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Board Female Representation And Earnings Quality Of Listed Consumer Goods Companies In Nigeria

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ABSTRACT
With the dominating presence of women in every facet of life, women seem to be neglected in the composition of the board of directors of companies. Consequently, this study examined the effect of board female representation on the earnings quality of listed consumer goods companies in Nigeria. The research design adopted for this study was ex-post facto; secondary data were used, the population of the study comprised 21 listed consumer goods firms in Nigeria, and the sample size of 16 was purposively selected. The technique of data analysis employed was robust least squares regression analysis, and the statistical package employed was STATA 17. The findings of the study revealed that audit committee female board membership (coef. 0.084; p value 0.000) has significant positive effect on earnings persistence; independent female directors (Coef. 0.025; p value 0.000) has significant positive effect on earnings persistence; and female directors interlocking membership (coef. 0.068; p value 0.510) has nonsignificant effect on earnings persistence of listed consumer goods firms in Nigeria. Thus, it was concluded that the presence of women on a company's board strengthens oversight, improves decision-making, and reduces the likelihood of earnings manipulation, thus improving earnings quality. It was therefore recommended, among others, that regulators and nomination committees should promote merit-based female board appointments, strengthen policies that encourage meaningful gender diversity in key governance roles, and discourage excessive board interlocks that may weaken directors' monitoring effectiveness. Such measures will enhance corporate governance quality, improve the reliability and persistence of reported earnings, and strengthen investors' confidence

Keywords: Board female representation, earnings quality, audit committee female board membership, independent female directors

1.0 INTRODUCTION

Major corporate scandals across the world have heightened concerns about the effectiveness of corporate governance and underscored the need for stronger oversight mechanisms to enhance corporate accountability, transparency, and organizational performance. A critical component of effective corporate governance is the composition and function of the Board of Directors. Globally, and in Nigeria specifically, there has been increasing attention on board diversity, particularly gender diversity, driven by the belief that diverse perspectives can enhance decision-making and oversight (Al-Absy, 2023). International regulatory bodies and institutional investors have advocated for a higher representation of women on corporate boards, often citing ethical benefits (fair representation) and performance benefits (improved innovation and better risk management). Nigeria has adopted various codes of corporate governance (example., the Nigerian Code of Corporate Governance 2018) that encourage diverse boards. According to Akpanowo and Akpan (2024), 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 2022 that found the average female director representation on boards of directors to be just 13.7 percent (Bandara, 2022). 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 2023 and 40% by 2030 (Sari et al., 2023). Following this initiative, several Member States enacted legislation in 2011 to achieve gender equality on corporate boards of directors. Despite these advancements, women representation in the corporate board of directors remains as low as could ever be imagined, despite their unique characteristics and board representations.

Board female representation refers to the extent to which women participate meaningfully on the board of directors of a firm, not only in numerical presence but also in terms of their competence, independence, experience, and strategic influence (Yami et al., 2025). It reflects a multidimensional governance attribute reflecting the quality of female directors' contributions to board oversight and financial reporting processes. It encompasses audit committee membership, independent female directors and female directors interlocking membership. Audit committee female membership, entails inclusion of women among the directors serving on the audit committee, a subcommittee of the board responsible for oversight of financial reporting, internal controls, and audit processes. Also, independent female directors are female members of the board who have no material or pecuniary relationship with the company, its management, or its related parties, other than her directorship fee (Zalata & Abdelfattah, 2025). Their independence is a critical governance attribute, as they are expected to bring unbiased judgment, rigor, and objectivity to board deliberations, particularly in the oversight of financial reporting and the prevention of earnings manipulation. Female directors' interlocking membership refers to situations where female directors serve in more than one committee of the company or serve on the boards of multiple companies simultaneously, creating interlocks or linkages between firms (Yami et al., 2025).

