



Board Physiognomies Disclosure and Earnings Reporting of Listed Industrialized Companies in Nigeria

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Abstract: This study investigates the influence of board physiognomies on earnings reporting among listed industrial companies in Nigeria. Data were collected from the Nigerian Exchange Group (NXG) over an eleven-year period, spanning from 2014 to 2024. The analysis employed the Ordinary Least Squares (OLS) regression method to estimate the impact of various board attributes on earnings reporting. STATA 13 statistical software was utilized for data analysis. The findings indicate a significant relationship between board physiognomies and earnings reporting. Specifically, board composition, board size, board ownership, gender diversity, and leverage were found to have a strong positive effect on earnings reporting. All these factors were significant at the 1% level, except for board composition, which showed significance at the 10% level. In contrast, the results revealed a substantial negative relationship between firm size and earnings reporting. Based on these findings, the study recommends the formation of effective and efficient board structures to enhance earnings reporting in listed industrial companies in Nigeria. This is especially pertinent for firms with very large or very small boards, as well as those with high levels of board ownership.

Keywords: Board Physiognomies Disclosure, Earnings Reporting, Ordinary Least Square.

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1. Introduction

Board physiognomies disclosure refers to the practice of providing detailed information regarding the personal and professional attributes of board members within a corporate setting. This includes their experience, qualifications, and the extent to which their profiles contribute to the governance and strategic decision-making processes of the organization. Additionally, it enhances transparency by offering insights into the diversity and expertise of the board, enabling stakeholders to better understand the leadership structure guiding the company.

Conversely, earnings reporting is the process through which a company communicates its financial performance to shareholders and the public, typically on a quarterly or annual basis. This report encompasses key financial indicators such as revenue which is total income generated from business operations, net income which is the remaining profit after all costs, taxes, and charges have been deducted, earnings per share which shows the net income divided by the number of outstanding shares, reflecting profitability on a per-share basis, operating income which indicates earnings derived from core business activities, excluding non-operating

sources or expenses. Nd guidance which helps management forecast the future earnings, that may influence stock prices.

For the purpose of this study, particular attention is given to the Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) margin. EBITDA margin is an important financial tool that brings out an organisation's working gains or revenue after removal of all expenditures (Moody, 2025). EBITDA margin serves as a critical tool for investors and analysts in evaluating a firm's financial health, growth prospects, and overall performance relative to industry peers. To maintain transparency and investor trust, companies must disclose this information accurately and in accordance with regulatory standard (Moody, 2025)s.

As a result, investors tend to assess governance structures and financial performance even before committing capital to a business. To foster a market climate that restores confidence and encourages stable global investment flows, it is essential to implement sound and reliable corporate governance (Salawudeen & Shuaibu, 2025; Salawudeen & Suleiman, 2024; Salawudeen & Dandago, 2021; Salawudeen & Isa, 2021)

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Previous research on the role of corporate boards has primarily emphasized their effectiveness in monitoring management activities (Fama & Jensen, 1983). The significance of this monitoring role is linked to the extent of divergence between managerial and shareholder interests. There is a general agreement that effective board oversight largely depends on the board's level of independence. Various reforms have advocated for increasing the proportion of outside (independent) directors on boards to enhance this independence (Rosenstein & Wyatt, 1990). Meyer and Wet (2013) also argue that a primary responsibility of the board is safeguarding shareholders' wealth. Strengthening shareholder trust through board accountability can reduce managerial discretion, especially in firms with excess cash reserves.

Independent directors are thus instrumental in minimizing agency problems by overseeing management decisions. Fama (1980) further suggested that directors can mitigate managerial discretion, thereby lowering contracting costs between shareholders and executives. The concentration of power within boards may exacerbate conflicts of interest, underlining the need for board independence (Rosenstein & Wyatt, 1990). However, studies on the relationship between board characteristics and shareholder wealth have produced mixed findings, with most focused on firms in developed markets. Prior research by Sayumwe and Amroune (2017), Ferrer and Banderlipe (2012), Samontaray (2010), Dobbin, Jung, and Kalev (2008), and Rosenstein and Wyatt (1990) have all examined the impact of board traits on shareholder wealth.

