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Odinakachukwu I. Ogaluzor, Gospel J. Chukwu

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Odinakachukwu I. Ogaluzor
Department of Accountancy, Rivers State University, Port Harcourt, Nigeria
Email: Odinakachukwu.ogaluzor@ust.edu.ng

Gospel J. Chukwu
Department of Accountancy, Ken Saro Wiwa Polytechnic, Bori, Rivers State, Nigeria
Email: gospeljchukwu@gmail.com

Abstract
The purpose of this study was to carry out an investigation on the relationship between gender diversity and earnings quality of quoted insurance companies in Nigeria. The population of the study was all the twenty six insurance firms listed on the Nigerian Stock Exchange (NSE) as at 31st December 2017. Five firms were screened out due to incomplete data within the study period, resulting in a sample of 21 firms selected purposively. The study exclusively utilized secondary data which were obtained through published annual reports of the sampled firms. The study with a positivism philosophy employed panel data methodology covering the period 2008-2017, quantitative study approach was adopted since quantifiable observations were collected and analyzed statistically with a view to obtaining empirical evidence on the basis of which inferences were drawn. The analytical technique employed in the study was parametric statistics. The findings of this study showed a significant relationship between gender diversity of the board and the accrual quality of listed insurance companies in Nigeria. It was also found that gender diversity of the board has a significant relationship with earning persistence of listed insurance companies in Nigeria. The study concluded that gender diversity significantly affects firm reported earnings quality. Based on these findings and conclusion, it was recommended that more deliberate policies should be instituted by regulators to ensure gender diversity when appointing members of the board as findings have shown that greater female representation in the board helps to report earnings more accurately. Also, inclusion of the female counterparts ensures proper diversity that will produce better performance and reporting.
Keywords: Gender Diversity, Agency Theory, Earnings Quality, Accrual Quality, Earnings Persistence

Introduction

The management of an entity is ultimately responsible for the preparation and presentation of the entity's financial statements (IAA working group, 2005), which demonstrate the entity's earning power and must be reported in a uniform format. This management body is frequently presided over by the board of directors – individuals appointed to oversee the entity's operations on behalf of the shareholders/owners. As a result, the board's actions or inactions can have an effect on the quality of a corporation's earnings.

Ferreira (2010) asserted that directors can vary significantly in terms of educational and functional backgrounds, industry experience, social connections, insider status, gender, and race.

As a result of this diversity, corporate governance takes on a variety of forms, leaving no room for a unified view of actions taken. Diverse boards are those whose members come from a variety of different backgrounds, races, and genders (Larcker & Tayan, 2016). A straightforward and widely used strategy for increasing boardroom heterogeneity – colloquially referred to as gender diversity – is to include female representation on the board (ACCA, 2018).

There are numerous advantages to having a diverse board of directors. Because the board is responsible for controlling and assisting the CEO in running the organization's affairs in order to achieve the organization's goals. It will be extremely beneficial to have male and female counterparts in prominent positions to handle some unique and complex issues, such as the preparation and presentation of high-quality financial statements.

Earnings quality is a measure of how closely reported earnings on the income statement reflect true earnings and operational fundamentals. Again, earnings are of higher quality when they are more informative and more closely aligned with the firm's long-term value (Pratt, 2003). The management has several reasons to inflate earnings. They may wish to entice new investors or retain existing shareholders; they may also wish to earn a higher management fee or ensure that the board retains them, among other things. If these interests are prioritized over the business's strategic objectives, it is obvious that the business's true earnings will not be reported and that any earnings reported will be of lower quality. Earnings of high quality should reflect the reality of the business's performance.

The purpose of this paper was to examine how the gender diversity of the board of directors affects the earnings quality of an organization by examining two dimensions of earnings quality: accruals quality and earnings persistence.

The major motivating factor to carry out this work is the fact that, in spite of the specific provisions in preparation of financial statements, issues still abound regarding the quality of earnings reported. Could it be that the board is not properly mixed between male and female board members?

Statement of the Problem

Profitability is critical to a business's continued existence. Investors are more concerned with the numbers they can glean from financial statements than with any other attribute hidden behind the numbers. Any number reported in the financial statement is expected to provide information that can be used to adjust future earnings or to more accurately forecast them.

According to Principle 2 of the Nigerian Code of Corporate Governance, "the effective discharge of the Board's and committees' responsibilities is ensured by an appropriate balance of skills and diversity (including experience and gender) that does not jeopardize competence, independence, and integrity." The reader is frequently left wondering how gender diverse the board is and whether the board values the role of female leaders in decision-making.