Earnings quality is a crucial measure of financial reporting quality. Balagobei and Keerthana (2022) noted that high earnings quality is essential for investors, creditors, and other stakeholders to make informed decisions. It minimizes information asymmetry between management and outsiders. The fundamental or actual earnings is that which faithfully represents the true economic performance, fairly reflects the current operating performance and useful in directing forecast accuracy about the future performance and profitability of the firm (Yami et al., 2025). Conversely, low earnings quality often suggests that management has engaged in earnings management (using discretion in accounting choices to meet specific earnings targets), which can obscure the company's true financial health.

The effect of female board attributes on earnings quality is primarily rooted in the enhanced monitoring and ethical oversight that women directors bring to the boardroom. According to Amedu et al. (2025), greater female representation on the board is often linked to stronger monitoring. Women are sometimes perceived as more diligent, ethical, and less risk-averse than their male counterparts, which can lead to stricter financial oversight, a reduction in opportunistic managerial behavior (earnings management), and,

consequently, higher earnings quality. Arun et al. (2023), noted that female directors bring diverse skills, networks, and perspectives that can enhance the board's collective intelligence and effectiveness, leading to more robust and accurate financial reporting processes. This study is really relevant because given the dominating presence of women in every facet of life, women seem to be neglected in the composition of the board of directors of companies, especially in Nigeria. And the presence of women in leadership positions substantially influence the reporting practices of firms that reflect higher earning quality.

Despite global trends and regulatory encouragement (such as the Nigerian Code of Corporate Governance) advocating for gender diversity, the boards of companies in Nigeria continue to exhibit a relatively low level of female representation (Akpanowo & Akpan, 2024). This lack of diversity raises concerns about the effectiveness of board oversight, as it suggests a homogenous decision-making environment that may lack the broad perspectives, ethical rigour, and diligence often attributed to female directors. As noted by Lamido et al. (2024), given the dominating presence of women in every facet of life, they seem to be neglected in the composition of the board of directors. In many companies in Nigeria, women occupy less than 5 percent in the total board composition and this can be as a result of gender inequality suffered by women no matter their qualifications, wealth of experience and contributions to the growth of the entity (KPMG, 2024). Based on an ethical view, the under-representation of women in the board of directors could be considered as discriminatory. Thus, this study was carried out to ascertain the effect of female directors representation on earnings quality of listed consumer goods companies in Nigeria.

2.0 Literature Review and Theoretical Framework

2.1.1 Audit committee (AC) female membership and earnings persistence

The audit committee is the primary monitoring body for financial reporting integrity. Placing female directors on the AC maximizes their impact on earnings quality. According to Yahaya (2025), women on the AC often display greater diligence, skepticism, and ethical sensitivity compared to their male peers. They curb managerial opportunism, forcing management to use less aggressive accounting choices. Improved Reporting Transparency: This rigorous oversight directly results in higher earnings persistence, as the reported figures are less likely to be reversed or manipulated in future periods. Empirical studies have provided supportive evidence of the effect of audit committee female members on earnings quality. Bello et al. (2024) found that audit committee female membership improve financial reporting. Yahaya (2025) found that audit committees with a higher proportion of female members are significantly associated with reduced discretionary accruals, suggesting a positive influence on earnings quality. Amedu et al. (2025) indicated that female audit committee membership has a significant positive effect on earnings quality, suggesting that gender diversity in audit oversight improves financial transparency and reliability. Kristanto et al. (2022) found that the presence of female audit committee members are associated with reduced earnings management; Hussaini et al. (2024) found that presence of women in audit committee will likely discourage creative accounting practices in listed Nigerian companies. Muqorobin et al. (2024) found that female auditors tend to be able to mitigate the company's earnings management. Theno et al. (2024) found that female audit committee members ($P<0.004$) has a negative effect on earnings management at 1%. Bello et al. (2024) audit committee female membership had a positive and significant effect, indicating that members with accounting and audit committee female membership improve financial reporting quality. On the contrary, Amara et al. (2025) found that the presence of a female audit committee does not affect earnings management Sari et al. (2023) found that presence of female directors in the audit committee is not associated with profit management. Naila et al. (2025) noted that presence of women on audit committees alone did not significantly influence earnings management; rather, rather when nationality play a moderating role, with non-foreign female members contributing to lower earnings manipulation. Salami et al. (2023) found that presence of at least one woman in the audit committee did not affect income smoothing.

