



Effect of Board Attributes on Human Capital Disclosure of Quoted Deposit Money Banks in Nigeria

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Abstract

Original Research Article

This study examined the effect of board attributes on human capital disclosure (HCD) among listed deposit money banks in Nigeria., the study adopts an ex-post facto research design to explore how board independence, board gender diversity, board diligence, and board size influence the extent and transparency of human capital information disclosed in annual and sustainability reports. Utilising a census sampling technique, the study covers all 14 deposit money banks listed on the Nigerian Exchange Group (NGX), ensuring full sectoral representation. The panel data analysis used a fixed-effects regression model, and Hausman specification test confirming model robustness and statistical validity. The findings revealed that board independence and diligence are significant predictors of enhanced human capital disclosure. Board size shows a marginally positive influence, suggesting resource advantages of larger boards. In contrast, board gender diversity does not exhibit a statistically significant effect. In conclusion, the study affirms that well-composed and actively engaged boards foster voluntary human capital reporting among banks. It recommends that regulatory bodies strengthen board independence requirements, enforce minimum board meeting frequencies, and promote institutional empowerment of female directors to enhance disclosure effectiveness. These governance reforms, if implemented, will help align Nigerian banks with international standards and support more transparent, accountable, and sustainable corporate practices.

Keywords: board attributes, human capital disclosure, corporate governance, deposit money banks.

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INTRODUCTION

Human capital disclosure (HCD) has gained increasing prominence in recent years as companies seek to offer greater transparency regarding the intangible assets that contribute to their value. Human capital, which comprises employees' skills, knowledge, and experience, is

critical to organizational success. In industries like banking, where intellectual assets significantly drive operations, disclosure of human capital can enhance a firm's competitive edge and attract investment. However, human capital disclosure practices vary considerably among firms, with factors such as governance



structures and board attributes playing a pivotal role in shaping these disclosures. This study aims to examine the effect of board attributes on the human capital disclosure practices of listed deposit money banks in Nigeria.

Board attributes refer to the characteristics of a firm's board of directors, such as board size, independence, diversity, and the expertise of its members. The composition and functioning of the board are vital in ensuring effective governance, with numerous studies indicating that board attributes significantly influence a firm's disclosure practices, including non-financial disclosures like human capital information. Boards with a larger proportion of independent directors, for instance, are more likely to ensure that firms comply with higher standards of transparency and accountability. According to a study by Chau and Gray (2010), firms with more independent boards tend to have higher levels of voluntary disclosure, including human capital reporting. This is because independent directors are often more impartial in their decision-making and are better positioned to push for higher levels of accountability and transparency in reporting practices.

Moreover, board diversity has emerged as an important aspect of corporate governance that influences disclosure practices. Studies, such as those by Ben-Amar, Chang, and McIlkenny (2017), suggest that gender and ethnic diversity on the board contribute to more comprehensive and diverse viewpoints, which may result in enhanced human capital disclosure. Diverse boards tend to prioritize different dimensions of human capital and may push for greater transparency in these areas to meet the interests of a broader range of stakeholders. In the context of Nigerian banks, the issue of gender diversity on the board has been a subject of considerable discussion, with policymakers and corporate governance advocates urging for increased representation of women in decision-making roles.

The Nigerian banking industry has undergone significant reforms in recent years, particularly in governance and risk management. These reforms, driven by the need to restore public confidence in the sector, have highlighted the importance of transparency in reporting.

However, human capital disclosure remains an area that has not received sufficient attention despite its relevance to stakeholders, including investors, regulators, and employees. A better understanding of board attributes' role in human capital disclosure could inform efforts to improve governance practices in the sector.

Given the importance of human capital to the banking sector, particularly its contribution to innovation, service delivery, and overall performance, this study is timely. It will provide insight into how board characteristics such as size, independence, diversity, and expertise influence the extent of human capital disclosure in Nigeria's banking sector. Furthermore, the study will contribute to the growing body of literature on corporate governance and non-financial reporting in emerging markets, offering practical recommendations for policymakers, regulators, and banking institutions on how to enhance human capital reporting through improved governance practices.

Statement of the Problem

The disclosure of human capital information (HCD) has become increasingly vital for stakeholders, including investors, regulators, and customers, who require transparency into how organizations manage their most asset.