Numerous researchers have investigated this issue using a variety of methodologies, sectors, and locations, and have produced inconsistent evidence (Dun & Sainty, 2009; Hoang, 2014;

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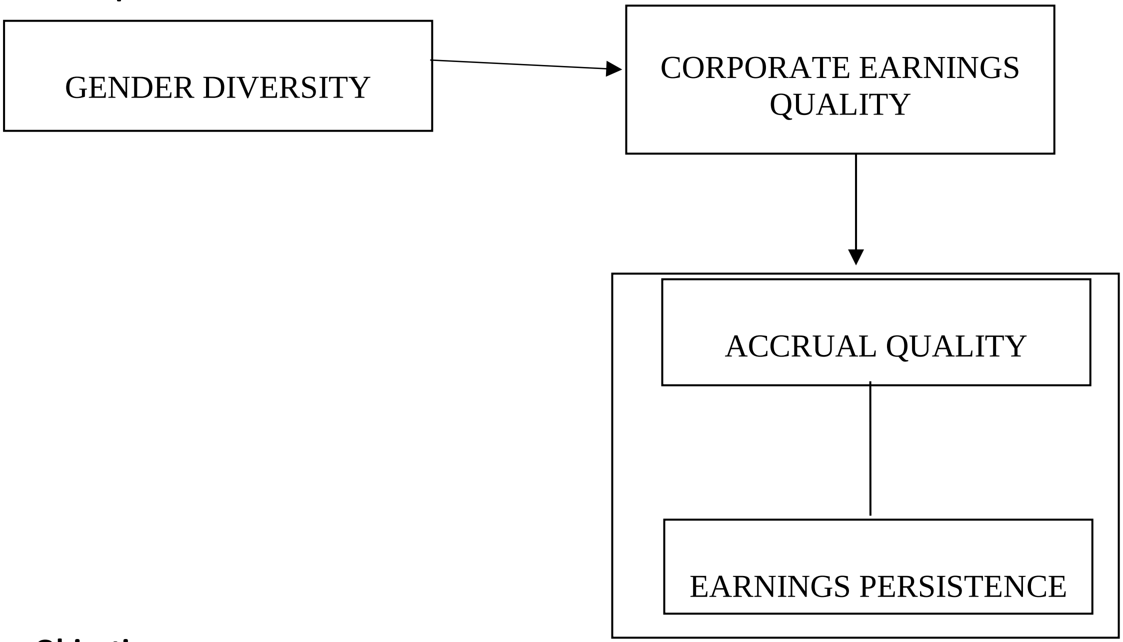
Obigbami et al., 2016). Thus, this paper examined the relationship between gender diversity and corporate earnings quality, specifically the relationship between gender diversity and earnings quality as measured by accrual quality and earnings persistence. The purpose of this paper is to shed light on the relationship between female board representation and the earning quality of insurance firms in Nigeria.

Conceptual Framework



Objectives

The primary goal of this paper is to examine the relationship between gender diversity and the corporate earnings quality of insurance companies listed on the Nigerian Stock Exchange (NSE).

The specific objectives are to:

1. determine the relationship between board gender diversity and the accrual quality of Nigerian listed insurance companies.
2. examine the effect of board gender diversity on the earnings persistence of Nigerian listed insurance companies.

Research Questions

The study's research questions are as follows.

1. What is the relationship between gender diversity on the board of directors and the accrual quality of listed insurance companies in Nigeria?
2. What is the relationship between board gender diversity and the earnings persistence of Nigerian listed insurance companies?

Research Hypotheses

To test the relationship between gender diversity and corporate earnings quality, the following null hypotheses have been proposed.

1. There is no statistically significant relationship between the gender diversity of the board of directors and the accrual quality of Nigerian listed insurance companies.
2. There is no significant relationship between gender diversity on the board of directors and the persistence of reported earnings of Nigerian listed insurance companies.

Significance of the Study

This article is significant in a variety of ways.

With an understanding of the effect of board heterogeneity on the firm and the role of women in corporate governance, it is critical to conduct research on the relationship between gender diversity and corporate earnings quality in Nigerian quoted insurance companies. The article discussed the effect of board gender diversity on the quality of corporate earnings.

This will assist shareholders in nominating directors for companies, as they will be aware that their management's gender diversity will affect the way earnings are reported using accrual to smooth them out.

The paper's recommendation will ensure that the earnings reported in our financial statements are of high quality, and it will serve as a point of reference for scholars and researchers conducting related research.

Scope of the Study (Delimitation)

This research examined the relationship between gender diversity and the quality of corporate earnings. As an independent variable, gender diversity is examined.

The dependent variable, corporate earnings quality, is divided into two dimensions: accrual quality and earnings persistence. The study focused exclusively on quoted insurance companies on the NSE. Insurance companies are critical to the economy because businesses rely on them to provide indemnification in the event of adverse business events.

Literature Review

Conceptual Review

Gender diversity is one of the emerging topics in accounting literature. Scholars have invested considerable time in this subject. Nonetheless, it contains a significant number of unexplored areas, necessitating this work. The paper examines the relationship between gender diversity and corporate earnings quality using data from NSE-listed insurance companies. The 2018 corporate governance code included provisions for a diverse board of directors, in addition to executive and non-executive directors. The code emphasized the importance of the board being sufficiently diverse to enable it to provide company-wide services that cut across cultures, disciplines, and professions. They stated plainly that an appropriate balance of skills and diversity (including experience and gender) is required to ensure the board's effective performance without jeopardizing competence, independence, or integrity.