This study aims to examine how various characteristics of corporate boards influence earnings reporting. According to the researchers' understanding, there is a significant gap in empirical research within Nigeria that directly investigates the link between board traits and earnings disclosure, despite the important contribution of listed industrialized firms to the country's economic progress. Consequently, this research primarily focuses on assessing the impact that board physiognomies have on the earnings reporting practices of Nigerian listed industrialized companies.

2. Literature Review

Earnings reporting refers to the periodic disclosure of a company's financial performance, usually on a quarterly or annual basis. This process is essential for providing transparency to shareholders and the general public. Earnings reports allow investors and analysts to evaluate a firm's financial health, profitability, and growth prospects in relation to industry benchmarks. Companies are required to publish these reports in a timely and accurate manner, adhering to regulatory standards to sustain investor confidence and uphold corporate accountability. Before committing capital, investors often examine a company's governance structure and financial standing. Reliable corporate governance is a cornerstone for building investor trust, fostering sustainable investment, and restoring market confidence - particularly in emerging economies. According to Salawudeen and Shuaibu (2025), robust governance frameworks are crucial for attracting stable international capital flows.

Directors that are not executive are often regarded as more neutral and better equipped to protect shareholders' interests (Ghosh, 2006). Their professional standing encourages them to maintain greater independence in their roles compared to executive directors (Fama & Jensen, 1983). Nonetheless, various studies highlight that

non-executive directors frequently lack in-depth, company-specific knowledge and dedicate less time to corporate matters, which can compromise their ability to make accurate decisions relative to executive directors.

According to Yusoff and Adamu (2012), the board of directors holds ultimate accountability for ensuring governance standards are upheld to avoid corporate failures. Boards are expected to strategically leverage a range of skills and expertise to enhance shareholder value and foster trust. Best practices in corporate governance emphasize the critical role of independent non-executive directors in ensuring objective oversight and unbiased judgment (Kiel & Nicholson, 2003). Such directors contribute fresh perspectives, specialized knowledge, and insights drawn from their diverse professional experiences.

Empirical evidence suggests that boards with a greater proportion of independent directors tend to be more effective in monitoring managerial actions. For example, Sayumwe and Amroune (2017) demonstrated that firms with stronger board oversight face a lower incidence of fraudulent conduct. Johl, Kaur, and Cooper (2015) found that U.S. companies prone to fraud generally have fewer independent directors compared to firms without fraud issues, implying that the presence of impartial directors can help mitigate fraud risk and improve shareholder wealth.

Samontaray (2010) analyzed 50 companies listed on the Indian Stock Exchange during 2007-2008 and found a statistically significant positive link between board composition and market value per share using regression techniques. Likewise, Sayumwe and Amroune (2017) studied 50 firms on the Toronto Stock Exchange from 2009 to 2013 and reported mixed effects both positive and negative of board composition on market value per share.

Dobbin, Jung, and Kalev (2008) examined 432 U.S. firms over a nine-year period (1997–2005) and observed inconclusive results regarding how board composition impacts share prices. Similarly, Ferrer and Banderlipe (2012), in their research on 29 Philippine companies, reported no statistically significant effect of board composition on market value per share. Corporate boards vary in size consisting of executive, non-executive, independent, and grey directors depending on organizational goals and resources. Research findings on the influence of board size on corporate decisions are inconsistent. Jensen (1993) argued that smaller boards tend to be more efficient in oversight, a conclusion supported by Johl, Kaur, and Cooper (2015), who found that smaller boards are better at supervising management and formulating strategic decisions, with larger boards linked to increased risks of financial misstatements.

