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Corporate board structure and human capital disclosure of listed non-financial services firms in Nigeria

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Abstract

They say that humans are all-encompassing and are the driving force behind every business' success. Without employees, businesses would be unable to function and have no one with whom to interact. Although, there is an advancement in automated systems and artificial intelligence, human beings still continue to be the main drivers of innovation and production. Therefore, the purpose of this study is to investigate how board structure affects the disclosure of human capital in Nigerian listed companies. Data were collected from forty-four listed non-financial services firms in Nigeria from 2013-2022. The study analysed the data by means of descriptive statistics to provide summary statistics for the variables. Similarly, the study adopted Ordinary Least Square (OLS) regressions to test the hypotheses. The results of the regression analysis showed that board gender diversity, board education, and the gender makeup of the audit committee all significantly influenced the disclosure of human capital. The result however showed that board nationality does not affect the disclosure of human capital of the firms. This study concludes that board structure improves human capital disclosure of listed non-financial firms in Nigeria. The study recommends that board of directors should be made to have more women and persons with knowledge in accounting, finance, economics and business management as part of the board of the firms in order to influence the decision to increase their human capital disclosure.

Keywords: board education, board gender, board nationality, board structure, human capital disclosure.
JEL Classification: M14, J24
Paper Type: Research paper

1. Introduction

The study of Human Capital (HC), which supports company performance, growth, and long-term sustainability, from a number of perspectives, is becoming more and more attractive to academic and professional researchers. HC gives businesses the motivation and energy they require to compete in the market. It is regarded as a crucial value generator and a strategic component for boosting businesses' competitiveness (Lerro & Schiuma 2013). HC consists of personnel competencies, capabilities, expertise, skills, and/or knowledge that the entities may use to create competitive advantages or provide goods (Lerro et al., 2014). HC has the capacity to cover the discrepancy between a company's book value and its market value (Ahangar, 2011; Rahman et al., 2012). Through value generation efficiency from human innovation, the businesses' operational structure, and the link between customers and suppliers, human capital improves enterprises' competitive advantage (Malik et al, 2012). The central concept in intellectual capital research is HC. The Industrial Training Amendment Act of 2011 amended the Industrial Training Act in Nigeria which requires businesses to develop relevant skills in order to build a pool of domestic HC to meet the needs of the economy. According to (Abhayawansa and Abeysekera, 2008), some countries disclosed more human capital information than in others and mostly, companies placed less importance on human capital compared to structural capital and relational capital. Corporate board structure is defined as the organisational design and composition of a company’s board of directors.

By decomposing information that is not frequently provided in a company's statement of financial position, Human Capital Disclosure (HCD) closes the knowledge gap between management and stakeholders (Eccles & Mavrinac, 1995; White et al., 2007). The goal is to satisfy users' information needs by providing information on how businesses manage these priceless resources (Striukova et al., 2008; Gowthorpe, 2009). Despite the acknowledged overall value which HCD created for firms, yet, this has not been formalized. Based on Human

Development Index (HDI) report from the United Nations Development Programme for 2020 (UNDP), Nigeria ranks 161 out of 189 countries and territories with a 2019 HDI value of 0.539, placing it in the low human development category. This poor level of human development affects national production and slows national development. Many factors such as lack of sufficient institutional support, inadequate infrastructure, a national culture of corruption, and weak enforcement are obstacle to human capital growth and development in Nigeria (Anakwe, 2002; Gbadamosi & Adisa, 2022). The Nigeria Code of Corporate Governance (NCCG) requires firm to be transparent and disclose sufficient information on human resource policies as part of governance best practice (FRCN, 2018). This initiative is envisioned to enhance HC development which essentially drives national development. Thus, it is imperative to study HCD in order to assess firms' human capital performance.