Gender Diversity

We have a large body of literature on gender diversity, as it was the first type of diversity to be identified and vigorously defended. It stems from the fact that women are required to lead businesses in order to infuse the boardroom with a feminine touch (Solimene et al., 2017; Garca-Izquierdo et al., 2018). Various groups throughout the world have advocated for gender equality.

There is currently a movement known as feminism that is advancing the view of gender equality.

Perhaps this is why female representation on boards has risen to prominence in contemporary literature and research. Numerous studies have demonstrated that women are underrepresented on corporate boards of directors (Garca-Izquierdo et al., 2018). Women's representation on boards of directors is increasing as a result of pressures.

Though board diversity has been defined in a variety of ways, the literature has focused primarily on the effects of nationality and gender. According to Solimene et al. (2017), despite recent gains in gender diversity, there is still a dearth of women on corporate boards of directors. They cited a European Commission survey conducted in January 2012 that found the average female director representation on boards of directors to be just 13.7 percent (European Commission, 2012).

To increase women's representation on corporate boards of directors, the European Commission launched the Women on the Board Pledge for Europe, a voluntary commitment by all European companies to increase the percentage of female directors to 30% by 2015 and 40% by 2020.

Following this initiative, several Member States enacted legislation in 2011 to achieve gender parity on corporate boards of directors. Despite these advancements, women continue to hold a minuscule amount of power on corporate boards. Seierstad and Opsahl (2011) reached a similar conclusion when they examined the effect of Norwegian law, which required at least 40% representation of each sex on the board of directors of a public, limited company by 2008. They discovered an increase in female directors without an increase in their power.

Female Participation in Nigeria Board

Stakeholders are increasingly expecting the Board of Directors to reflect the diversity of the company's broader stakeholder group.

Numerous jurisdictions have encouraged – and some, particularly in Europe, have mandated – quotas for the proportion of women on boards of directors.

DCSL (2017) conducted a survey to ascertain the current level and growth of female representation on the boards of directors of companies listed on the NSE over a three-year period spanning 2013 to 2015. They compiled data from 132 publicly traded companies operating in the country's major sectors, including manufacturing, conglomerates, oil and gas, financial services, banking, insurance, general services, publishing, and information technology. Female Directors represented only 14% of the 915 Directors on the boards of directors of the 132 companies surveyed over a three-year period, according to the collated data. This is the polar opposite of what is expected.

Current State of Gender Diversity Globally

Numerous European countries have imposed mandatory quotas on corporate boards of directors in order to increase gender diversity. In 2011, women accounted for just 15.2 percent of public company board members in the United States. The United States is far from the worst performer on a global scale, but aside from a few countries in Europe, there is no gender parity at the highest levels of publicly traded companies. Norway is the most frequently discussed country in the world of corporate gender equality, as their contentious quota law was passed in 2005, requiring companies to achieve 40% female board member representation by 2008 and beyond. In 2011, the European average was 11.7 percent, lower than in the United States, but this figure is not entirely representative due to wide variation among EU member states. Certain countries significantly outperform their neighbors—Norway exceeds 40%, Sweden and Finland are at 28.2 and 26 percent, respectively—while others significantly lag behind—Germany, Luxembourg, Italy, and Portugal are at 7%, 6%, 3.6 percent, and 0.6 percent, respectively.

In the Pacific, the outlook is similar. Australia is the leader with 10.6%, followed by New Zealand with 9.3% and the People's Republic of China with 7.3 percent. It is clear that women are underrepresented on the boards of directors of some of the world's largest companies.

Why this Low Representation?

The following are some of the reasons for the lack of female representation on the boards of directors of various companies listed on the NSE.

• Poverty and a lack of financial resources.

Religious abuses, such as early child marriage and female genital mutilation;

• Inadequate access to the civil justice system, a byproduct of poverty;

• A high maternal mortality rate;

• A high infant mortality rate; • A lack of support from labor employers.

What should be Done to Combat this Low Representation?

One strategy for promoting gender diversity would be to offer sliding-scale tax incentives to businesses that achieve a certain level or percentage of gender diversity on a yearly basis (Winters & Jacobs-Sharma, 2016).

Indeed, some countries in Europe have taken a path that is diametrically opposed to the mandatory quota regime, and have made significant strides that are likely to be accepted by US companies.

For example, the Dutch implemented a Talent to the Top program in 2008 that required companies to appoint women to their boards of directors, but only if they signed a pledge to do so (Winters & Jacobs-Sharma, 2016).

Corporate Earnings Quality

Earnings

Earnings are the remaining revenue after all operating costs are deducted, which includes cost of goods sold and all other expenses. Earnings are the primary factor that determine a company's share price, as they and the circumstances surrounding them can indicate whether the business will be profitable and successful in the long run. Corporate executives may be tempted to manipulate earnings figures due to the effect on share price. The first attempts to quantify the usefulness of accounting earnings to investors were made in 1968, when Ball and Brown (1968) and Beaver (1968) demonstrated that the relationship between returns and earnings can be used as a proxy for the usefulness of earnings information.