Conversely, Sayumwe and Amroune (2017) argue that directors holding shares tend to act in ways that boost both their personal wealth and shareholder value. Thus, board ownership is linked to firm sustainability because directors with equity stakes are incentivized to act in shareholders' best interests, helping reduce agency costs (Ghosh, 2006). However, excessive ownership concentration can discourage takeovers and foster managerial entrenchment (Morck, Shleifer, & Vishny, 1988). The study by Sayumwe and Amroune (2017) confirms a strong positive connection between board ownership and market value per share in Canadian firms, whereas Ferrer and Banderlipe (2012) found no significant influence in Philippine firms.

Given the challenges such as costs and logistical issues minority shareholders face in directly monitoring management, they delegate oversight to a board of directors. Agency theory proposes that boards with higher proportions of independent directors are more effective monitors, as such directors are less susceptible to managerial manipulation (Jensen & Meckling, 1976).

Carter, Simkins, and Simpson (2003) contend that diversity enhances board oversight because diverse boards characterized by variation in gender, ethnicity, or culture bring a wider range of perspectives and are more vigilant than homogenous boards. Additionally, directors holding substantial shareholdings tend to exhibit stronger commitment to management oversight (Jensen, 1993; Carter, D'Souza, Simkins & Simpson, 2010).

Regarding board size, Jensen (1993) recommends an optimal size of seven to eight members, while Lipton and Lorsch (1992) suggest eight to nine. This study adopts agency theory as its conceptual foundation, given its utility in resolving principal-agent conflicts. Variables such as board size, director shareholding, female representation, and board composition serve as indicators of board effectiveness. A well-constituted board is expected to improve oversight and financial decision-making, thereby reducing agency costs and enhancing shareholder wealth.

The theoretical framework upon which this study is based is agency theory which focuses on aligning the goals of owners and managers (Fama & Jensen, 1983), where owners are principals and managers act as agents. Herdhyinta (2014) notes that agency problems emerge from the separation of ownership and control, necessitating a board of directors to minimize conflicts of interest between shareholders and managers. Agency theory addresses the

misalignment of interests between managers and shareholders due to information asymmetry (Pelt, 2013). Managers typically have more information and may act in self-interest, which can reduce firm efficiency (Jensen & Meckling, 1976). To align managers' incentives with shareholder interests, directors are often compensated with equity, stock options, or performance-based rewards, encouraging better monitoring of management (Brickley, Lease, & Smith, 1988).

3. Methodology

This study employed an ex-post facto research design. It is grounded in the functionalist/positivist paradigm, adopting a quantitative approach based on secondary data. Data were obtained from the annual reports and financial statements of sampled listed industrial firms, filed with the Securities and Exchange Commission (SEC) and the Nigerian Exchange Group (NGX). The population comprises 63 industrialized companies listed on the Nigerian Exchange Group as of December 31, 2014, through to 2024.

A stratified random sampling technique was used, based on the similarity in asset structure across different sectors. The strata were developed from five key sectors sharing common characteristics. Companies whose shares were not listed throughout the study period were excluded, as inclusion required full availability of annual audited financial statements for the entire eleven-year period. The focus on listed industrial firms stems from the sector's central role in national economic growth, given its substantial contribution to GDP and its capacity for employment generation. Furthermore, the industrial sector has recently attracted considerable attention from both domestic and foreign investors.

Table 3.1: Sector Wise Classification (2008-2018)

S/N	Name of the Sector	No. of Firms	Firms Excluded	Study Sample
1	Conglomerates	6	0	6
2	Consumer goods	26	6	20
3	Construction and Real Estates	7	3	4
4	Industrial Goods	19	9	10
5	Natural Resources	5	1	4
	Total	63	19	44

Source: Generated from NGX Website (2024)

3.1 Operationalization of Variables and Measurement

The dependent variable in this study is earnings reporting, which is proxied by the EBITDA margin Earnings Before Interest, Taxes, Depreciation, and Amortization. This financial metric provides insights into a company's operating profitability by focusing on income before the effects of financing and accounting decisions. Although the specific formula may vary slightly across firms due to differences in financial reporting structures, a common computation is:

EBITDA Margin = Net Operating Income + Depreciation + Amortization + Taxes + Interest.