Mixed conclusions come from a synthesis of the results from studies on human capital disclosure (Abhayawansa and Abeysekera, 2008). For instance, while Bezhani (2010) and Feleaga et al. (2013) identified weak and declining reporting habits among organizations, Abeysekera and Guthrie (2005), Raimo *et al*. (2020) as well as other researchers discovered improved human capital disclosure. Studies conducted from developing nations likewise revealed low level disclosures (Musman and Abdulrahman, 2013; Bhasin, 2016; AbdullRazak et al., 2016; Al-Hajaya et al., 2019). Due to lower transaction costs and the spontaneous growth of HC in developing countries, there is an increasing need for adequate studies on the human capital disclosure incentives of enterprises in these countries (Abeysekera & Guthrie, 2005). Nigeria is endowed with massive HC stands to benefit from firm disclosures and promote efficient of labour and capital market. A crucial technique for providing information on a company's performance on its personnel to stakeholders' decision-making is human capital disclosure (Tejedo-Romero and Araujo, 2022). According to Hitt et al. (2002) companies with broad HCD may have a competitive advantage in the new global market. Because it closes the knowledge gap between managers and potential investors and lessens information asymmetry, human capital disclosure lowers a firm's cost of equity capital for businesses (Cormier et al., 2009). This makes it easier to finance new business endeavours (Shane and Cable, 2002). Despite its importance, there is little or few research if any on the disclosure of HCl in developing countries especially Nigeria. Hence, this study adds to body of knowledge by providing distinct evidence on corporate board structure and HCD in Nigeria since it is expected that diverse-board because of their wide range of knowledge and skills

will provide information on HC of the firms and would support policy makers and stakeholders in decision making processes.

2. Literature Review and Hypotheses Development

2.1 Human Capital Disclosure

Ofor & Onyekachi, (2022) defined HC as the combined knowledge, skills, innovativeness and ability of the company's individual employees to meet the task at hand. Whereas, HCD refers to information supplied on intangibles such as the company values, culture and philosophy. According to stakeholder theory, businesses function within complex multi-party contexts where interested parties have a range of different expectations (Cots, 2011). To meet the needs of stakeholders, NCCG compels corporate boards to disclose voluntary HC. This would promote participation in many levels of activities (Michelon & Parbonetti, 2012). According to the studies by Qestha (2015), Soebyakto et al. (2015), Alshadat (2017), and Susanto et al. (2019), corporate boards that adopt a communicative human capital disclosure policy have better access to human potential. The disclosure of HC information by businesses, according to Abeysekera (2008), helps to relieve pressure on businesses and their stakeholders to continue amassing capital. In order to enhance communication and transparency, NCCG mandates that companies should ensure that corporate boards have a proper balance of diversity and competencies, including gender and experience, without compromising competence, independence, or integrity.

2.2 Board Gender Diversity

This indicates the proportion of female board members to total board members. More female directors could improve the board's independence because they typically ask questions that male directors might not. Prior studies showed that female on the boards would positively relate to firm human capital disclosure performance (Kılıç & Kuzey, 2016; Wu, 2016). In a study by Rynan and Haslams (2005), the authors argued that in a downturn, women are more likely to be given leadership roles. They posit further that shareholders may view their membership on the board as a sign that significant change is on the horizon and grow more hopeful about the future of the business. Gender-diverse boards are involved in social concerns, such as sponsoring more charities and developing deeper contacts with the local community, shareholders, and other stakeholder

groups. (Williams, 2003; Bernardi & Threadgill, 2010). The NCCG requires firms to ensure gender diverse for effective performance.

2.3 Audit Committee Gender Diversity

The gender makeup of the audit committee is defined as the proportion of female members among all members of the AC. In order to safeguard the interests of the shareholders, an audit committee is required to keep an eye on the way the business is run and its internal control system. According to the code of corporate governance, a firm's audit committee (AC) is intended to monitor legal compliance and ethical business practices. Therefore, it is important to emphasize the AC's responsibility in oversight and monitoring.

2.4 Board Nationality

Board nationality is defined as the percentage of different nationalities on the board of a company. It is generally accepted that a large pool of qualified candidates with more extensive industry experience would be available for the board if there were foreigners on it. Foreign members can offer essential expertise that domestic members lack due to their various experiences (Lee and Farh, 2004). Since the foreign board members are aware of how important it is for their home nations to disclose information about human capital, they may use this knowledge in their individual companies, which would improve HC. Bokpin and Isshaq (2009) opined that foreign directorship in Africa is associated with leads better governance and disclosure. Thus, foreign board members could affect the HCD especially if they come from countries with stronger stakeholder rights (Hooghiemstra et al., 2015).

2.5 Board Education

Board educational background refers to the collective educational qualifications, experience, and expertise of a company board of directors' and it is measure as the percentage of board members with background in accounting and related field to total number of board members. Diversity in educational background is characterized as knowledge or skill gaps that contribute to the development of the most effective responses to problems as well as their formulation and evaluation in processes of strategic decision-making. Board members' capacity to absorb

innovations and new concepts rises with education (Carmen et al, 2005). According to Wallace and Cooke's (1990) research, directors with a background in accounting and business education may be able to offer greater insight to boost the management teams and the company's credibility.