Earnings Quality

Earnings are said to be of high quality when they are sufficient to cover the cost of operating the business, to cover the wear and tear on assets, and to compensate the funders who enable the business to continue operating.

Financial analysis's objectives are to evaluate a company's performance, to determine the extent to which current performance is indicative of future performance, and to determine whether the current stock price reflects intrinsic firm value.

Factors that Affect Earnings Quality

Accruals Quality

Accrual quality is one of the dimensions we use in this paper to quantify earnings quality.

According to Mohammady (2010), the difference between earnings and cash flows is referred to as accruals. It results from the time difference between the accounting recognition of a transaction and the timing of cash flows. Earnings accruals are the result of estimates, judgments, and allocations (of cash flow events in other periods). While the cash flow component of earnings is realized, the accrual component of earnings is more uncertain (Francis et al., 2005).

Persistence

Persistent earnings are desirable because earnings that are self-predicting are more valuable to users, for example, for valuation purposes. As a result, persistence or sustainability has frequently been used as a proxy for high earnings quality (G.J. Chukwu et al., 2020; Francis et al., 2005).

Persistence measures the extent to which the current period innovation becomes a permanent part of the earnings series, regardless of its sign or magnitude (Schipper & Vincent, 2003). Persistence as an earnings quality metric is predicated on the premise that persistent earnings will make current earnings a more useful proxy for future performance in perpetuity. Thus, greater earnings persistence indicates a higher quality of earnings when the earnings are also valuable (Dechow et al., 2010).

Theoretical Review

This essay is based on agency theory, which seeks to define a relationship in which one party (the principal) delegated work to another (the agent). Additionally, it is concerned with resolving conflicts of interest and risk sharing when attitudes toward risk diverge (Eisenhardt 1989). Economic variants of agency theory place a premium on the principal-agent relationship's costs and benefits. While a beneficial agency cost adds value to a shareholder, an unfavorable agency cost occurs when management actions contradict shareholder interests. This is the case when managers prioritize their own interests over those of the business's owners (e.g., manipulating short-term earnings at the expense of long term performance in order to receive a bonus).

The development of agency theory resulted in the emergence of two distinct streams of literature addressing the same issue: positive agency theory and principal-agent theory (Jensen 1983). According to Jensen (1983) and Eisenhardt (1989), positivist research has largely concentrated on the relationship between the owner and manager in public companies. The principal-agent literature has been primarily concerned with modeling the general relationship between the principal and the agent (Jensen, 1983).

Empirical Review

Kreder (2016) conducted research on board diversity using only US data. The purpose of this study was to contribute to the literature by examining the relationship between female board representation and a firm's use of discretionary revenue recognition. The study discovered that female board representation is negatively associated with discretionary revenue recognition in a sample of S&P 1500 firms from 2007 to 2014. This correlation is stronger for boards with a higher percentage of female members. However, no evidence is found to support the 'critical mass' condition (Joecks et al., 2013), indicating that female directors are not compelled to conform their views to those of their male colleagues in the absence of a sufficient number of other female board members (30 percent of total board positions).

In a departure from previous research, Sarhan et al (2019) examined the effect of corporate board diversity on corporate performance and executive compensation in MENA countries. The sample is drawn from a balanced panel of 600 firm-year observations spanning five Middle Eastern countries (Egypt, Jordan, Oman, Saudi Arabia, and the United Arab Emirates) between 2009 and 2014. Three conclusions were drawn. To begin, board diversity, as measured by director gender and national origin, improves financial performance. Second, there is a stronger correlation between board diversity and corporate performance in well-governed firms than in poorly-governed firms. Finally, board diversity, as measured by director gender, ethnic origin, and national origin, improves pay-for-performance sensitivity but not executive compensation. Their findings imply that decisions about board diversity are not made solely on the basis of moral values; they are made in light of the cost-benefit analysis of the benefits diversity can bring to the firm. The findings are robust when alternative measures of board diversity, corporate governance proxies, corporate outcomes, and types of endogeneity are used. Unlike ours, which is being conducted in Nigeria, the work was conducted in five different countries.

In a related Nigerian study, Chukwu et al (2020) examined the effect of female representation on audit committees on investors' valuations of publicly traded companies, using data from eleven insurance firms from 2012 to 2018. According to the study's descriptive statistics, female representation on audit committees was approximately 17%, with some firms having no representation in certain years. Additionally, female representation had a significant, positive effect on how investors value a firm, indicating the importance of increasing gender diversity on committees and boards of directors.