The explanatory variables in this study consist of both independent and control variables:

- **Board Composition (BC):** This is measured as the ratio of non-executive directors to the total number of directors on the board. Prior studies by Sayumwe and Amroune (2017), Ferrer and Banderlipe (2012), and Dobbin, Jung, and Kalev have investigated this dimension of corporate governance.
- **Board Size (BS):** Defined as the total number of directors serving on a company's board. Research by Ahmed and Hamdan (2015), Azar, Rad, and Botyari (2014), as well as Daniel and Naveen (2008) have explored the influence of board size on firm performance.
- **Board Ownership (BO):** This represents the proportion of company shares held by board members. It has been examined in studies by Kumar (2006), Hommel (2011), and Daradkah and Ajlouni (2013), highlighting its implications for board alignment and oversight.

- **Board Gender Diversity (BG):** Measured as the proportion of female directors relative to the total board size. This variable is supported by findings from Herdhayinta (2014), Marinova, Plantenga, and Remery (2010), as well as Dobbin, Jung, and Kalev (2008), who suggest that gender diversity may enhance board effectiveness.
- **Leverage (LEV):** Calculated as the ratio of total debt to total assets, leverage is a control variable that reflects the firm's capital structure. It has been utilized in prior studies such as Salawudeen (2016) and Ghabayen (2012).
- **Firm Size (FS):** This is measured using the natural logarithm of total assets. It serves as a control variable for company scale and is informed by the work of Ferrari, Ferraro, Profeta, and Pronzato (2018), Salawudeen (2016), and Edem and Noor (2014).

3.2 Method of Data Analysis

To assess the impact of the independent variables namely Board Composition, Board Size, Board Ownership, Board Gender, Leverage, and Firm Size on the dependent variable, Earnings Reporting, the study utilized the Ordinary Least Squares (OLS) regression method. This technique was selected due to the panel structure of the data, which involves observations collected over multiple time periods for the same entities. The analytical model applied was derived and refined from the frameworks established in prior studies by Salawudeen and Suaibu (2025), Salawudeen and Suleiman (2024), and Rosenstein and Wyatt (1990).

$$ER_{it} = f(BC, BS, BO, BG, LEV \text{ and } FS) \dots \quad (1)$$

$$ER_{it} = \alpha_0 + \beta_1 BC_{it} + \beta_2 BS_{it} + \beta_3 BO_{it} + \beta_4 BG_{it} + \lambda_6 LEV_{it} + \lambda_7 FS_{it} + \mu_{it} \dots \quad (2)$$

Where:

Earnings Reporting (ER) serves as the dependent variable in the analysis. The independent variables include Board Size (BS),

Board Composition (BC), Board Gender Diversity (BG), and Board Ownership (BO). Meanwhile, Leverage (LEV) and Firm Size (FS) function as control variables. The symbol α_0 denotes the intercept term, while β_1 through β_4 represent the coefficients associated with each of the independent variables. The parameters linked to the control variables are indicated by λ . The random disturbance or error term is represented by μ , t signifies the time dimension across observations, and i refers to the individual firms included in the study.