2.1.2 Independent female directors' and earnings persistence

Independent female directors are particularly effective in challenging managerial decisions and demanding greater transparency, thus improving the reliability and faithful representation of financial statements. According to Zalata and Abdelfattah (2025), independence is the cornerstone of effective board monitoring. Independent female directors are free from managerial ties, allowing them to exercise unbiased judgment and act purely in the shareholders' interest. They are the most effective monitor against management's self-serving desire to manipulate earnings. By enhancing the overall monitoring capability of the board and enforcing ethical reporting standards, independent female directors directly restrain earnings management practices, leading to higher, more sustainable, and more persistent earnings (Abata et al., 2024).

Empirical studies show that the presence of independent directors is associated with lower earnings manipulation and higher earnings quality. For instance, Zalata and Abdelfattah (2025) found evidence that non-executive female directors are more likely to challenge managers' opportunistic classificatory practices. Abata et al. (2024) found that independent female director has a negative but statistically insignificant association with earnings management. Omojola (2024) revealed a strong positive relationship between independent female directors and earnings quality. Guizani and Abdalkrim (2023) revealed that independent and inside women directors are associated with a reduced likelihood of financial distress. Efenyumi and Okoye (2023) found that independent female directorsy exert significant influence on earnings management. Arun et al. (2023) found that firms with a higher number of independent female directors are adopting restrained earnings management practices in the UK. Salami et al. (2023) provided evidence that that the reduction in income-smoothing practices is engendered by the extent of independent female board representation given the significantly negative coefficients of proportion of female directors and Blau Diversity Index.

However, Muhammad et al. (2024) found that independent female board members proved to be nonsignificant but positively associated with the quality of financial reporting, perhaps due to the negligible number on the corporate boards. Alharbi et al. (2024) revealed compelling evidence that the presence of women directors on the board is positively associated with bank earnings management. Onyabe et al. (2022) study provided evidence that suggests that independent female directors on the board are not significantly related to earnings management

Female directors' interlocking membership and earnings persistence

Interlocking directorates (serving on multiple boards) can signal that the female director possesses a rich network, diverse industry experience, and high social capital. According to Khan and Baker (2025), these external links and accumulated knowledge can be used to advise the firm, improve strategic decisions, and benchmark financial reporting practices, thus potentially enhancing the quality and persistence of earnings. On the contrary, serving on too many boards can lead to the "busyness" problem. An overextended female director may lack the time or focus necessary to perform the diligent monitoring required to restrain earnings management. This reduced oversight could weaken earnings quality and therefore lower earnings persistence.

Empirical studies show that the presence of interlocking directors is associated with lower earnings manipulation and higher earnings quality. Muhammad et al. (2024) found that female interlocking membership proved to be nonsignificant but positively associated with the quality of financial reporting, perhaps due to the negligible number on the corporate boards. Theno et al. (2024) female interlocking directorship have a positive and significant effect on earnings management. Omojola (2024) found a strong positive relationship between female directors interlocking membership and earnings quality. Darmayanti (2023) found that business, education background, and foreign citizenship of female directors affect earnings quality. Hany et al. (2022) found that interlocking directorships have a positive impact on female directors monitoring competency.

However, Qaderi et al. (2024) found that women holding of multiple directorships by female directors is negatively linked to integrated reporting quality, Sari et al. (2023) found that presence of female directors interlocking membership is not related to profit management.