Methodology

This article employed an ex-post design in that it analyzed observations made prior to the research. The panel data methodology was used to analyze the multidimensional observations collected for this study in order to fully establish the relationship between gender diversity and the corporate earnings quality of quoted insurance firms in Nigeria. Additionally, a quantitative study approach was used, as quantifiable observations were collected and statistically analyzed in order to obtain empirical evidence from which inferences could be drawn. The study relied entirely on secondary data obtained from the sampled firms' published annual reports.

Population of the Study

The study's population is comprised of all publicly traded insurance companies whose stocks are quoted on the NSE's floor as of 31st December 2017. Our choice of 2017 as the study's terminal year is based on the need to overcome data availability constraints caused by the industry's long reporting lag. There are strong indications, based on field reports, that the annual reports for the majority of the target firms' 2018 fiscal year have not yet been published. According to the facts obtained from the NSE's 2017/2018 Fact Book, the NSE had 26 listed insurance firms as of 31st December 2017.

Sampling Procedure and Sample Size

The study will employ judgmental sampling rather than probabilistic sampling. The researcher took accessibility into account when selecting the judgmental sampling technique for the current study. Purposively, a sample size of twenty-one (21) has been determined, consisting of those listed in the table below. This sample list was compiled using the NSE's database or their respective official websites as a criterion for data accessibility. Five (5) companies were eliminated due to incomplete records. As a result, a total of 189 data points were extracted for analyses spanning the years 2009 to 2017, inclusive.

Data Collection Method and Sources

Secondary data were gathered from the NSE's published annual reports and databases. The researcher chose secondary data for the study on the assumption that secondary sources of information are more reliable than primary data. This is because secondary data is generally objective and easily verifiable. Furthermore, secondary data methodology is more in line with quantitative research than primary data methodology. The collection method was primarily electronic retrieval from the NSE's archive and the sampled firms' respective official websites.

Variable Description and Measurement

This study makes use of two fundamental variables. They are earnings quality (depending on the industry) and gender diversity (independent).

Data analysis techniques

Parametric statistics was used as the analytical technique in this study. This technique employs quantitative models to explain correlation, utilizing sample-based parameters to infer about the population under study. Two distinct phases comprise the analytical procedure: univariate (or descriptive) analysis and bivariate analysis.

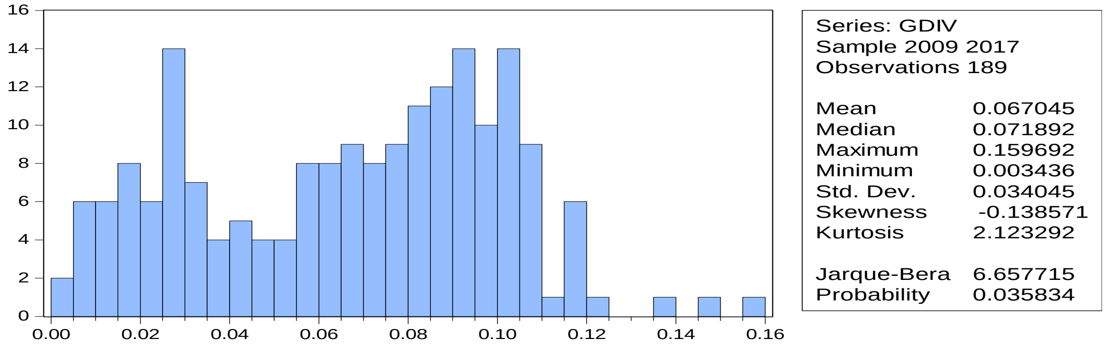
Data Presentation, Analysis and Discussion of Findings

The analysis's findings are presented in two stages. The first phase is a univariate or descriptive analysis of the variable, followed by a bivariate analysis and finally, a discussion of the results.

Univariate Analysis

Members' Gender Diversity of Boards of Insurance Companies in Nigeria

Female representation on corporate boards of directors is low in the insurance industry. Female representation on corporate boards of directors is approximately 7% on average across industries. Although a few of the quoted insurance companies lack female representation on their boards of directors, this is not widespread. Female board representation in Nigeria's insurance industry varies between 0% and 16%. According to the statistics in the figure, female board representation is fairly symmetrical, with a standard deviation of 3.4 percent.



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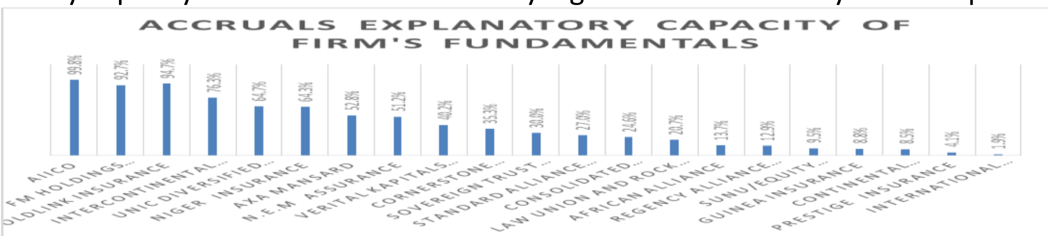
The JB-stat of 6.658 and associated probability value of 0.0358 confirms the distribution to be symmetric at 1% level, though it is negligibly skewed to the left. Therefore from the foregoing descriptive statistics, it can be confirmed that gender diversity has a fairly low prevalence that is normally distributed.