4. Results and Discussions

A robustness test was performed to validate the statistical inferences of this study and to identify any potential outliers in the collected data before selecting the appropriate statistical method. A linearity test was conducted to examine the relationships between variables, confirming the presence of linear associations. To check for interrelations among independent variables, a multicollinearity test was carried out, which showed no significant dependencies. The Variance Inflation Factor (VIF) test further confirmed the absence of collinearity with a mean VIF value of 2.18, well below the critical threshold of 10. Additionally, a heteroscedasticity test was performed to assess whether the variance of the error terms remained constant. The results indicated no heteroscedasticity, as evidenced by a coefficient of 17.14 and a significance value of 0.3658 (see Table 4.3). The normality of residuals was also tested, which is an essential assumption of the OLS regression model to ensure valid inference from p , t , and F tests. However, the normality test for the error term, conducted via the `sktest` command, yielded a significant p -value of 0.0036, suggesting that the standard errors were not normally distributed (see Table 4.3). Consequently, robust regression analysis was adopted, producing a good model fit and indicating no presence of outliers among the standardized residuals. Following these diagnostic tests, the pooled OLS regression results were utilized.

Tab 3: Descriptive Statistics of Board Physiognomies and Earnings Reporting

Variable	Obs	Mean	Std. dev.	Min	Max	Skewness	Kurtosis
ER	484	24.725	113.23	0.56	10.72	0.2834	0.5286
BC	484	0.5923	2.2965	1	2.125	0.3105	0.5854
BS	484	7.8558	1.3562	4	18	0.3423	0.4919
BO	484	0.3181	0.1109	0.25	0.954	0.6521	0.7932
BG	484	0.1729	0.1256	0.1	0.9	0.2187	0.6264
LEV	484	0.6533	2.2268	0.012	25.67	0.2912	0.4935
FS	484	8.5274	1.6227	6.83	11.89	0.5371	0.7399

Source: Computation using STATA 13.0

The table 4.1 shows the average value of earnings reporting, representing the price investors are generally willing to pay per share for the selected industrial firms in Nigeria over an eleven-year period, stands at ₦24.73k. This figure implies that these companies potentially offer profitable investment opportunities. However, the standard deviation of ₦113.23 reveals a significant spread in the data, indicating notable variability in earnings performance. The earnings reporting spans a wide range, from a low of ₦0.56k to a high of ₦10.72 million, likely reflecting disparities in profitability and the heterogeneous nature of the firms under review. Despite this wide distribution, earnings reporting, as the dependent variable in the study, demonstrates a general pattern of stability over time.

In terms of board composition, the average proportion of non-executive directors on the boards of the sampled firms is 0.59,

meaning that non-executive members typically comprise 59% of total board membership, while executive directors make up the remaining 41%. This suggests a governance structure that leans towards greater oversight and independence. The relatively low standard deviation of 2.29 indicates that the ratio of non-executive to executive directors does not vary significantly across firms. Nonetheless, the extreme minimum and maximum values recorded 1 and 2,125 respectively raise potential concerns about data anomalies or misreporting that may require further investigation.

The mean board size among the sampled companies is approximately 7.8 members, with a standard deviation of 1.36, showing that board sizes differ moderately among firms. The smallest board has four members, whereas the largest consists of eighteen, reflecting a broad spectrum in governance structures.

Board ownership, reflecting the proportion of company shares held by directors, averages 32% over the study period. This indicates that, on average, directors possess nearly one-third of the firms' equity, suggesting a significant level of managerial stake. The standard deviation of 0.11 implies relatively consistent ownership levels across firms, with shareholding ranging from a minimum of 25% to a maximum of 95%, demonstrating a wide dispersion in ownership concentration.

Regarding gender diversity, women hold an average of 17% of board seats in the sampled firms. A standard deviation of 0.13 lower than the mean indicates some level of variation, albeit not excessive. The proportion of female directors ranges from as little as 1% to as high as 60%, revealing that while some firms have minimal female representation, others exhibit substantial inclusion of women in their governance structures.