2.2 Theoretical framework

2.2.1 Agency theory by Ross and Mitnick (1973)

This theory was propounded by Stephen Ross and Barry Mitnick independently in 1973 and the theory was further expanded by Jensen and Meckling (1976). According to Jensen and Meckling (1976) the separation between ownership and management of the company will cause agency problems because there is a divergence of interests between the owner as the principal and the manager as the agent. The monitoring function of the board of directors is explained by agency theory. It is the main theory that explains the reason for the emergence of the board of directors in corporate governance (Hussaini et al., 2024).The theory hinges on the view that modern corporate business is set up by shareholders (principals or owners) who lack the expertise to run the business and thus delegate the duty of running the business to managers (agents). This includes delegation of the responsibility to make decisions that affect the business (Jensen & Meckling,1976). The theory assumes the interests of agents are different and often in conflict with owners' interests and so are not expected to approach their jobs with the same measure of commitment as the owners.This brings the problem of monitoring the agent which involves active participation in his decision-making process concerning the enterprise (Hussaini et al., 2024). In modern day corporations with large and diffused ownership, the principal would find it difficult to monitor the job of the agent to ascertain that he has behaved appropriately; as this accrues some huge monitoring costs (Jensen & Meckling, 1976).

The characteristics of the board based on the agency theory argument are that it could affect the efficiency and effectiveness of the board and so affect the value of the firm. A greater number of directors for example are positively associated with a high firm value (Al-Absy, 2023). The rationale of having independent and women on the board is to reduce agency costs, to gain access to the capital markets. Recent empirical research provides evidence that higher gender diversity could potentially improve the monitoring functions of a board. Female directors tend to be more active on the board compared to male directors (Amedu et al., 2025); have better monitoring abilities ((Muhammad et al., 2024)); and demand more audit efforts and chief executive officer (CEO) responsibility. This view is supported by Al-Absy (2023), who claim that having higher gender diversity in the boardroom enables firms to partially remedy their poor corporate governance and thus improve performance.

This theory supports this study because women directors enhance monitoring function of boards of directors, as it plays a crucial role in minimizing the principal-agent conflict, which in turn improve earnings quality A more diverse board enhances the board independence while in return diminishing agency problems where the women are very dominant.

2.2.2 Resource dependence theory by Pfeffer and Salancik (1978)

The advisory role of the board is articulated by resource dependence theory. The trust of the theory is that the environment offers constraints and opportunities (resources) to the firm; and the firm seeks to manage these constraints and resources for its survival and prosperity (Pfeffer & Salancik, 1978). The firm attempts to eliminate or at least, minimize the constraints and exploit the resources to its fullest advantage. The theory recognizes the board as one of the options available to the firm in achieving this; others being mergers/vertical integration, political action, executive succession, joint ventures/other inter-organisational relationships (Kristanto et al., 2022). In this regard, the board represents a resource in managing these dependencies so to ensure the survival and continued operations of the firm. In corollary to resource provision, the theory views the board as representing a capital to the firm by virtue of the availability of skills, knowledge, intelligence, experience, perspectives, etc. which it brings to bear on its advisory role; as well as serving as link to external resources useful for the well-being of the firm (Pfeffer, & Salancik, 1978).

Therefore, women presence can go a long way in determining how well a firm can manage its dependencies on the external environment compared to industry standards (Bello et al., 2025). Thus, resource dependence theory gives insight to the position of gender diversity as a resource in complementing the monitoring role of the board by virtue of its advisory benefits, heterogeneous ability to monitor, and connections to external resources.

3.0 METHODOLOGY

The research design adopted for this study was ex-post facto design. The ex-post facto research design was employed since the events had already taken place and the data already existed. Thus, this research design was suitable for this study as historical data were employed.The population of this study consisted of all consumers goods companies listed on the floor of the Nigerian Exchange Group for the period 2016-2025. According to the Nigerian Exchange Group (2025) factbook, the total number of consumer goods companies listed on the Nigerian Exchange Group at the end of 2025 financial year was 21 companies. The sample size of this study was 16 consumer goods firms listed on the floor of the Nigerian Exchange Group. The study adopted purposive sampling technique to select sixteen (16) out of twenty-one (21) consumer goods firms. The data used in this study were secondary and this secondary data were obtained from the published annual reports of the sampled consumer goods firms and Factbooks of the Nigerian Exchange Group during the period under study. The technique of data analysis employed in this study was ordinary least squares regression analysis and the statistical package used was STATA 17.