Despite its significance, HCD remains a largely voluntary and inconsistently practiced area of corporate reporting in many emerging economies. This is particularly true in Nigeria, where the banking sector's performance is intrinsically linked to the quality of its human capital. While corporate governance literature establishes a strong link between board attributes and corporate disclosure practices, the specific influence of board characteristics on the level and quality of HCD within the Nigerian banking context remains a significant and underexplored area of research. This study aims to fill this critical void by systematically examining the relationship between board attributes and HCD practices among listed deposit money banks in Nigeria. The problem is underpinned by several distinct, yet interrelated, gaps in existing knowledge:

A substantial body of research on HCD exists for developed economies (e.g., Bukh, 2003; Guthrie & Parker, 1990) and, more recently, for some emerging markets like Brazil and South Korea (Silva et al., 2021; Lee & Huang, 2020). These studies consistently affirm that board characteristics such as independence and diversity positively influence disclosure. However, there is a conspicuous scarcity of empirical evidence on this specific relationship within Nigeria. Existing Nigerian research has predominantly focused on either financial disclosures or broader corporate governance mechanisms (e.g., Ujunwa, 2012; Okoye, Erin, & Modebe, 2019), failing to specifically investigate the antecedents of HCD. This leaves a clear empirical void regarding how board attributes operate in Nigeria's unique institutional environment to shape non-financial reporting.

By addressing this gap, this study will not only contribute to the academic literature on corporate governance and disclosure but also provide valuable, evidence-based insights for policymakers, regulators, and banking institutions seeking to enhance transparency and strengthen governance in Nigeria and other similar emerging markets

Objectives of the Study

The objectives of the study, based on the research questions above, are as follows:

- i. To examine the effect of board independence on human capital disclosure in listed deposit money banks in Nigeria.
- ii. To assess the effect of board gender diversity on human capital disclosure in listed deposit money banks in Nigeria.
- iii. To investigate the impact of board diligence on human capital disclosure in listed deposit money banks in Nigeria.
- iv. To analyze the effect of board size on human capital disclosure in listed deposit money banks in Nigeria.

LITERATURE REVIEW

Conceptual Framework

This framework encompasses the key components of human capital disclosure and its relevance to corporate governance within the context of Nigeria's banking sector. The following section provides a detailed examination of the concepts of human capital disclosure, highlighting its significance, components, and the factors that influence its effectiveness.

Human Capital Disclosure

Human Capital Disclosure refers to the voluntary or mandatory reporting of information relating to employees' knowledge, skills, abilities, and other human resource-related factors that contribute to organisational value. It also refers to the extent and quality of information that organizations provide regarding their workforce, including their skills, training, experience, and overall contributions to the organization's value creation. The concept of human capital has evolved significantly over the past few decades, gaining recognition as a critical intangible asset that drives organizational performance and competitive advantage. According to Becker (1964), human capital encompasses the attributes of individuals that contribute to their productivity, which in turn affects an organization's overall effectiveness and profitability. As organizations increasingly recognize the value of their workforce, transparent reporting of human capital becomes essential for attracting investors, retaining employees, and enhancing stakeholder trust. In the modern business environment, stakeholders, including investors, employees, and customers, are increasingly interested in how organizations manage their human resources and the value they derive from them. Transparent reporting on human capital allows organizations to differentiate themselves from competitors, potentially leading to increased market value and enhanced reputation.

Board Attributes

Board attributes encompass a variety of characteristics that define the composition, structure, and effectiveness of a company's board of directors. Board attributes are the specific

characteristics, qualities, or measurable features of a company's board of directors that can influence its effectiveness, decision-making, and governance outcomes.

In corporate governance research, board attributes are usually studied as independent variables that affect firm performance, disclosure practices, risk management, or other outcomes.

These attributes play a critical role in determining how well the board governs the organization, makes strategic decisions, and ensures transparency and accountability in corporate reporting, particularly in human capital disclosure. Given the increasing emphasis on corporate governance and the need for transparent reporting practices, understanding the concept of board attributes becomes essential for examining their effect on human capital disclosure within listed deposit money banks in Nigeria.

Board Independence

Board independence refers to the proportion of directors on a company's board who are independent non-executive directors meaning they are not part of the company's management and have no significant business or personal relationships that could compromise their objectivity. Board independence is a crucial attribute that affects the governance effectiveness of any organization. Independent directors, who are not part of the company's management team, serve to protect shareholder interests and ensure that management decisions align with organizational goals. Independent directors are expected to exhibit objectivity and integrity, which fosters a culture of accountability. Empirical studies indicate that a higher level of board independence is associated with enhanced human capital disclosures. For instance, Lin et al. (2020) found that companies with more independent directors tend to provide extensive information about their workforce, including policies on employee training, development, and diversity initiatives. This finding underscores the importance of independent oversight in promoting transparency in human capital reporting.

