organisational goals than through self-serving behaviour. The theory recognizes the essentials of structures that empower the steward, offering maximizing autonomy built upon trust. To minimizes the cost of mechanisms aimed at monitoring and controlling behaviours.

3. Data and Methodology

3.1 Research Design

This study employed the use of *ex-post facto* research design. *Ex-post facto* refers to studies which investigate possible cause and effect relationships by observing an existing condition or state of affairs and searching back in time for plausible causal factors. An *ex-post facto* design is considered appropriate for this study because it will give opportunity for evaluating events that had already taken place by collecting relevant secondary data to determine the cause and effect relationships among the relevant variables.

3.2 Population of the Study

The population of this study consisted all 131 listed manufacturing firms in the Nigerian Stock Exchange (NSE) as at November 2021 which are classified into 11 sectors namely; Agriculture

(5), Conglomerates (5), Construction/Real Estate (8), Consumer Goods (21), Financial Services (25), Healthcare (7), Information & Communications Technology (ICT) (9), Industrial Goods (13), Natural Resource (4), Oil & Gas (10), and services (24) (NSE, 2021). However, the scope of the study limited the focus to 3 sectors (Conglomerates, Consumer goods, and Industrial Goods). The studied companies are listed (Table 3.1).

Table 3.1: List of Selected Manufacturing Firms.

S/N	Company Name	Sector	Year of Incorporation	Year of Listing
1.	Chellarams Plc.	Conglomerates	1947	1977
2.	John Holt Plc.	Conglomerates	1961	1974
3.	SCOA Nigeria Plc.	Conglomerates	1969	1977
4.	Transnational Corporation Plc.	Conglomerates	2004	2006
5.	UACN Plc.	Conglomerates	1879	1974
6.	BUA Foods Plc.	Consumer Goods	2005	2022
7.	Cadbury Nigeria Plc.	Consumer Goods	1965	1976
8.	Champion Brew. Plc.	Consumer Goods	1974	1983
9.	Dangote Sugar Refinery Plc.	Consumer Goods	2005	2007
10.	DN Tyre& Rubber Plc.	Consumer Goods	1961	1961
11.	Flour Mills Nig. Plc.	Consumer Goods	1960	1979
12.	Golden Guinea Brew. Plc.	Consumer Goods	1962	1995
13.	Guinness Nig. Plc.	Consumer Goods	1950	1965
14.	Honeywell Flour Mill Plc.	Consumer Goods	1985	2009
15.	International Breweries Plc.	Consumer Goods	1971	1995
16.	Mcnichols Plc.	Consumer Goods	2004	2009
17.	Multi-trex Integrated Foods	Consumer Goods	1999	2010
18.	Plc.	Consumer Goods	1971	1978
19.	N. Nigeria Flour Mills Plc.	Consumer Goods	1973	1992
20.	Nascon Allied Industries Plc.	Consumer Goods	1969	1979
21.	Nestle Nigeria Plc.	Consumer Goods	1946	1973
22.	Nigerian Brew. Plc.	Consumer Goods	1960	1979
23.	Nigerian Enamelware Plc.	Consumer Goods	1948	1972
24.	PZ Cussons Nigeria Plc.	Consumer Goods	1923	1973
25.	Unilever Nigeria Plc.	Consumer Goods	1991	1993
26.	Union Dicon Salt Plc.	Consumer Goods	1962	1978
27.	Vitafoam Nig. Plc.	Industrial Goods	1982	2012
28.	Austin Laz& Company Plc.	Industrial Goods	1959	1974
	Berger Paints Plc.			
29.	Beta Glass Plc.	Industrial Goods	1974	1986
30.	BUA Cement Plc.	Industrial Goods	2014	2020
31.	Cap Plc.	Industrial Goods	1965	1978
32.	Cutix Plc.	Industrial Goods	1982	1987
33.	Dangote Cement Plc.	Industrial Goods	1992	2010
34.	Greif Nigeria Plc.	Industrial Goods	1940	2005
35.	Lafarge Africa Plc.	Industrial Goods	1959	1979
36.	Meyer Plc.	Industrial Goods	1960	1979

37.	Notore Chemical Ind. Plc.	Industrial Goods	2005	2018
38.	Premier Paints Plc.	Industrial Goods	1982	1995
39.	Tripple Gee and Company Plc.	Industrial Goods	1980	2013

Source: Nigerian Stock Exchange (NSE) Website and Financial Report (2010-2021).