Model specification

In line with the previous researches, the researcher adapted and modified the Model of Muhammad et al. (2024) in determining the effect of board female representation on earnings quality . This is given below:

Earnings quality=f (Board female representation)

Earnings persistence =f (audit committee female board members, independent female directors and female directors' interlocking membership).

$$\mathbf{EPES_{it} = \beta_0 + \beta_1 ACFM_{it} + \beta_2 INFD_{it} + \beta_3 FDIM_{it} + £_{it}}$$

Where:

EPES = Earnings persistence
ACFM = Audit committee female board membership
INFD = Independent female directors
FDIM = Female directors interlocking membership
β_0 = Model intercept
β_1-β_3 = Coefficient to be estimated in the study
it = Cross section of listed consumer goods firms with time variant
$£_{it}$ = Stochastic error term

4.0 ANALYSIS AND DISCUSSION

4.1.1 Descriptive analyses

Table 4.1 Descriptive Statistics of the effect of board female representation on earnings quality

Variable	Obs	Mean	Std. Dev.	Min	Max
epes	160	.210	.228	0	.903
aufm	160	.218	.191	0	.80
infd	160	.5233	.102	.375	.80
fdim	160	0.250	.760	.183	.440

Source: Author's computation (2026)

Table 4.1 presents the descriptive statistics for the key variables in this study. The minimum value for earnings persistence (epes) was 0, and the maximum value was 0.90. the average earnings persistence of the pooled consumer firm of 0.210 indicates that that earnings persistence of the studied firm was low signifying higher earnings quality. Audit committee gender diversity showed an average of 21.8% with a

standard deviation of 19.1% showing low level of variability still and since the value was not that far from the mean, it shows that scores for all companies for this variable clustered around the mean. Independent female director has a mean value of 0.**52.** with a standard deviation of 0.102. The values range from 37.50% to 80.00%, reflecting varying degrees of female non-executive director representation. The mean of female director interlocking membership was 0.25 with maximum and minimum values of 0.44 and 0.18. This implies that on the average 25% of female board members serve in more than one committee.

4.1.2 Normality test

Table 4.2 Shapiroâ€“Wilk W test for normal data

Variable	Obs	W	V	z	Prob>z
epes	160	0.975	3.070	2.551	0.005
acfm	160	0.867	16.298	6.349	0.000
infd	160	0.884	14.228	6.040	0.000
fdim	160	0.806	23.843	7.214	0.000

Source: Author's computation (2026)

Table 4.3 shows the normality test for each variable in the study. From the result, it was observed that all of the variables did not follow a normal curve. In detail, it was observed that the earnings persistence did not follow a normal curve marked by its Prob>z value of 0.005 which was less than 0.05 level of significance. For independent variables, audit committee female board member (ACFM), independent female directors (INFD) and female directors interlocking membership (FDIM) all did not follow a normal distribution as p-values were less than 0.05.

4.1.3 Correlations

Table 4.3 Spearman's rank correlation coefficients

Variables	(1)	(2)	(3)	(4)
(1) epes	1.000			
(2) acfm	0.205	1.000		
(4) infd	-0.224	0.035	1.000	
(4) fdim	0.012	0.471	-0.026	1.000

Source: Author's computation (2026)

Table 4.3 presents the Spearman correlation coefficients for the variables in the study. As expected, each variable showed a perfect correlation with itself, with a coefficient of 1.000. Similarly, audit committee female membership (acfm) showed a weak positive correlation with earnings persistence (epes) (0.205), implying that the presence of female directors in audit committee seems to improve earnings quality, though again, this relationship is not strong. Independent female director (infd), on the other hand, had a weak negative correlation with earnings persistence (-0.224). finally, female director interlocking membership (fdim) shows no association with earnings persistence 0.012. These results also show the absence of multicollinearity since all the associations are seen to be weak.