2.6 Empirical Review.

Abeysekera (2010) examined the effect of board size on intellectual capital resources using the top 26 firms ranked by the Nairobi Stock Exchange for market capitalisation in 2002-2003 and found that larger boards lead to firms disclosing more on human capital. Tedejo-Romero et al. (2017) examined whether the representation of women on the boards of directors of Spanish companies was associated with an increase in voluntary disclosure of information on IC for the period of 2007 to 2011 and found that gender diversity had a significant positive effect on the level of the disclosure of IC information of the firms. In research of eight (8) Nigerian listed banks from the 2014–2017 financial years, Oziegbe and Ofe (2020) found that AC gender diversity had a significant positive effect on ICD. For instance; Raimo et al. (2020) examined the variables that influence the level of HC disclosure within integrated reports of 137 worldwide companies and confirmed a significant positive effect of board diversity on the level of HC information disclosure. Giuseppe et al. (2021) investigated the impact that certain gender diversity attributes (the proportion of women on boards and the presence of female Chairpersons and female CEOs) exert on online intellectual capital disclosure of 123 Italian-listed firms and revealed that women's presence on the boards is conducive to higher voluntary disclosure of intellectual capital.

Isa et al. (2022) reported only 27.16 percent of the directors on the boards of listed firms in Nigeria are foreigners and the authors found that board educational diversity significant influence intellectual capital disclosure of quoted firms in Nigeria. Tejedo-Romero and Araujo (2022) examined the moderating effect of managerial ownership on the relationship between board composition and human capital disclosure of 210 Spanish firms during the period 2007 to 2016 and found that that board composition influence the human capital information disclosure of the firms. Aggarwal (2023) examined the effect of board structure on human resource disclosure index of 126 Indian listed companies during the period 2012 to 2018 and found that there is significant positive effect of audit committee on human resource disclosure index. In a study of deposit money

banks in Nigeria during the period 2014 t0 2023, Ojo and Umar (2024) found that financial expertise positively affected human capital disclosure, leading to higher disclosure levels.

However, other studies found negative or no impact between board structure and HC. Dan and Arianti (2017 examined the factors that affect the disclosure of IC of Islamic Banks in Indonesia during the period 2011 to 2015 and found that women directors showed a negative significant effect on ICD.; Firmansa et al. (2018) examined the influence of the characteristics of the board of commissioners on the intellectual capital disclosure of the service companies listed on the Indonesian Stock Exchange in 2015. Using regression method, the study found that female board member reduces intellectual capital disclosure Bello and Micah (2021) examined the impact of corporate governance on human resource disclosures in corporate reports of listed firms in the financial industry in Nigeria during the period 2009 to 2018 and concluded that board gender diversity had no significant impact on human resources accounting. Puwanenthiren (2018) examined the relationship between corporate governance variables and ICD components of 150 Sri Lankan listed firms during the period 2016-2017. The finding of the study revealed that board size had no significant impact on the HCD of Sri Lankan firms. Thus, the following hypotheses are postulated:

HO_1: Board gender has no significant influence on HCD
HO_2: Audit committee gender does not have a significant influence HCD
HO_3: Board nationality does not have a significant influence on HCD.
HO_4: Board education has no significant influence on HCD.

2.7 Theoretical framework

2.7.1 Resource dependency theory

The proponents of this theory, Pfeffer and Salancik (2003), argued that every firm depends on several stakeholders such as other firms that hold strategic resources necessary for the operations of the firm. They argued that every firm cannot hold all strategic resources so they have to build long term relationships with those stakeholders who can assist the firm in terms of necessary resources. This necessity actually motivates the firms to engage with the external environment,

which forms the basis of social and relational capital for the firms. In trying to link RD theory with the human resources of firms, Abeysekera (2010) argued that firms' effective engagement with the external environment is possible only when a firm holds efficient internal resources such as human capital and learning environment. This argument is also consistent with Williams (2000) who argues that firms should utilize their available human resources effectively to increase the value creation capabilities of the firm.

2.7.2 The Stakeholder Theory

Under stakeholder theory, the general assumptions is that the firm of business operates within a complicated multi-party environment, engages with this environment operations (Cots 2011). The parties, known as stakeholders, are either affected by or affect the business (Deegan, 2002). Therefore, companies will disclose information voluntarily to address outside stakeholders' concerns and encourage their engagement in its different activities (Michelon & Parbonetti, 2012).