Table 4: Correlation Matrix of Board Physiognomies and Earnings Reporting

Variables	ER	BC	BS	BO	BG	LEV	FS	VIF
ER	1.0000							
BC	0.4315	1.0000						1.32
BS	0.3626	0.6123	1.0000					1.31
BO	0.2857	0.3894	0.5331	1.0000				1.27
BG	0.2904	0.2138	0.4618	0.1571	1.0000			1.13
LEV	-0.5835	0.2730	-0.2786	0.2039	0.6326	1.0000		1.09
FS	0.5540	0.4611	0.2953	0.2381	0.5472	0.6365	1.0000	1.02

Source: Computation using STATA 13.0

Table 4.2 reveals that earnings reporting demonstrates a positive association with several board-related attributes and firm characteristics. Specifically, board composition, board size, board ownership, board gender diversity, and firm size exhibit positive correlation coefficients of 0.43, 0.36, 0.28, 0.29, and 0.55, respectively, indicating a moderate to strong alignment between these variables and earnings reporting practices. Conversely, leverage shows a weak negative relationship with earnings reporting, reflected by a correlation coefficient of -0.0858. Furthermore, board composition itself is positively linked with other governance and structural variables. It correlates with board size (0.61), board ownership (0.38), gender diversity on the board (0.21), leverage (0.27), and firm size (0.48). These values suggest that increases in board composition are generally accompanied by

increases in these related variables, indicating interconnected dynamics within the corporate governance structure.

Board size also shows positive correlations with board ownership, board gender, and firm size, with moderate values of 53%, 46%, and 29%, respectively. However, a negative correlation of -27% exists between board size and leverage.

Furthermore, board ownership is positively correlated with board gender, leverage, and firm size at 16%, 20%, and 24%, respectively. Board gender demonstrates positive correlations with leverage and firm size, at 63% and 54%, respectively. Finally, leverage and firm size are positively correlated with a coefficient of 64%.

Table 4.3: OLS Regression Result of Board Physiognomies and Earnings Reporting

Variables	Coefficient	t-value	Sig
Constant	9.4321	5.65	0.000***
BC	0.8963	-2.06	0.093*
BS	1.8725	4.27	0.000***
BO	5.7391	5.65	0.000***
BG	0.5829	2.80	0.002***
LEV	0.4595	2.39	0.021***
FS	-5.9245	-5.12	0.000***
R ²	0.48		
Adj. R ²	0.37		
Obs	484		
F(sig)	0.000***		
Prob >F	46.15		
VIF mean	2.18		
Hettest chi ²	0.83		
Hettest Prob>chi ²	0.3658		
Sktest	17.14		
Sktest Prob>chi ²	0.0036**		
Root Mean	0.0145		

Source: Regression Result using STATA 13.00

Where *, **, *** indicate significance levels at 10%, 5% & 1% respectively.

Table 5 outlines the findings from the Ordinary Least Squares (OLS) regression analysis. The model yields a p-value of 0.000, signifying a statistically significant relationship between board-related variables and shareholders' wealth among the selected firms. The coefficient of determination (R^2) is 0.48, indicating that approximately 48% of the variations in earnings reporting are explained by the independent variables in the model—namely, board composition (BC), board gender diversity (BG), board size (BS), board ownership (BO), leverage (LEV), and firm size (FS). The remaining 52% of the variation is attributed to other external or internal factors not included in the model. The analysis reveals that board size, ownership, gender diversity, and leverage significantly impact shareholders' wealth, all at the 1% level of significance.

Board Composition

Board composition is associated with a positive regression coefficient of 0.8963 and a t-statistic of 2.06, achieving statistical significance at the 10% level ($p = 0.091$). This finding implies that the proportion of non-executive directors relative to the total number of board members exerts a moderate but meaningful influence on earnings reporting. Although the influence is not as strong as theoretically anticipated, it supports the notion that non-executive directors contribute to oversight and governance, in line with Fama and Jensen's (1983) agency theory. However, this proportion alone does not comprehensively determine earnings outcomes. Consequently, the null hypothesis asserting that board composition has no significant impact on earnings reporting—is rejected. This affirms that board composition plays a meaningful, albeit modest, role in shaping financial disclosures among Nigeria's industrial sector firms.