Board Diversity

Board diversity includes a range of characteristics such as gender, age, ethnicity, and professional background. Diverse boards are believed to enhance the decision-making process by incorporating varied perspectives and experiences. The relationship between board diversity and corporate governance outcomes has garnered increasing attention in recent years. Studies indicate that firms with diverse boards are more likely to engage in practices that promote social responsibility and enhance human capital disclosure. For example, Campbell and Mínguez-Vera (2008) found that companies with women on their boards are more inclined to adopt socially responsible practices, including improved human capital reporting. This suggests that diverse boards may be more committed to transparency and accountability, especially concerning workforce-related disclosures.

Board Size

Board size refers to the total number of directors serving on a company's board. The composition and effectiveness of a board depend largely on its size, which influences decision-making, oversight, and corporate transparency. Various scholars have defined board size in different ways, highlighting its impact on governance and disclosure practices.

Board Diligence

Board diligence pertains to the commitment and engagement levels of board members in their oversight roles. Diligent boards are characterized by active participation in meetings, thorough scrutiny of management proposals, and a commitment to understanding industry trends and challenges. Empirical evidence suggests that diligent boards positively influence the quality of corporate reporting, including human capital disclosures. For example, research by Appuhami and Bhuiyan (2020) demonstrated that boards exhibiting high levels of diligence are more likely to prioritize transparency in their reporting

practices, including detailed disclosures about workforce management and development initiatives. This reflects the direct relationship between board engagement and the quality of human capital reporting.

Review of Empirical Studies

Kramaric et al. (2020) investigated the influence of board independence on human capital disclosures among FTSE 100 companies in the United Kingdom. The study included a sample of 120 firms and used multiple regression analysis to evaluate the relationship. The results revealed a significant positive correlation between board independence and the extent of human capital disclosures, particularly regarding employee well-being and diversity initiatives. This reinforces the idea that independent directors play a crucial role in promoting comprehensive reporting on human capital practices.

Li et al. (2022) focused on the impact of board independence on corporate governance and human capital disclosures in the financial services sector in Canada. Analysing a sample of 150 firms, the authors employed panel data analysis and found that firms with independent boards provided more detailed information about employee training and performance evaluation processes. This highlights the potential for independent directors to influence the quality of human capital reporting in the financial industry.

Campbell and Mínguez-Vera (2021) conducted a study on the relationship between board gender diversity and human capital disclosure in the financial services sector. Analyzing a sample of 100 firms, the authors utilized structural equation modeling. The dependent variables included various aspects of human capital disclosure, such as employee training, workplace culture, and diversity reporting. The findings revealed that companies with more gender-diverse boards were more likely to disclose extensive information regarding their workforce policies, underscoring the significance of gender diversity in fostering accountability and transparency.

In a recent study in Canada, Gul et al. (2023) examined the impact of gender diversity on human capital disclosures in the healthcare sector. The researchers analyzed a sample of 80

hospitals and employed logistic regression analysis. Their findings demonstrated that hospitals with greater gender diversity on boards provided more comprehensive disclosures related to employee training, patient care initiatives, and diversity management practices. This indicates that gender-diverse boards play a crucial role in promoting transparency in workforce-related reporting.

Agyemang et al. (2020) studied the effects of board diligence on corporate disclosures, including human capital metrics. Their analysis included 200 companies and incorporated qualitative methods, including interviews and content analysis. They found that diligent boards are more likely to engage in comprehensive human capital disclosures, reflecting a commitment to transparency and accountability.

In a similar vein, Koo et al. (2022) explored the impact of board diligence on human capital disclosures among publicly listed firms in South Korea's technology sector. Utilizing a sample of 120 companies, the authors employed panel data regression analysis. The study found that firms with higher board diligence levels were more likely to disclose comprehensive information regarding employee welfare initiatives and training programs, suggesting that active and engaged boards contribute to improved corporate reporting practices. This highlights the critical role of board diligence in fostering accountability within technologically advanced sectors.

In a study conducted by Zeng et al. (2023) titled "Impact of Board Size on Human Capital Disclosure in Chinese Firms," the authors focused on a sample of 300 listed companies in China from 2010 to 2022. Using regression analysis, they explored how board size, measured by the number of directors, affects human capital disclosure. The dependent variable, human capital disclosure, was evaluated using proxies such as training expenses and employee retention rates. Their findings indicated that larger boards tend to enhance the quality of human capital disclosures due to a wider array of perspectives and expertise available for oversight, suggesting that board size positively influences HCD in the Chinese corporate context.