Thus, this study is underpinned primarily by resource dependency theory and stakeholder theory. Many researchers concluded that organization can only have effective engagement with outside parties only when such organisation holds efficient internal resources such as human capital and learning environment. Also, the stakeholder theory emphasises that diverse boards consider multiple stakeholder perspectives, including employees, leading to improved human capital disclosure.

3. Methodology

3.1 Procedure for Sample Selection

The population of the study comprises of fifty-nine listed firms which are stratified on sectoral clusters. After applying some criteria and filters, forty-four firms were selected. However, fifteen of them did not qualify because they had been delisted during the study period or were not quoted as of the first of January 2013. The descriptive statistics, correlation and regression analyses techniques were adopted for data analysis in this study. To quantify the amount of HC information disclosure as used by Abeysekera (2010), the study used unit count content analysis.

3.2 Measurement of variables

In this section the constructs for the paper are categorized into two dimensions (presented in Table 1): human capital disclosure (dependent) and corporate board structure (explanatory variables). HCD was measured as the proportion items disclosed to the total items expected to be disclosed (Ax &Maton, 2008; Yi & Davey, 2010; Alshhadat, 2017). If a specific index item is disclosed 1 is assigned, and 0 if it is not. Board structure is proxy using board gender diversity, board education, audit committee gender and board nationality.

Table 1: Variables of the study and their Measurement

Variables	Acronym	Measurement	source
Human Capital Disclosure:	HCD	Total scored items by the firms divided by Total maximum scores	Li et al., *(*2008), Yi et a*l.*, (2010), Alshhadat (2017), Al-Sartawi (2018), Al-Hajaya (2019)
1. Employees count of a firm	HCD-1		
2. Qualification of directors and employees	HCD-2		
3. Training policies and programmes	HCD-3		
4. Work-related knowledge acquired	HCD-4		
5. Entrepreneurial spirit	HCD-5		
6. Employee equality	HCD-6		
Board Gender Diversity	BDG	Gender diversity is defined using Blau Index $BLAU$ Index$=1-\sum_{i=1}^{n} P_i^2$where Pi is the percentage of members in each gender and n is the total number of genders.	Nadeem (2019)
Board Nationality	BDN	Foreign directors on the board divided by the total number of bo ard members	Darmadi (2011), Talavera et al. (2018)
Board Educational	BDE	Percentage of board members with backgrounds in social and management sciences divided by the entire board.	Rasmini et al., (2014), Ali & Oudat (2021)

Audit Committee Gender	ACG	Female audit committee members as a percentage of all audit committee members	Isa and Farouk, (2018), Oziegbe et al, (2020)
Board Size	BDS	Total number of executives and non-executives on the board.	Abeysekera, (2010), Hatane et al, (2017)
Firm Size	FMS	Natural logarithm of Total Assets	Ferreira et al, (2012), Alshhadat (2017),
Auditor Type	ATP	If the big four auditors or one of their affiliates conducted the audit, the dummy variable 1 is adopted, otherwise 0.	Ferreira et al, (2012), Gan, et al., (2013) Firmasa et al., (2018)

Source: Authors' Compilation 2024

Table 1 explains the measurement of variables in line with previous studies.

3.3 Model specification

Descriptive statistics were used to summarise the data into a manageable format and to investigate the impact of corporate board diversity on the disclosed human capital by the chosen firms. The hypothesized null hypotheses in this study were tested using multiple regression analysis. In order to test hypothese, the study used the following empirical models:

$$HCD_{it}=\beta_0+\beta_1 BDG_{it}+\beta_2 BDN_{it}+\beta_3 BDE_{it}+\beta_4 ACG_{it}+\beta_5 BDS_{it}+\beta_6 FMS_{it}+\beta_7 ATP_{it}+\varepsilon_{it}$$

HCD_{it} = Human Capital Disclosure

BDG_{it} = Board Gender

BDN_{it} = Board Nationality

BDE_{it} = Board Educational Background

ACG_{it} = Audit committee Gender

BDS_{it} = Board Size

FMS_{it} = Firm size

ATP_{it} = Auditor Type

ε_{it} = the stochastic disturbance/Error term

β_0 = Constant, β_1= Constant

Where the subscripts it represents the measure for firm i at time t.

4. Data Analysis and Discussions of Findings

4.1 Summary statistics

The summary statistics of board diversity and HCD are presented in Table 2.