Board Size

Board size shows a coefficient of 1.8725 and a t-value of 4.27, significant at the 1% level. This implies a substantial positive impact of board size on earnings reporting, where increasing the number of directors enhances reported earnings by 1%. This suggests that a larger board can contribute more resources, skills, and external connections, positively influencing shareholder wealth. While the Nigerian corporate governance code recommends a minimum of five directors, some firms have fewer (e.g., B.O.C. Cases Plc with only four directors), which may negatively affect their governance. The null hypothesis that board size does not affect earnings reporting is rejected, highlighting the importance of not just board size but also board quality in influencing shareholder wealth.

Board Ownership

Board ownership has a significant positive coefficient of 5.739 and a t-value of 4.27 at the 1% significance level. This indicates that an increase in the percentage of shares held by the board leads to a 1% increase in earnings reporting. Ownership aligns the interests of directors with those of shareholders, improving firm performance. However, caution is warranted when directors hold a dominant share, as this may entrench them and potentially marginalize minority shareholders, undermining the intended benefits. The null hypothesis that board ownership has no impact on earnings reporting is rejected, confirming the critical role of ownership incentives in enhancing shareholder wealth.

Board Gender Diversity

Board gender diversity exhibits a positive coefficient of 0.5829 and a t-value of 2.80, significant at the 1% level ($p = 0.002$). This indicates that increasing the percentage of women directors by 1% positively affects earnings reporting. Female directors bring diverse perspectives that can improve decision-making quality and firm performance, thereby enhancing shareholder wealth. However, some firms still have low or zero female representation on their boards, highlighting the need for policies encouraging greater gender diversity. The null hypothesis that board gender diversity has no effect on earnings reporting is rejected, emphasizing its significant and beneficial impact.

Leverage has a significant positive effect on earnings reporting, consistent with Salawudeen (2016), suggesting that increasing leverage by 1% enhances shareholders' wealth in the sampled firms. This finding contrasts with some studies (e.g., Dobbin & Jung, 2008; Sayumwe & Amroune, 2017) that found a negative relationship between leverage and firm value.

Firm size, however, shows a significant negative relationship with earnings reporting. Larger firms tend to have lower earnings reporting growth, aligning with findings by Rad & Botyari (2014) and Haider, Khan & Iqbal (2015). This suggests that as firms grow larger, increases in shareholders' wealth via earnings reporting become less pronounced.

In summary, the study rejects the null hypotheses for board composition, size, ownership, and gender diversity, confirming that these board characteristics significantly and positively affect earnings reporting in Nigerian industrialized firms. Leverage positively impacts shareholder wealth, while firm size negatively correlates with earnings reporting growth.

Recommendation

The study concludes that board composition has a significant positive effect on earnings reporting, indicating that a higher proportion of non-executive directors on the board does not adversely affect shareholders' wealth. Board size also exhibits a strong positive influence on earnings reporting; increasing the number of directors enhances earnings performance by leveraging the collective expertise and diverse perspectives of a larger board. While too few directors may hinder effective decision-making, a reasonably large board can improve the quality and effectiveness of strategic decisions.

Board ownership shows a significant positive impact on earnings reporting, suggesting that when directors hold a larger equity stake, their efforts align more closely with maximizing firm performance and shareholder value. This ownership stake incentivizes directors to safeguard and enhance corporate profits.

Board gender diversity similarly demonstrates a substantial positive effect on earnings reporting. The inclusion of more female directors contributes positively to decision-making processes, likely due to their diligence and risk-averse nature, which helps optimize earnings outcomes.

Conversely, firm size has a significant negative effect on earnings reporting, implying that larger firms may face challenges that detract from earnings performance. Additionally, the study finds that board composition has an insignificant negative effect on

earnings reporting, highlighting the nuanced influence of board characteristics.

Overall, the findings emphasize the importance of effectively applying board physiognomies in corporate governance to foster efficient and positive financial decision-making. This is particularly critical for industrialized firms with very large or small boards, and those with high board ownership concentration.

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