3.3 Sample Size and Sample Techniques

The techniques used were the random sampling technique (11 firmswas selected from conglomerates, consumer goods, and industrial goods). The random sampling was applied because of the need to select a sample based on the availability of the required information to achieve the objective of the study. Therefore, only firms with financial statement covering the time period 2010 to 2021 were used based on access to their annual reports and accounts. This makes a total of one hundred and thirty-two (132) observations that was applied in the panel data analysis.

Table 3.2: Sampled Size for the Quoted Manufacturing Companies

S/N	Company
1.	Transnational Corporation Plc.
2.	UACN Plc.
3.	Flour Mills Nig. Plc.
4.	Nestle Nigeria Plc.
5.	Nigerian Brew. Plc.
6.	Cadbury Nigeria Plc.
7.	PZ Cussons Nigeria Plc.
8.	Lafarge Africa Plc.
9.	Dangote Cement Plc.
10.	Premier Paints Plc.
11.	Berger Paints Plc.

Source: *Generated by the researcher, 2022.*

3.4 Method of Data Collection

The study relies essentially on secondary sources of data which were obtained through audited annual financial reports and accounts of the 15 selected manufacturing firms, the Nigerian Stock Exchange fact book, this is because the quality of financial reports (discretionary accruals) that was used can only be derived from the annual reports and accounts of the selected manufacturing firms which were sourced from an internet database. The discretionary accruals are determined by separating the non-discretionary accruals from the total accruals. Discretionary accruals refer to adjustments made intentionally by managers. Because the discretionary accruals are not observable, it is necessary to estimate them by calculating the difference between the total amount of accruals (A), and non-discretionary (ND) (Marta, et al., 2017).

3.5 Method of Data Analysis

The technique of data analysis used for this study was descriptive and single regression analysis. Descriptive statistics was used to describe the data set from the period of 2010-2021

while single regression was employed to identify the connection between financial reporting quality (dependent variable) and gender diversity(independent variables)over 12 years (time series).

3.6 Model Specification

In this section discuss about model specification of the study in detailed. Thus, the general model for this study, as is mostly found in the extant literature is represented by:

$$Y= \beta_o+\beta_1 X_1 +e$$

Where;
DACC =Y = Financial ReportingQuality of Manufacturing Firms at the NSE measured by DACC

X_1 = Gender Diversity (PWOMEN)

Functional Relationships:

DACC= f(PWOMEN) F

The model is specified as:

$DACC_{it}=\alpha_1 + \beta_1 PWOMEN_{it} + \mu_{it}$ Model

3.7 Measurement of Variables

The dependent variable of this study; quality financial reporting was examined using measures of earnings management proxy by discretionary accruals (DACC) while the independent variable; broad characteristic was measured by gender diversity and board meeting.

Table 3.3: Variable Measurements

Variables	Measurement	Source
Independent Variables:		
Gender Diversity (PWOMEN)	The number of women board of directors divided by the total number of directors. OR $BLAU = 1 - \sum_{i=1}^{n} P_j^2$	Martin Ugedo, J.F., &Minguez Vera, A. (2014); Blau, P.M. (1977).
Dependent Variables:		
Discretionary Accruals (DACC)	Is measured using the modified Jones model of discretionary accruals.	Dechow&Dichev (2002).

Source: ***Generated by the Authors, 2022.***

3.8 A *Priori* Expectation

It was expected in this study that board characteristics will have significant influence on quality financial reporting. This expectation was based on the findings in literature; therefore, the table below shows the expectations according to the variables. The a priori expectation of the model is expressed below as: $\alpha_i(i = 0, 1, 2, 3, 4) > 0$; $\mu = 0$.