4.1.4 Regression

Specifically, to examine the cause-effect relationships between the dependent variable and independent variables as well as to test the formulated hypotheses, the study used a panel regression. The table below presents output for pooled OLS, random effect GLS model and the robust least square regression. The robust least square was used because as earlier stated, most variables did not follow normal distribution, as well as presence of heteroscedasticity of the data.

Table 4.4 Regression results of the effect of female board representation on earnings quality

	(1) Pooled-OLS epes	(2) Random Effects epes	(3) Robust LS epes
acfm	0.084***	0.084***	0.084***
	(0.001)	(0.001)	(0.000)
infd	0.025***	-0.025***	0.025***
	(0.000)	(0.000)	(0.000)
fdim	-0.068	-0.068	-0.068
	(0.441)	(0.440)	(0.510)
Constant	0.577***	0.577***	0.577***
	(0.000)	(0.000)	(0.000)
r^2	0.151	0.151	0.351
n	160.000	160.000	160.000
f/w	5.466	27.333	11.019
p	0.000	0.000	0.000
lagrange		0.000(1.000)	
vif	1.16		
hettero	4.13(0.042)		

p-values in parentheses
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Source: Author's computation (2026)

The result obtained from the multivariate regression analyses is presented in the table above. The robust regression model presented above shows an F-statistic of 11.019 with p-value of 0.000 indicating that overall, the robust regression model is fit for statistical inference and also that overall, the relationship between board female representation and earnings quality is statistically significant. The model gave an R-squared value of 0.351 which means that 35.1% of the changes in earnings persistence can be explained by the proxies of board female representation in the model. However, the unexplained part (64.9%) is captured in the error term.

4.2 Checks for regression assumptions and other diagnostics

4.2.1 Homoscedasticity

The results presented in table 4.4 above, indicated that the assumption of homoscedasticity in the OLS regression model was violated, as evidenced by the p-value from the heteroscedasticity test (Hettest = 4.13, p-value = 0.042<0.05). Therefore, the researcher had to respecify the model using robust least squares regression analysis. The robust regression uses robust standard errors which is suitable to control for heteroscedastic datapoints as well as address possible outliers (Stuart, 2011).

4.2.2 Multicollinearity

The regression model assumes the absence of multicollinearity between the independent variables. It is a situation where one or more independent variable can be expressed as a combination of other independent variables. This can be detected by observing the Variance Inflation Factor (VIF). The VIF should be less

than 10 for this assumption to hold. From the mean VIF presented in table 4.4 above (1.16), it is safe to say that there were no multicollinearity problems in the dataset.

4.2.3 Lagrange Multiplier LM test

This test is applied to test between the random-effect GLS and pooled OLS to check which one is suitable for the data (Breusch & Pagan, 1980). The null hypothesis is that there are no random effects; thus, the variation across entities is zero, and OLS is sufficient; and is to be accepted or rejected in line with the probability value (greater than 0.05) or rejected (less than 0.05). The result presented in table 4.4 above shows a statistic of 0.000 with a corresponding p-value of 1.000; indicating the acceptance of null hypothesis. This implies that the pooled OLS was sufficient. This is why the pooled OLS was chosen and made robust to handle heteroskedasticity and outliers problems.

4.3 Test of hypotheses

Hypothesis one

Ho_1: Audit committee female board membership has no significant effect on earnings persistence of listed consumer goods companies in Nigeria.

The results from the robust regression model in table 4.4 showed that audit committee board membership (coef. 0.084; p value 0.000) has a significant positive effect on earnings persistence of listed consumer goods firms in Nigeria. These warranted the rejection of the null hypothesis stated above, because the p-value was significant at the 5% level. Thus, audit committee female board membership has significant effect on earnings persistence of listed consumer goods companies in Nigeria.

Hypothesis two

Ho_2**:** Independent female directors have no significant effect on earnings persistence of listed consumer goods companies in Nigeria

The results from the robust regression model in table 4.4 showed that independent female directors (Coe. 0.025; p value 0.000) has a significant positive effect on earnings persistence of listed consumer goods firms in Nigeria. These warranted the rejection of the null hypothesis stated above, because the p-value was significant at the 5% level. Thus, independent female directors have significant effect on earnings persistence of listed consumer goods companies in Nigeria.

