Audit Committee Gender Diversity, CSR and Earnings Management of Selected Consumer Goods Firms in Nigeria

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Abstract
The study evaluated the moderating effect of audit committee gender diversity on the relationship between social responsibility disclosure and earnings management of selected consumer goods companies in Nigeria. Earnings management was the dependent variable and the independent variable employed in this study was corporate social responsibility measured as social donation disclosure, employee relation disclosure, while audit committee gender diversity was used as the moderating variable. Ex post facto research design was adopted, secondary data were used and three hypotheses were tested. The results showed that audit committee gender diversity significantly moderate the relationship between social donation disclosure and earnings management. Also, the study found that audit committee gender diversity significantly moderates the relationship between customer complaints disclosure and earnings management. Finally, the result showed that audit committee gender diversity significantly moderates the relationship between employee disclosure and earnings management. In line with the the findings of this study, it was concluded that that more gender diversified audit committee boards have the capacity to weaken the opportunistic behaviours of such managers. The study recommended that efforts by stakeholders to promote CSR activities should be pursued alongside institutional monitoring mechanisms such as audit committee boards that is unbiased against female members. This effort will ensure that managers' opportunistic tendencies do not override the ethical and legitimate purpose of CSR initiatives.

Keywords: Corporate social resposibility, earnings management, social donation disclosure, employee relation disclosure, gender diversit.

Introduction

Financial reports are the mirror through which investors and other stakeholders view the performance and position of the companies whether financial or operational. Responsible companies through corporate social responsibility disclosures or sustainable reports disclose those activities to enhance their public image as well as promote stakeholders support. Since business organizations do not exist in isolation, but exist within a society, they are required to contribute positively to the development of society in which they are operating. The significance of corporate social responsibility as a vital tool for societal progressiveness cannot be over emphasized. Corporate disclosure is the means of communicating information on the activities of the company to the users of accounting information; and the quality of corporate disclosure is a function of the quality of accounting standards and the corresponding regulatory enforcement of standards (Aliyu & Ishaq, 2015). Similarly, Daferighe, Akpanuko and Offiong (2019) see corporate disclosure as the most crucial component of an accounting transaction, because it is aimed at giving information to guide stakeholders' decisions, serves as a prospectus for potential investors and a barometer for ascertaining manager's performance. But most times, these disclosures are window-dressed in order to suit the intention of the preparers which in turn mislead the end users on financial statements.

Earnings management can be viewed as attempt by management to influence or manipulate the entity's reported earnings by using specific accounting methods or policies or changing them to achieve that objective. In specific terms, earnings management techniques involve deliberate effort by management to defer or accelerate recognition of expense or revenue transactions designed to influence short term earnings. Aggressive earnings management results in stakeholders being misled (to some extent) on an entity's profitability and financial position. Earnings management has been a great and consistent concern among practitioners and regulators and has received considerable attention in the accounting literature (Oti & Mbu-Ogar, 2018). It has been argued that earnings management masks the true financial results and position of businesses and obscures facts that stakeholders ought to know. It involves the pushing of accounting principles to the limit of their flexibility or even beyond so as to improve their annual statements. Similarly, ThankGod and Onukogu (2018) opined that earnings management is a deceptive tool used by management to falsify earnings report in the financial statement, which gives an untrue reflection of the firm's financial strength and performance.

To forestall earnings management, organizations take a wide range of actions which include setting up committees whose roles include watching closely the contents of the corporate disclosure from compilation to publication and beyond. One of such committees is the audit committee which consists of a selection of members of an organization saddled with the duty of oversight of the company's accounting and financial reporting as a good corporate governance tool which enhances the integrity of corporate disclosure. Having female members in the board can enhance efficiency and effectiveness in the disclosure of corporate social disclosure in a manner that will forestall management from using these disclosures as part of their earnings management strategies. This is because women directors are more conservative, risk averse and more trustworthy than men, and are therefore less likely to manipulate corporate financial and other disclosures.

Earnings management and fraudulent financial reporting practices have led to loss of investment as well as loss of confidence in financial reporting and to restore this loss of goodwill, corporate governance mechanisms are put in place to checkmate the opportunistic behaviours of management. There have been a lot of researches on the relationship between corporate social responsibility and earnings management both in Nigeria and the developed countries of the world. A lot of other attributes have been used as control variable but there is no research in Nigeria to ascertain the moderating effect of audit committee gender diversity on the relationship between corporate social responsibility disclosure and earnings management of the consumer goods sector in Nigeria. Even the related researches carried out in more developed and advanced countries had mixed results. It is based on this gap that this research was undertaken to achieve the following objectives:

i. determine the effect of social donation disclosure on earnings management of listed consumer goods manufacturing companies in Nigeria.
ii. investigate the effect of customer compliant disclosure on earnings management of listed

consumer goods manufacturing companies in Nigeria.

iii. ascertain the effect of employee's relation disclosure on earnings management of listed consumer goods manufacturing companies in Nigeria.

iv. determine the moderating effect of audit committee gender diversity on the relationship between corporate social responsibility disclosure and earnings management of listed consumer goods manufacturing companies in Nigeria.