Accrual Quality of Insurance Companies in Nigeria

Time series data were used to regress total accruals on the firm's underlying fundamentals (revenue and PPEs) in order to estimate the non-discretionary accruals' parameters using a modified Jones (1991) model. The resulting coefficient of determination (i.e. R2) quantifies the extent to which the firm's underlying fundamentals adequately explain the firm's non-discretionary accruals, and thus the firm's accrual quality. The table below summarizes the R2 range and the number of firms that fall within it. According to the reported descriptive statistics, the overall quality of accrual is low over the study period.

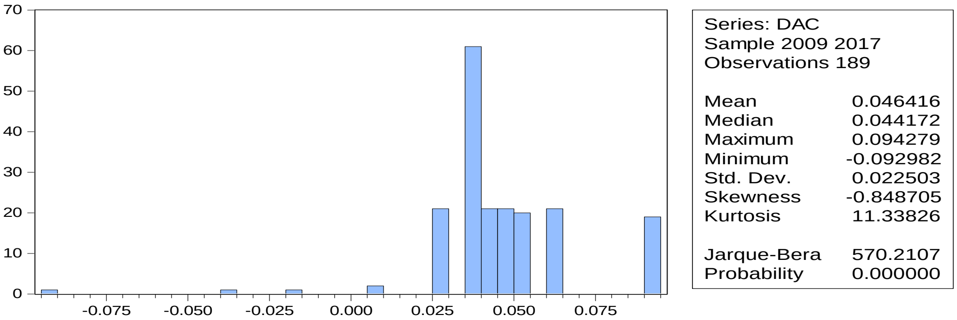
Range of R^2	Frequency	Accrual Quality Remark
$R^2 > 90\%$	3	Very High
$60\% < R^2 < 90\%$	3	High
$30\% < R^2 < 60\%$	4	Average
$10\% < R^2 < 30\%$	6	Low
$R^2 < 10\%$	5	Very low
	21	

The same facts are represented pictorially below. Number of insurance firms whose accruals explanatory capacity is 50% and above are only eight out of the twenty-one sampled firms.



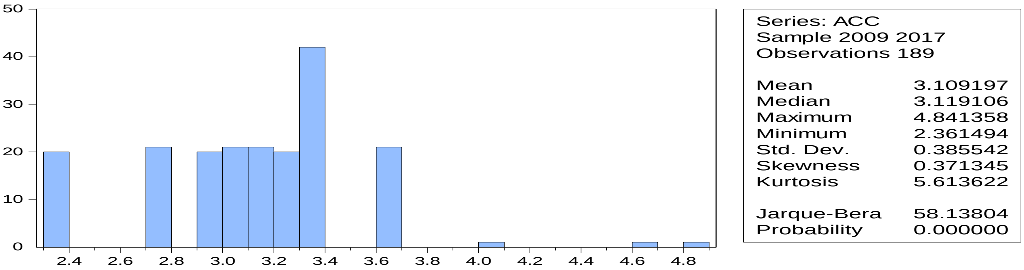
Accruals Explanatory Capacity of Firms' Fundamentals

Since the objective is to measure accrual quality, rather than discretionary accrual, we need to carry out a transformation of the data for it to measure the intended construct.



Accrual Quality of Insurance Companies in Nigeria (Untransformed Data)

Accordingly, since in theory the discretionary accrual is inversely related to accrual quality, we transformed the data by inversing the absolute values of the data to obtain the outcome as presented below

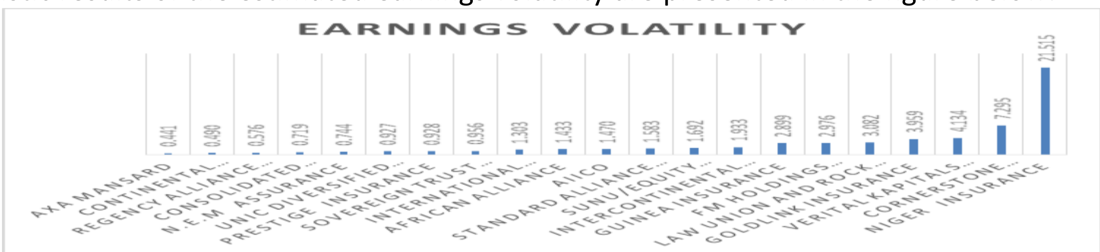


Accrual Quality of Insurance Companies in Nigeria (Transformed Data)

According to the figure, the JB-statistic (58.138) and associated probability value indicate that the data is still not normally distributed but the distribution is now positively skewed (0.3713) and shorter kurtosis of 5.614.