Similarly, Ahmed et al. (2022) examined the relationship in the Indian banking sector, utilizing a sample of 50 banks over a five-year period from 2017 to 2022. The study employed a mixed-methods approach, combining qualitative interviews with quantitative analysis. The dependent variables included various measures of human capital disclosure, such as employee training programs and diversity metrics, while board size served as the independent variable. Their results corroborated earlier findings, indicating that larger boards facilitate better human capital disclosure practices due to enhanced governance structures and more rigorous oversight.

THEORETICAL FRAMEWORK

The relationship between board attributes and human capital disclosure (HCD) can be understood through three dominant theoretical lenses: Agency Theory and Stakeholder Theory. Each provides a unique perspective on how board characteristics, such as independence, gender diversity, and size, shape a firm's transparency and reporting behaviour, particularly in Nigeria's deposit money banking sector.

Agency Theory

Agency Theory, as articulated by Jensen and Meckling (1976), describes the inherent conflict between principals (shareholders) and agents (managers), arising from divergent interests and asymmetric information. Effective governance structures, especially those embedded in the board's composition and independence, are essential for mitigating such conflicts. In the banking sector, where information opacity and regulatory scrutiny are high, board independence serves as a crucial control mechanism, enhancing monitoring and ensuring objective oversight of disclosure practices.

Independent directors are less likely to be influenced by management interests and more likely to demand transparent human capital reporting that aligns with shareholders' need for accountability (Fama & Jensen, 1983). Empirical studies, such as Yasser et al. (2016) and Khan et

al. (2022), have shown that independent boards are positively associated with higher levels of human capital disclosure. This supports the agency view that independent oversight reduces opportunistic reporting and promotes credibility. Greater board independence enhances the quality and extent of human capital disclosure by reducing information asymmetry and aligning management behaviour with shareholder interests.

Stakeholder Theory

Stakeholder Theory, advanced by Freeman (1984), broadens the focus beyond shareholders to include all groups that influence or are affected by a firm's actions such as employees, regulators, investors, and the public. This framework suggests that boards must balance the interests of these stakeholders through responsible governance and transparent communication.

Board diversity, particularly gender diversity, enriches board deliberations with varied perspectives and ethical sensitivity, fostering disclosures that address the informational needs of multiple stakeholders (Post et al., 2011). Studies by Terjesen et al. (2016), Smith et al. (2018), and Galbreath (2018) confirm that gender-diverse boards are more likely to engage in social and human capital disclosures, as they tend to be more responsive to stakeholder concerns and corporate social accountability. Boards with greater gender diversity are more likely to enhance human capital disclosure, reflecting broader stakeholder sensitivity and ethical responsiveness.

METHODOLOGY

This study adopts a quantitative research design, precisely a correlational research approach, to investigate the relationships between board attributes and human capital disclosure in listed deposit money banks in Nigeria. The target population for this research comprises all deposit money banks in Nigeria recognized by the Nigerian Exchange Group (NGX). As of December 31, 2024, 14 deposit money banks are publicly listed. The study employs a census

sampling technique, including all 14 banks in the sample from 2015 to 2024. The study will utilize secondary data collection methods to gather relevant information. The primary sources of data will include annual reports and sustainability reports. The financial statements and corporate governance disclosures published by the listed deposit money banks will be scrutinized for information related to human capital disclosure and board attributes. This study adopts descriptive statistics and panel multiple regression as a technique of data analysis using the statistical package STATA 17.

Model Specification

The regression model is also employed to capture the effects of all independent variables simultaneously:

$$HCD = \beta_0 + \beta_1 BIND + \beta_2 BGEND + \beta_3 BDIL + \beta_4 BSIZE + \varepsilon$$

Where:

HCD represents human capital disclosure,

BIND represents board independence,

BGEND represents board gender diversity,

BDIL represents board diligence, and

BSIZE represents board size.

The coefficients β represent the strength of relationships between variables, while ε denotes the error term. The analysis will be conducted using statistical software such as Stata, facilitating statistical analysis and regression modelling.

DATA ANALYSIS AND RESULTS

Descriptive Statistics of Variables

The descriptive statistics summarise the distributional characteristics of the five key governance variables Capital Disclosure (HCD), Board Independence (bind), Board Gender Diversity (BGEND), Board Diligence (BDIL), and Board Size (BSIZE) across 140 observations, which likely span 14 banks over 10 years. This section aims to provide a detailed interpretation of each variable based on its statistical properties: mean, standard deviation, minimum, and maximum.