Table 3.4: ***A-priori Expectation***

Models	**A priori expectations IF:**
$DACC_{it}=\alpha_1 + \beta_1 PWOMEN_{it} + \mu_{it}$	$p< 0.05$; $H0_1$ will be rejected. $\alpha > 0$ $\beta > 0$

4. Results and Discussion

4.1 Descriptive Analysis

This section of the analysis provides an overview on the data set while attempt is also made to describe the main attributes of the data. The descriptive analysis of the panel data obtained to shows the mean, maximum, minimum and standard deviation of selected variables on board characteristics measured by gender diversity (PWOMEN), board meeting (BMEETING). Financial reporting quality was measured by discretionary accruals (DACC).

Table 4.1.1 Descriptive Statistics Result

Variable	**Companies**	**Mean**	**Std. Dev.**	**Min**	**Max**
PWOMEN	11	1.4545	1.03573	0.00	3.00
DACC	11	3.2435	2.31776	0.08	6.97

Source: Researcher's Computation, 2022 ***Observations: 132**

Table 4.1.1 revealed gender diversity value within the range of 0.00 and 3.00. This indicates that there is no wide gap between the minimum and maximum values of gender diversity within the quoted companies. The standard deviation of 1.03 is not too large compared to the mean of 1.45 and this suggests that there is a slim dispersion from the mean and the variable. This implies low volatility in predicting values for gender diversity within the selected eleven companies under 12years. Therefore, this means that most manufacturing companies have at most 3 female employees in the companies as board of directors.

Discretionary accruals showed a range between 0.08 and 6.97. This indicates that there is a slim gap between the minimum and maximum values of discretionary accruals. The standard deviation of 2.32 is not too large from one compared to the mean value of 3.24 and this suggests that there is a slim dispersion from the mean and the variable which implies a low unpredictability for the observed period of years.

4.2 Inferential Statistics

In order to determine the influence of board characteristics on financial reporting quality, The study regressed the measurements of the independent variable on the measurement of financial report using discretionary accrual (DACC) in linear regression analysis.

4.2.1 Test of Objective, Research Question and Hypothesis

Test of Hypothesis

Research Objective: To examine the influence of gender diversity on financial reporting quality among quoted manufacturing firms in Nigeria.

Research Question: What is the influence of gender diversity on financial reporting quality among quoted manufacturing firms in Nigeria?

Research Hypothesis (H_{01}): There is no significant influence between gender diversity and financial reporting quality among quoted manufacturing firms in Nigeria.

Determination of the appropriate estimation technique for hypothesis one led to its initial analysis through the ordinary least square (OLS), fixed effect and random effect estimation techniques. This informed the choice of post estimation tests conducted in the selection of the appropriate estimation technique for the model. Table 4.2.1 shows the result of the diagnostic tests conducted for the model.

Table 4.2.1 Post Estimation Tests for the Model

Tests	**T-Statistics**	**Probability**
Breusch and Pagan Lagrangian multiplier test for random effects	12.59	0.0004
Breusch-Pagan/Cook-Weisberg test for heteroskedasticity	37.20	0.0100
Wooldrigde test for autocorrelation in panel data	120346.036	0.0200

Source: Researcher's Study, 2022 **p<0.05**

Interpretation

Table 4.2.1 revealed the results of the diagnostic tests carried out to determine the choice and appropriateness of the estimation technique employed for this model as well as the analysis output for the model. The Hausman test was carried out to determine whether fixed effect, random effect or pooled ordinary least square (OLS) estimation technique is appropriate for the model. The Hausman specification test has as its null hypothesis that the difference in coefficients of a model is not systematic and hence the random effect estimation technique is appropriate. The result of the Hausman test indicated that the fixed effect estimation technique was not appropriate for this model. The study thus went further to test the appropriateness of the random effect estimation technique by conducting the Breusch and Pagan Lagrangian multiplier test. This test has a null hypothesis that random effect is not needed and not appropriate for the model, the result of this test showed a probability of 0.0004 which is lower than the 5% level of significance. This showed that the study cannot accept the null hypothesis and hence the acceptance of the alternate hypothesis that random effect is appropriate for the model. Also, the Breusch-Pagan / Cook-Weisberg test for heteroscedasticity was carried out to determine if the variance of the residual are constant. This test has a null hypothesis of constant variance of the residual, the result of the test showed a probability value of 0.0100 which is lower than the 5% level of significance. This suggests that the study rejects the null hypothesis of constant variance, indicating that the variance of the residual is not constant. In testing for autocorrelation in the panel data, the Wooldridge test was conducted. This test has a null hypothesis of no first-order autocorrelation and its result in this model showed a probability value of 0.0200 which is lower than the 5% level of significance. It however suggests that the study rejects the null hypothesis hence, the presence of autocorrelation in the model.