Table 2: Descriptive statistics

Var.	Observation	Mean	Std. Dev.	Minimum.	Maximum
HCD	440	0.317	0.112	0	0.55
BDG	440	0.439	0.115	0	0.60
BDN	440	0.260	0.202	0	0.67
BDE	440	0.624	0.103	0.2	0.88
ACG	440	0.190	0.159	0	0.67
BDS	440	8.797	2.468	4	17
FMS	440	7.019	0.878	4.6999	9.2611
ATP	440	0.600	0.490	0	1

Source: Authors' computation 2024

The table revealed that the mean HCD score was about 0.317. This means that non-financial services firms in Nigeria disclosed HC at an average of 32%. The minimum HCD level is 0% and the maximum disclosure level is 55%. The mean board gender diversity score for the non-financial services companies under study was 0.439, which means that 43% of these companies' boards were typically made up of women. The range of values between 0 and 0.60 indicated that there were businesses during the study period with no women on their boards. The highest value implies that there was a firm that had 60% of women on the entire board. Board nationality had a mean value of 0.260, indicating that 26% of the directors on the boards of the companies were, on average, foreigners. The minimum value of 0 and the maximum value of 0.67 implied that within the firms and the study period, there were firms that did not have any foreign director on their boards. The highest value implies that there was a firm that had 67% of foreign on the entire board. For board education, a lowest value of 0.20 and a highest value of 0.88 were recorded. Meanwhile, 63% of board members had backgrounds in accounting, business, or economics on average. The audit committee's gender composition has a mean value of 0.19. The values range from 0 to 0.67, with 0 being the lowest and 0.67 the highest. Board size had an average mean value of eight (8), the lowest is 4 and the highest is 17. Firm size has an average of 7 with a lower value of 4.70 and higher value of 9.26. Auditor type was 0.60 on average. The lowest and maximum values are 0 and 1, respectively.

4.2 Correlation Analysis

The correlation result of the relationship between board diversity and HC is presented in table 3.

Table 3: Correlation Matrix

Var.	HCD	BDG	BDN	BDE	ACG	BDS	FMS	ATP	VIF
HCD	**1.00**								
BDG	**0.22**	**1.00**							**1.28**
BDN	**0.13**	**-0.03**	**1.00**						**1.35**
BDE	**0.11**	**0.34**	**0.13**	**1.00**					**1.23**
ACG	**0.25**	**0.17**	**-0.01**	**-0.10**	**1.00**				**1.25**
BDS	**0.18**	**0.04**	**0.12**	**0.17**	**-0.21**	**1.00**			**1.64**
FMS	**0.33**	**-0.02**	**0.43**	**0.13**	**0.08**	**0.52**	**1.00**		**1.92**
ATP	**0.21**	**0.21**	**0.35**	**0.14**	**0.19**	**0,34**	**0.48**	**1.00**	**1.55**

Source: Authors' computation 2024

As shown in table 3, the relationship between board gender, board nationality, board education, AC gender composition, board size, firm size, auditor type, with HCD are positive with correlation coefficient values of 0.22, 0.13, 0.11, 0.25, 0.18, 0.33, 0.21. The relationship between board gender with board education and auditor type are mild and positively related. However, board gender diversity showed a weak AC gender composition and board size. In addition, board gender showed a weak and negative relationship with board nationality and firm size. Board nationality is found to be mildly and positive related to all other explanatory variables except, board education which is weak and positively related. However, the relationship between board nationality and AC gender composition is negative. The relationship between board education to all other explanatory variables is found to be weak and positively related except, AC gender composition which showed a negative relationship.

Likewise, the relationship between AC gender composition and other explanatory variables is found to be weak and positive with the exception of board nationality and education which showed weak and negative relationship. Also, the link among board size and other explanatory variables is found to be weak and positive with the exception of AC gender composition which is negative. However, link between board size with firm size and auditor type is mild and positive.

The link between firm size with other explanatory variables is found to be mild and positive except, board education and AC gender composition which is weak and positive. However, a negative and

weak association is found between firm size and board gender. The relationship between auditor type with other explanatory variables is found to be mild and positively related except, board education and AC gender composition which is weak and positive. Additionally, the multi-collinearity test is used to check for correlation between the exogenous variables of the study. The explanatory variables of the model were examined in this study using VIF to determine whether they exhibit multi-collinearity. When the VIF is greater than 10, it is likely that there is harmful multi-collinearity (Neter et al., 1989 and Gujarati 2003). The test's results revealed that the VIF was 1.28, 1.35, 1.23, 1.25, 1.64, 1.92 and 1.55. Given that the mean VIF is 1.46, multi-collinearity is not present.