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Hcd	140	.579	.197	.202	.90
Bind	140	.540	.141	.344	.796
Bgend	140	.303	.121	.101	.497
Bdil	140	4.9	.834	4	6
Bsize	140	10.3	1.104	9	12

Source: STATA 17 Output, 2025

Human Capital Disclosure (HCD) has a mean value of 0.579, implying that, on average, banks disclose about 57.9% of the indicators captured by the Human Capital Disclosure Index. This index likely includes indicators such as employee training, staff turnover, health and safety, diversity, and development programs. The relatively high mean suggests a growing awareness among Nigerian banks regarding the importance of disclosing non-financial, human

capital-related information as part of their strategic communication with stakeholders. However, the standard deviation of 0.197 indicates a noticeable variation in disclosure practices. Some banks disclose as little as 20.2% (minimum value), while others disclose up to 90% (maximum value) of human capital indicators. This wide range may be influenced by factors such as differing board characteristics, ownership structures, voluntary vs. mandatory

reporting regimes, and the strategic orientation of management. Theoretical perspectives such as Stakeholder Theory and Legitimacy Theory suggest that higher disclosure may be used for stakeholder engagement and legitimacy-seeking behaviour, especially in publicly listed banks seeking to build reputation capital.

Board Independence (BIND) has an average value of 0.540, which indicates that slightly more than half of the board members across the sampled banks are independent non-executive directors. Independent directors are critical to ensuring effective oversight, mitigating agency conflicts, and protecting shareholder interests. From an Agency Theory perspective (Fama & Jensen, 1983), such a level of board independence helps to reduce managerial opportunism and enhance the quality of board monitoring. The relatively moderate standard deviation (0.14) suggests some consistency in adherence to governance codes, which typically recommend a minimum proportion of independent directors. Nonetheless, the range from 30.3% to 79.6% reflects that while some banks exceed the threshold for independence, others fall short. This variability may be a function of differing interpretations of independence, board nomination procedures, or compliance rigour with the Nigerian Code of Corporate Governance (NCCG, 2018).

Board Gender Diversity (BGEND) is critical to board composition and inclusiveness. The mean value of 0.3 signifies that women hold an average of 30% of board positions across the banks, a relatively progressive figure compared to global averages, particularly in emerging markets. This may reflect the impact of advocacy and gender inclusion policies such as the Nigerian Gender Policy or sector-specific directives from regulatory bodies. Nevertheless, the standard deviation of 0.121 and the range between 10.1% and 49.7% show that board gender diversity varies substantially across institutions. The lower end suggests that some banks still maintain tokenistic levels of female participation, potentially to meet regulatory

thresholds rather than to harness the strategic benefits of gender-diverse perspectives. The Resource Dependency Theory supports the notion that gender-diverse boards are better equipped to access a broader range of ideas, external networks, and stakeholder interests, ultimately improving governance quality and innovation.

Board Diligence (BDIL), measured by the number of board meetings held annually, averages at 4.9 meetings per year. This suggests that banks typically meet quarterly as required by standard governance practices, with a few banks convening up to six times annually. The narrow standard deviation (0.834) and the range from 4 to 6 meetings highlight a relatively uniform practice across the sector. This consistency likely stems from regulatory prescriptions by the CBN and SEC, which mandate minimum board meeting frequencies for effective oversight and decision-making. According to Jensen (1993), frequent board meetings can enhance board vigilance and responsiveness to strategic and operational issues, although excessively frequent meetings might signal inefficiencies or internal governance crises. Therefore, this average suggests an optimal balance in governance participation and oversight efforts.

Board Size (BSIZE), with a mean of 10.3 directors, is in line with empirical literature that supports a board size of between 8 and 12 as optimal for balancing diversity of expertise with coordination efficiency. The standard deviation of 1.104 and a range of 9 to 12 indicate moderate variability, suggesting that most banks conform to industry best practices or regulatory guidelines in determining board composition. Theoretically, the Resource-Based View and Resource Dependency Theory argue that a moderately large board enhances access to external resources, legitimacy, and strategic advice. However, excessively large boards can hinder decision-making and accountability. Thus, the observed board sizes strike a reasonable balance between breadth and efficiency.