Test of Research Hypothesis

Table 4.2.2 Regression Analysis for Model 1

Variable	**Coefficient**	**Std Error**	**T**	**Probability**
Gender diversity [PWOMEN]	-0.001	0.746	-0.001	0.999
Cons	3.245	1.311	2.474	0.035
F statistics	1.3200			
Prob(f-statistics)	0.999			
R^2	0.039			

Dependent Variable: DACC; Obs: 132 **p<0.05**

Source: Researcher's Study, 2022

$DACC_{it}=\alpha_1+ \beta_1 PWOMEN_{it} + \mu_{it}$

DACC= 3.245 -0.001 + μ

Interpretation

Hypothesis tested the influence of gender diversity considering [PWOMEN] on discretionary accruals of the quoted manufacturing firms listed on the Nigerian stock exchange, without bias to the fact that there exists other variables that may affect discretionary accruals. The result of the analysis on Table 4.2.2 shows a negative influence of gender diversity on discretionary accruals (DACC). This is indicated by the sign coefficient that $\beta_1 = -0.001<0$. This result is not consistent with the *a priori* expectation as it was expected that gender diversity will have a positive influence on financial reports.

The negative coefficient of model in Table 4.2.2 is insignificant. This is determined from the t-statistics result (t= -0.001) which is less than the t-tabulated (t=1.96). This is further confirmed by the probability values of t-statistics (p-value=0.999) which is more than the 5% level of significance. We therefore infer from the result of this model that the influence of gender diversity on discretionary accruals is negative and insignificant.

The **R^2** of 0.039 explains that only 3.9% of the total variation is explained by the independent variable while the balance of 96.1% is explained by factors outside this study.

Decision: The statistical significance of this model indicates that the study accept the Null Hypothesis which says that there is no significant influence between gender diversity and quality financial reporting among quoted manufacturing firms in Nigeria. This result is not consistent with the *a priori* expectation of this model. Thus, we have achieved the objective of this model, answered the question, as well as tested the hypothesis.

5. Conclusion and Policy Implications

5.1 Conclusion

This finding revealed a negative influence of gender diversity on financial reportingquality using discretionary accruals. To reduce discretionary accruals and increase financial reporting quality, more training must be given to employees irrespective of gender, and non-executive directors for proper and better quality reports in the firm.

5.2 Recommendations

Based on the findings of this study, it is therefore recommended that:

I. Non-executive directors should be more engage in the board to promote quality reports.
II. There should be more training, seminars for female directors to develop more of their professional skill and experience in the firms.
III. The Federal Government of Nigeria and its regulatory agencies should encourage appointment of women as directors by enacting law that will mandate quoted companies in Nigeria to appoint at least 30 to 35% of women into board of directors.

5.3 Contributions to Knowledge

The study lays foundation for future research on examination of the influence of gender diversity on financial reporting quality among quoted manufacturing firms in Nigeria. The study findings support stewardship theory. In line with stewardship theory there is need for quoted manufacturing firms to develop measures aimed at enhancing information access among investors. Through increased information access, quality of decision making among investors would improve financial reporting quality.

This study contribute to the existing literature by providing insights from a developing country to solely analyse the effect of gender diversity on financial reporting quality of selected manufacturing firms in Nigeria, as far as the author is aware.

Lastly, the study also promotes knowledge to students, researchers, and individual on the importance of board characteristics. It will also create a platform for further research to provide empirical evidence for the effect of board characteristics on employee and the firm.

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