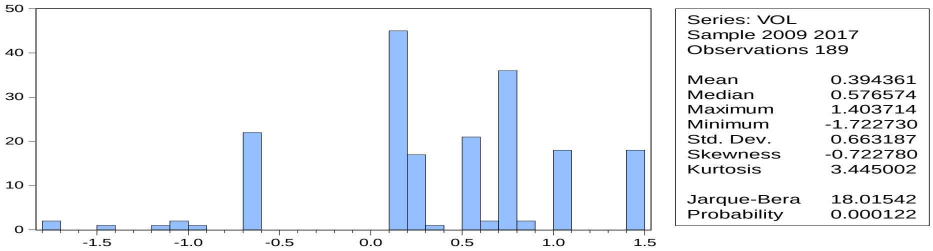
Earnings Persistence of Insurance Companies in Nigeria

A coefficient of variation of profit-after-tax was computed as measure of earnings volatility for each of the sampled firms, using ten years data from 2008 to 2017. In estimating this earnings volatility, it is our hope that their persistence will be assessed indirectly through their predictive quality. The interpretation of the resulting statistics is predicated on the premise that higher variability means low predictive quality, hence low persistence. The descriptive statistic results of the estimated earnings volatility are presented in the figure below:



The figure indicates that the earnings of thirteen firms out of twenty-one sampled firms exhibited a high degree of variability, as indicated by the coefficient of variation. This is because their respective computed coefficients of variation have absolute values greater than 1.0, indicating that their actual earnings deviate by several points from their expected earnings. Thus, a widespread indication of poor earnings quality is observed once again in the Nigerian insurance industry, which is consistent with the earlier observation regarding accrual quality. It is critical to emphasize, however, that a dynamic analytical framework was used to test the study hypotheses rather than a static one, as the static analysis was used only to gain insight into the overall quality of the respective sampled firm's earnings quality. For each of the sampled firms, a two-year moving coefficient of variation of profit after tax was calculated as a measure of earnings volatility.

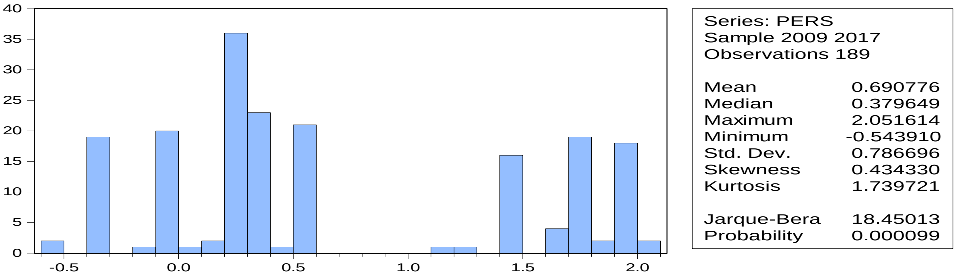
The following figure illustrates the results:



Earnings Volatility of Insurance Companies in Nigeria (Untransformed Data

The volatility of insurance companies' earnings in Nigeria, as measured by the two-year moving coefficient of variation of profit after tax, reveals highly dispersed distributions. The average coefficient of variation is around 0.3943, ranging from -1.723 to 1.404. The negative skewness of -0.723 indicates that there are more coefficients of variation greater than the average point, indicating that insurance firms with a high degree of earnings volatility (i.e., low earnings persistence) are more numerous than those with a low degree of earnings volatility (i.e. high earnings persistence). The presented data series on earnings volatility requires transformation to make it suitable for use as a measure of earnings persistence.

Given that the construct of interest is the capacity to withstand volatility, the direction of that capacity is irrelevant. Additionally, the volatility resistance property reflects the inverse of volatility. As a result, the series is transformed to the natural logarithm of the inverse of the absolute figure of volatility for the purpose of calculating earnings persistence.



Earnings Persistence of Insurance Companies in Nigeria (Transformed Data)

Bivariate Analysis

The objective of this analysis is to establish the magnitude and degree of relationships between pairs of variables, using Pearson Product Moment Correlation.

Gender Diversity and Earnings Quality

The degree of relationship between gender diversity and earnings quality is strong and positive as reported by the probability value (PV = 0.000 < 0.05). What makes this result interesting is the fact that it confirms the popular notion that gender diversity can positively influence the quality of earnings. According to the direction of relationship, the implication of this result is that, greater degree of gender diversity is associated with less degree of earnings volatility, hence higher degree of earnings persistence.Thus the results obtained is in agreement with both theory and empirical literature supporting the claim that female members on boards, strengthen corporate governance by their conservative and ethical qualities.