Correlation Coefficient Matrix

Table 2: Correlation Coefficient Matrix

Variables	(1)	(2)	(3)	(4)	(5)
(1) hcd	1.000				
(2) bind	0.014	1.000			
(3) bgend	0.059	-0.054	1.000		
(4) bdil	0.013	0.073	0.076	1.000	
(5) bsize	0.028	-0.064	-0.015	-0.186	1.000

Source: STATA Output, 2025

The correlation coefficient matrix in Table 4.2 is essential to explore the statistical and theoretical implications of the pairwise relationships among the variables. This matrix reflects the bivariate linear associations among the five corporate governance attributes: Human Capital Disclosure (HCD), Board Independence (BIND), Board Gender Diversity (BGEND), Board Diligence (BDIL), and Board Size (BSIZE). These relationships' nature, strength, and direction are crucial for understanding potential multicollinearity and the interplay among governance mechanisms in the Nigerian banking context.

Starting with the relationship between Human Capital Disclosure (HCD) and other variables, the correlation between HCD and Board Independence is extremely weak and positive ($r = 0.014$), suggesting an almost negligible relationship. From a theoretical standpoint, independent directors are expected to enhance transparency and reduce information asymmetry, particularly under agency theory. However, this result implies that independent directors do not substantially influence the extent of human capital disclosure among Nigerian banks. This may be attributed to several contextual factors, including the quality or activity of independent directors or the limited enforceability of disclosure guidelines.

The correlation between HCD and Board Gender Diversity ($r = 0.059$), while slightly higher, also reflects a weak positive relationship. This finding is of interest when viewed through the lens of resource dependency theory and stakeholder theory, which posit that gender-diverse boards bring multiple perspectives that

may encourage broader, more inclusive reporting practices, especially regarding social and human resource information. Although the correlation is weak, it provides preliminary support for the notion that gender diversity may have a soft influence on the humanization of corporate disclosures.

Similarly, the association between HCD and Board Diligence ($r = 0.013$) is also weak and positive. Board diligence, typically measured by the frequency of board meetings, is often considered a proxy for board activity and oversight. The minimal correlation observed here suggests that simply meeting more often does not necessarily lead to increased human capital reporting. This could point to a misalignment between the board's agenda and non-financial disclosure priorities, or it may reflect a compliance-based approach to board meetings rather than strategic engagement.

The correlation between HCD and Board Size ($r = 0.028$) is marginally positive. While larger boards may be expected to offer a wider range of expertise and support richer discussions on human capital matters (as suggested by resource-based and contingency theories), the result implies that board size in this context is not a significant driver of human capital disclosure. This weak relationship may be due to limited diversity within large boards or tokenistic appointments that do not necessarily affect decision-making.

Turning attention to the interrelationships among the independent variables, the correlation between Board Independence and Board Gender Diversity ($r = -0.054$) is weakly negative, indicating that boards with a higher proportion of

independent directors tend to have slightly fewer women. Although the magnitude is small, this finding may reflect recruitment patterns where independence is prioritized over diversity, or cultural and institutional factors that still limit the inclusion of women in board positions. This result highlights a potential trade-off between independence and inclusiveness that warrants further scrutiny in governance design.

The relationship between Board Independence and Board Diligence ($r = 0.073$), though still weak, is the highest among board's pairwise correlations. This suggests a slight tendency for boards with more independent directors to meet more frequently, which aligns with the expectation that independent directors, being custodians of shareholder interests, demand more active engagement in monitoring. While encouraging, the weak strength implies that independence alone may not be sufficient to enhance board activeness unless complemented by other structural or motivational factors.

The correlation between Board Independence and Board Size ($r = -0.064$) is negative, suggesting that larger boards may have fewer independent members proportionally. This could reflect challenges in maintaining independence as boards expand, especially if growth is driven by executive appointments or shareholder representatives. This weak inverse relationship supports the view that board expansion may dilute the governance quality unless deliberate efforts are made to preserve board independence.

The association between Board Gender Diversity and Board Diligence ($r = 0.076$) is weak and positive. This result, while subtle, aligns with recent literature suggesting that gender-diverse boards are more likely to engage proactively and maintain higher oversight standards. Female directors may contribute more diligently, leading to more frequent meetings or heightened engagement levels. Although the correlation is

modest, it supports the growing narrative on the functional importance of gender inclusivity in governance performance.

The near-zero correlation between Board Gender Diversity and Board Size ($r = 0.009$) suggests no significant relationship. Increasing board size does not necessarily lead to more gender-diverse representation, countering the assumption that a larger board provides more room for inclusivity. This may reflect systemic barriers to gender appointment or the absence of specific quotas or policies encouraging gender diversity in Nigeria's banking boards.

The most notable relationship in the matrix is the weak negative correlation between Board Diligence and Board Size ($r = -0.186$). This implies that as boards become larger, the frequency of board meetings slightly declines. From a governance efficiency standpoint, this result aligns with the coordination cost theory, which posits that larger boards may face scheduling challenges and decision-making bottlenecks, reducing their ability to convene frequently. It also supports the notion that boards may become more symbolic and less operationally effective beyond an optimal size.