Hypothesis three

Ho_3: Female directors' interlocking membership has no significant effect on earnings persistence of listed consumer goods companies in Nigeria

The results from the robust regression model in table 4.4 showed that Female directors' interlocking membership (coef. 0.068; p value 0.510). has a nonsignificant effect on earnings persistence of listed consumer goods firms in Nigeria. These warranted the acceptance of the null hypothesis stated above, because the p-value was nonsignificant at the 5% level. Thus, female directors' interlocking membership has no significant effect on earnings persistence of listed consumer goods companies in Nigeria.

4.4 DISCUSSION OF FINDINGS

The results from the robust regression model in table 4.4 showed that audit committee board membership (coef. 0.084; p value 0.000) has a significant positive effect on earnings persistence of listed consumer goods firms in Nigeria. This implies that the presence women in audit committees strengthens monitoring effectiveness, enhances transparency, and improves the credibility of reported earnings. This aligns with agency theory, which suggests that effective monitoring reduces information asymmetry between managers and shareholders. The findings of this study further aligns with the study of Bello et al. (2024) who found that audit committee female membership improve financial reporting. Hussaini et al. (2024) found that presence of women in audit committee will likely discourage creative accounting practices in listed Nigerian companies. However, Sari et al. (2023) found that presence of female directors in the audit committee is not associated with earnings management.

Secondly, the results from the robust regression model in table 4.4 showed that independent female directors (Coe. 0.025; p value 0.000) has a significant positive effect on earnings persistence of listed

consumer goods firms in Nigeria. This finding indicates that independent female directors play a crucial role in strengthening the objectivity of board decisions and protecting shareholders' interests. Their independence reduces management influence, while their gender diversity brings alternative viewpoints and ethical considerations that enhance the integrity of financial reporting. However, the finding of this study did not align with the study of Muhammad et al. (2024) who found that independent female board members proved to be nonsignificant but positively associated with the quality of financial reporting, perhaps due to the negligible number on the corporate boards. Finally, the results from the robust regression model in table 4.4 showed that female directors interlocking membership –(coef. 0.068; p value 0.510) has nonsignificant effect on earnings persistence of listed consumer goods firms in Nigeria. This result implies that while interlocking directorates may provide firms with external networks and business opportunities, they do not directly improve earnings quality in consumer goods companies. Female directors serving on multiple bards may be overextended, reducing their monitoring effectiveness. Alternatively, the benefits of interlocking may be more strategic (e.g., access to resources) rather than related to financial reporting quality. This aligns with prior studies showing that board interlocks do not always translate into improved governance outcomes, especially in emerging economies where governance systems are still evolving. For instance, Muhammad et al. (2024) found that female interlocking membership proved to be nonsignificant but positively associated with the quality of financial reporting, perhaps due to the negligible number on the corporate boards. Also, Sari et al. (2023) found that presence of female directors interlocking membership is not related to earnings management.

5.0 CONCLUSION AND RECOMMENDATION

The study concluded that board female representation enhances the earnings quality of listed consumer goods companies in Nigeria, although its effectiveness depends on the governance role occupied by female directors. Specifically, female participation on audit committees and the presence of independent female directors significantly improve earnings persistence by strengthening board oversight, promoting objective decision-making, and enhancing the credibility of financial reporting. In contrast, female directors' interlocking membership does not significantly influence earnings quality, suggesting that multiple board appointments alone do not necessarily translate into more effective monitoring. The study therefore recommended that the management of listed consumer goods companies should prioritise appointing competent and financially literate women to audit committees and independent board positions rather than merely increasing the number of female directors. Regulators and nomination committees should promote merit-based female board appointments, strengthen policies that encourage meaningful gender diversity in key governance roles, and discourage excessive board interlocks that may weaken directors' monitoring effectiveness. Such measures will enhance corporate governance quality, improve the reliability and persistence of reported earnings, and strengthen investors' confidence in the Nigerian consumer goods sector.

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