Table: Correlation Matrix of Gender Diversity and Earnings Quality

Date: 6/3/2021 Time: 10:04 Sample: 2009 2017 Included observations: 189			
Correlation Probability	PERS	ACC	GDIV
PERS	1.000000 -----		
ACC	0.552838 0.0000	1.000000 -----	
GDIV	0.451777 0.0000	0.448785 0.0000	1.000000 -----

EVIEWS Output (Version Seven)

For example, Huse and Solberg (2006) discovered that female directors are more prepared than male directors for board meetings, resulting in improved board behavior and effectiveness. Additionally, Carter, Simkins, and Simpson (2003) suggest a positive relationship between gender diversity and the quality of reporting via the use of internal governance mechanisms to monitor managers' activities. Regarding hypothesis H02, which states that "Gender diversity has no significant effect on the earnings persistence of quoted insurance companies in Nigeria," there is no statistical reason to accept the hypothesis at a 5% level of significance (i.e. H02 is rejected).

Similarly, when accruals quality is used as a proxy for earnings quality, bivariate analysis reveals a strong and positive relationship between earnings quality and gender diversity. The correlation coefficient (0.4489) between gender diversity and accruals quality indicates that gender diversity variability can account for 20.15 percent of observable variance in accruals quality.

With a positive sign, this implies that the same line of thought regarding gender diversity and earnings persistence also applies here. As a result, we reject hypothesis H01 (i.e., "Gender diversity has no discernible effect on the quality of accruals at quoted insurance companies in Nigeria").

Both results on accrual quality and earnings persistence are similar in terms of the direction of relationships. Earnings persistence is a positive function of gender diversity, such that increasing the proportion of female directors to board size increases earnings persistence by 9.49 percent for Nigerian insurance companies.

Discussion of Findings

Gender Diversity and Earnings Quality

According to the direction of the relationship, this result implies that a higher degree of gender diversity is associated with lower earnings volatility, and thus with a higher degree of earnings persistence. Thus, the findings are consistent with both theory and empirical evidence that female board members strengthen corporate governance through their conservative and ethical characteristics.

Similarly, when looking at accruals quality as a proxy for earnings quality, the bivariate analysis results indicate that the relationship is strong and positive, as indicated by the probability value (PV = 0.000 0.05). The correlation coefficient (0.448785) between gender diversity and accruals quality indicates that gender diversity variability can account for 20.14 percent of observable variance in accruals quality. This finding corroborates Kreder's (2016) findings that female board representation is negatively associated with discretionary revenue recognition, implying that female board representation improves earnings quality.

However, these findings contradict those of Hili and Affes (2012), who concluded that gender diversity had no effect on earnings persistence. Their findings indicate that there are no statistically significant differences between firms with female and male directors. They explained the findings by tracing them back to the sociopsychological attitudes of female directors and the visibility of impediments to their hierarchical advancement.

Summary, Conclusions and Recommendations

Summary

The purpose of this article was to examine the relationship between gender diversity and the earnings quality of Nigeria's publicly traded insurance companies. The study used gender diversity as an independent variable, while accruals quality and earnings persistence were used to assess corporate earnings quality. The study's primary objective was to examine the relationship between gender diversity and the earnings quality of Nigeria's publicly traded insurance companies.

To investigate this, we examined the relationship between board gender diversity and the accrual quality of listed insurance companies in Nigeria, as well as the relationship between board gender diversity and the earnings persistence of listed insurance companies in Nigeria. Two research questions and two hypotheses were posed in order to accomplish these specific objectives. The pertinent literature was analyzed conceptually, theoretically, and empirically in order to ascertain what other authors and researchers had done on related topics. We discovered through the literature that there were numerous viewpoints on the subject. While some works forged connections, others did not. This study used panel data to examine the period 2009–2017.

A quantitative study design was used; quantifiable observations were collected and statistically analyzed in order to obtain empirical evidence from which inferences could be drawn. The paper relied entirely on secondary data obtained from the sampled firms' published annual reports. The study's population consisted of all publicly traded insurance companies whose stocks were quoted on the NSE's floor as of 31st December 2017. According to the NSE's 2017/2018 fact book, 26 insurance companies are listed, but only 21 companies with up-to-date data were used. The data collected were analyzed using parametric statistics. The data analysis revealed a significant correlation between board gender diversity and the accrual quality of listed insurance companies in Nigeria; additionally, there is a significant correlation between board gender diversity and the persistence of reported earnings of listed insurance companies in Nigeria.

Conclusion

Using earnings for contracting purposes is incompatible with using earnings to value a business.

While both management and shareholders want their earnings to appear healthy for contracting purposes, they also want them to reflect reality when valuing their business. The same is true for prospective investors. As a result, the firm's board of directors must be diversified. This article establishes a significant relationship between gender diversity and the reported earnings quality of quoted insurance companies in Nigeria and concludes that gender diversity has a significant impact on the reported earnings quality of firms.

Recommendations

According to the study's findings, the following recommendations are made: Shareholders should consider gender diversity when appointing board members. Female representation on boards of directors has been shown to help companies report earnings more accurately. Additionally, including female counterparts ensures adequate diversity, which results in the required dividend in reporting.

Contribution

This study highlights the overall gains of having women in a considerable number in the board of directors of any organization and therefore embolden firms to hire more women as board members. It added to the ever-increasing knowledge of research in that it provides empirical references for further research into this relationship.

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