The correlation matrix reveals minimal multicollinearity among the independent variables, with all coefficients below ± 0.2 . This statistical outcome is favourable for regression modelling, as it indicates that each governance variable may contribute independently to explaining the dependent variable human capital disclosure without redundancy. Conceptually, the weak relationships underscore corporate governance's complex and multidimensional nature, where structural features such as board composition and activity may influence disclosure and accountability only when supported by institutional quality, enforcement mechanisms, and internal governance culture.

Regression Analysis

Table 3 Fixed-Effects Panel Regression Model Result

HCD	Coef.	St.Err.	t-value	p-value	[95% Conf Interval]	Sig
BIND	.634	.115	5.51	0.000	.407 .862	*
BGEND	.035	.132	0.27	0.789	-.227 .297	
BDIL	.088	.011	7.71	0.000	.065 .11	*
BSIZE	.013	.007	1.91	0.058	0 .027	*
Constant	-.035	.079	-0.44	0.658	-.192 .122	
Mean dependent var		0.579	SD dependent var		0.197	
R-squared		0.771	Number of obs		140	
F-test		110.132	Prob > F		0.000	
Akaike crit. (AIC)		-293.602	Bayesian crit. (BIC)		-278.549	

* $p < .01$, $p < .05$, * $p < .1$

Source: STATA Output, 2025

Table 4: Fixed Effects Panel Regression Model Result (Dependent Variable: Human Capital Disclosure - HCD)

Model Statistics

Mean of Dependent Variable: 0.579
Standard Deviation of Dependent Variable: 0.197
R-squared: 0.771
F-statistic: 110.132, $p = 0.000$
Number of Observations: 140
Akaike Information Criterion (AIC): -293.602
Bayesian Information Criterion (BIC): -278.549

Note. $p < .10$ (), $p < .05$ (), $p < .01$ ().

Source: STATA Output, 2025.

The results in Table 4.6 present the outcome of a fixed effects panel regression model investigating the influence of board attributes on Human Capital Disclosure (HCD) among Nigerian deposit money banks over a 10-year period. The model fits the data well, as indicated by an R-squared of 0.771, meaning that approximately 77.1% of the variation in HCD is

explained by the selected board variables Board Independence (BIND), Board Gender Diversity (BGEND), Board Diligence (BDIL), and Board Size (BSIZE). The F-statistic (110.132) with a p -value of 0.000 confirms that the overall model is statistically significant at the 1% level, rejecting the null hypothesis that all coefficients are jointly equal to zero.

The coefficient for Board Independence is 0.634, and it is statistically significant at the 1% level ($p = 0.000$). This suggests that, holding other variables constant, a unit increase in the proportion of independent directors is associated with a 63.4 percentage point increase in human capital disclosure. This result aligns with the Agency Theory which posits that independent directors enhance board oversight and accountability, thereby promoting greater transparency and disclosure practices. It also supports empirical evidence from studies that emphasize the positive role of independent boards in improving corporate reporting quality.

The coefficient for Board Gender Diversity is 0.035, but it is not statistically significant ($p = 0.789$). The confidence interval also includes zero ($[-0.227, 0.297]$), suggesting that the effect is neither statistically nor practically meaningful in this context. Although literature based on Stakeholder Theory and Resource Dependency Theory often asserts the importance of gender diversity in promoting inclusive reporting, this finding implies that gender diversity alone does not significantly influence HCD in the sampled Nigerian banks. This could reflect cultural dynamics, tokenistic appointments, or lack of real influence by female board members.

Board Diligence has a positive and statistically significant coefficient of 0.088 ($p = 0.000$), meaning that an additional board meeting per year is associated with an 8.8 percentage point increase in HCD. This strong positive relationship aligns with Jensen's (1993) perspective that frequent board meetings improve monitoring effectiveness, enhance information flow, and improve governance practices, including improved disclosure. The statistical significance underscores that active board engagement directly contributes to greater transparency in human capital matters.

The coefficient for Board Size is 0.013 with a p -value of 0.058, making it marginally significant at the 10% level. This suggests that larger boards are slightly more likely to engage in human capital disclosure, possibly due to the diversity of perspectives and expertise that a larger group can offer. The positive effect supports the Resource-Based View, which advocates that

larger boards may offer broader oversight capacity and informational resources. However, the weak statistical significance calls for cautious interpretation.