4.3 Regression results

Table 4: Summary of Robust Ordinary Least Square Regression

Variables	Coefficients	Robust Std Error	t-stat.	Prob.
Cons	0.028	0.079	0.36	0.717
BDG	0.179	0.056	3.19	0.002
BDN	-0.051	0.308	1.67	0.096
BDE	0.389	0.057	6.89	0.000
ACG	0.107	0.030	3.52	0.000
BDS	0.001	0.003	0.45	0.651
FMS	-0.029	0.009	3.06	0.002
ATP	0.054	0.012	4,51	0.000
R-square = 0.2056				
F-statistics = 18.76				
Prob. = 0.0000				

Source: Authors' computation 2024

From Table 4, the proportion of the overall variation in the endogenous variable that the independent variables collectively explained was given by the cumulative R-squared (R2) of 0.2056, which is the multiple coefficients of determination. As a result, it was discovered that other factors, including the proportion of female directors on the board, the number of board members with backgrounds in accounting, business, and economics, and other variables, account for 21% of the variation in HCD of the firms under study. The board diversity and human capital disclosure model is appropriate, according to the F-statistics value of 18.76, which is significant at one percent. It implies that any change in the structure of the boards of the firms will have direct influence on disclosure of HC. This means that there is a 99.9% possibility that the link between the variables was not the result of random chance, based on the P-value of F-statistics, which is significant at one percent. As a result, the regression's findings can be relied upon.

The gender diversity coefficient value was 0.179, with a significance level of 0.002, as shown in the table. This demonstrates that gender of the board significantly improved the corporations' disclosure of their HC. This means that HCD of firms will improve by the coefficient value for every increase in the proportion of women on the board of directors. The null hypothesis, which asserts that board gender has no significant impact on HCD, is therefore rejected. The result is consistent with research from Giuseppe et al. (2021) and Tedejo-Romero et al. (2022), but contrary to the findings of Dan et al. (2017) and Firmasa et al. (2018) Similarly, audit committee gender composition has a coefficient value of 0.107 with a significant value of 0.000. This connotes that the audit committee's proportion of women has a significant and positive impact on the HCD of the companies. Hypothesis two states that audit committee gender composition has no impact on HCD. However, from the finding of the study, the null hypothesis was rejected. This is consistence with those of Oziegbe et al. (2020) and Aggarwal (2023) The finding of the study showed that board education is significant at one percent. This means HCD of the studied firms is positively and significantly impacted by the education level of the board members. Although hypothesis four states that board education has no significant effect on disclosure of HC, the null hypothesis is rejected based on the output of regression analysis. The finding is in line with that of Ojo (2024). The foreign directorship coefficient value is -0.051, which is not statistically significant at either 1% or 5%. This suggests that board nationality has no significant impact on how businesses disclose their HC resources. Therefore, given the findings of the regression analysis, the study fails to reject the null hypothesis.

For control variables, the result in respect of board size as shown on Table 4 has a coefficient value of 0.001 with a p value of 0.651 which indicates that board size has no significant impact on HCD of the firms. The coefficient value for firm size was -0.029, which is significant at 1%. This suggests that larger companies disclosed less information on human capital. The coefficient value for auditor type was 0.054, which is significant at 1%. This shows that the type of auditor has positive and significant impact on HCD.

5. Conclusion and Recommendations

5.1 Conclusion

This study provided some fresh information on how board structure influenced HCD in the studied firms between 2013 and 2022. Most of the previous studies were either shown in developed countries or other developing countries; researchers in Nigeria have neglected the importance of conducting research on this important topic. This evidence is from an emerging economy that has been ignored by the research community until this study filled the gap in the literature. Therefore, by including information from Nigeria in this study, it is seen as a genuine contribution to the body of knowledge and a development of the HC literature. Additionally, the longitudinal nature of this study contributes to a deeper understanding of the evolution of HCD phenomena. Thus, this study concludes that board structure improves the disclosure of human capital by listed non-financial services firms in Nigeria.

5.2 Recommendations

Findings from this study are useful for management to consider the inclusion of more women and persons with knowledge in accounting, finance, economics and business management as part of the board of the firms in order to influence the decision to increase their HCD. Additionally, the firms should consider the importance of including female directors in their audit committee in order to improve efficiency, monitoring capacities, expertise diversity, and knowledge base of the board towards increase in HCD. Finally, listed non-financial services firms in Nigeria should consider adjusting the number of foreign directors in the firms so as to lead to disclosure of HC information.

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