The model's intercept is -0.035 and is not statistically significant ($p = 0.658$). This value has no practical implication in isolation and merely reflects the predicted value of HCD when all predictors are set to zero, an unlikely scenario in the real-world governance context.

The regression results suggest that Board Independence and Board Diligence are the most robust and statistically significant determinants of Human Capital Disclosure in Nigerian deposit money banks. Board Size has a marginally significant effect, while Board Gender Diversity does not show a statistically discernible influence. These findings reinforce the need for institutional reforms and regulatory emphasis on enhancing board oversight functions and increasing board engagement, particularly through independent membership and diligence mechanisms.

The fixed effects model validates the importance of specific governance mechanisms in shaping non-financial disclosure behaviour in the Nigerian banking sector. The results offer both empirical support and policy relevance for strengthening board structures to promote greater transparency in human capital reporting.

Discussion of findings

Board Independence and Human Capital Disclosure

The study found that boards with more independent directors tend to disclose more human capital information. This aligns with Agency Theory, which posits that independent directors act as objective overseers, reducing information asymmetry and managerial opportunism. Ojo and Umar (2024) support this view, demonstrating that independent boards in Nigerian banks enhance voluntary human capital disclosure. Similarly, Tejedo-Romero and Araujo (2022) in a Spanish context report that independent supervision promotes human capital reporting. Japanese research also affirms that

board independence positively influences transparency around employee development (Unexpected et al., 2023). In the UK, studies highlight that independent, non-accounting directors drive intellectual capital disclosure (Confidential et al., 2023). Such consensus across geographies underscores that independent governance strengthens accountability and transparency in human capital matters.

Board Gender Diversity and Human Capital Disclosure

In contrast, the analysis shows that board gender diversity did not significantly affect human capital disclosure. This finding echoes Ojo and Umar (2024), who observed similar results in Nigerian banks. The empirical evidence remains inconclusive despite theoretical support from Resource Dependence and Stakeholder Theories, which suggest that women's representation may improve board deliberation and stakeholder communication. For instance, Bangladesh studies link gender diversity to enhanced sustainability reporting (Mazumder, 2022), yet these outcomes may not translate to human capital disclosures. Anand et al. (2023) found that gender-diverse boards produced clearer climate-related disclosures following mandatory diversity policies. However, broader literature reviews also suggest the relationship is complex and context-dependent (Wiley Review, 2023). This implies that simply increasing board gender diversity without addressing inclusivity and influence mechanisms may not yield substantive improvements in disclosure.

Board Diligence and Human Capital Disclosure

Frequent board meetings, our proxy for board diligence, were found to enhance human capital disclosures significantly. This reinforces Jensen's monitoring hypothesis, which argues that active boards are better positioned to challenge management and ensure transparency. Ojo and Umar (2024) similarly emphasise the importance of meeting frequency for effective oversight. Comparable patterns also appear in

Japanese and UK studies, where regular board engagement is linked to richer intellectual capital narratives (Tejedo-Romero & Araujo, 2022). These findings collectively suggest that diligence fosters a culture of engagement and critical oversight, essential for enriching non-financial disclosures.

Board Size and Human Capital Disclosure

Board size showed a modest but positive association with human capital disclosure, suggesting that boards with more seats may benefit from increased diversity and expertise. This finding is consistent with Resource-Based Theory, emphasizing that broader boards can access a wider skill set and informational resources. Ojo and Umar (2024) observe that non-accounting expertise associated with larger boards improves disclosure quality. UK evidence also reinforces the notion that board capital underpins intellectual reporting practices (Confidential et al., 2023). Conversely, literature warns that larger boards may suffer from coordination challenges, potentially dampening their effectiveness. Thus, while growth in board size can yield strategic gains in disclosure capacity, it requires balancing breadth with operational efficiency.

CONCLUSION

The findings of this study provide empirical support for the view that board structure and functionality matter for human capital transparency. Particularly, independence and diligence emerge as critical governance levers that can enhance accountability and foster trust among stakeholders. These findings contribute to the literature on corporate governance and non-financial disclosure in emerging markets and offer important implications for regulators, policymakers, and institutional investors. For improved human capital reporting in the Nigerian banking sector, emphasis should be placed on strengthening board independence, encouraging active board engagement, and promoting governance reforms that translate board diversity into board effectiveness.

RECOMMENDATION

Regulatory bodies should strengthen board independence requirements, enforce minimum board meeting frequencies, and promote institutional empowerment of female directors to enhance disclosure effectiveness. These governance reforms, if implemented, will help align Nigerian banks with international standards and support more transparent, accountable, and sustainable corporate practices.

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