Conceptual Clarifications

Earnings Management

The term earnings management can be referred to as creative accounting, aggressive accounting, innovative accounting, cosmetic accounting, deceptive accounting, financial engineering, earnings smoothing, income smoothing, big bath and window dressing (Casmir, 2019). It is the application of accounting policies to structure a particular transaction in such a way that the financial statements will portray a picture of financial health that is in line with what the directors would like users to see rather than the true financial performance and position of the business. It involves the manipulation of financial numbers or figures or information usually within the letters of the law and accounting standards so as to produce an overstated position and performance. It occurs when managers use their discretionary power in the financial reporting process. Nwoye, Anichebe and Osegbue (2020) disclose that earnings management has remained a widely researched area in accounting for the last two decades. That is because it is assumed as the most important ethical issue facing the accounting profession. Earnings management is a multifaceted and difficult trend happening in corporate organizations in spite of their business areas or sizes. Corporate social responsibility disclosures can be employed by management to window dress the financial report by only disclosing the 'desirable news' and leaving out the negative footprints that has the capacity to threaten the companies' corporate existence. Also bloated figures could be reported deliberately to reduce profit and as well reduce the amount of earnings available to the shareholders.

Corporate Social Responsibility

Corporate social responsibility is described as a collection of activities which are of direct benefit to society that a firm voluntarily or discretionally undertakes. These activities form part of the overall corporate responsibilities that the firm owes its stakeholders and the natural environment within its scope of operations (Fali, Aminu, Macauley & Yahaya (2019). Seitanwan, Prabowo, Arnita and Wibawa (2019) describe corporate social responsibility as *disclosures relating to the interaction between an organization and its physical and social environment inclusive of disclosures relating to human resources, community involvement, the natural environment, energy, and product safety.* It could be through the provision of electricity, pipe bore water, building of good roads and ensuring security in the society or environment where they are situated. The concept of corporate social responsibility requires that companies should map out and give effect to specific programmes in accordance with a well-defined social policy. Business social responsibility exists and can be felt in many facets in the companies' corporate relationship with stakeholders such as suppliers, customers, employees, host community, owners of businesses, creditors, management, government and the society. Since it is the duties of management to prepare financial statements, disclosures of corporate social responsibilities can also be used to achieve management's selfish interest.

Social Donations Disclosure and Earning Management

Donation is one of the corporate practices that help to enhance the image of the organization thereby leading to the acceptability of the organization (Ohaka & Ogaluzor, 2018). Oti, Effiong and Akpan (2017) add that emphasis is therefore on the fact that today's corporate behaviour must not only ensure adequate returns to shareholders, adequate wages to employees, and quality products and services to customers, but also, must respond to societal and environmental concerns. According to Bello, Yusuf, Isichei, and Abubakar (2019), many corporate managers admit that well managed donations not only boost company image in the eyes of customers but also could also foster competitive advantage. Companies that make substantial donations are likely to promote a socially responsible public image, which could extend to other aspects of business practice, such as high standards of product quality and customer care. This would, in turn, help a firm gain customer support. Management can use the disclosure of this variable in manipulating financial statements by disclosing only the aspect that will launder the image of the company and leave out those items that stakeholders are much interested in. Management can also manipulate the disclosed figures in order to reduce the profit left to be shared as dividendd by the shareholders.

Employee Relations Disclosure and Earnings Management

Employees can be considered as the organization's most valuable resource given their ability to grow with the organization as well as the knowledge they contribute in facilitating organizational competitive advantage. Shubita (2020) opined that the success or failure of any organization is directly related to how employees are able to effectively and efficiently manage and organize other factors of production or resources. Corporate employee relations disclosure also known as human resources accounting or human asset accounting, is an information system involved in identifying, measuring, capturing, tracking and analyzing the potential of the human mix of a company and communicating the resultant information to the stakeholders of the company (Isa & Farouk, 2018). Management can use the employee relation disclosure to create false picture for stakeholders about the company's activities or to influence contractual results that depend on accounting disclosures. Companies use CSR practices to manage or manipulate the information needs of various powerful stakeholders such as employees, shareholders, non-governmental agencies and the general public in order to gain support which is necessary for their survival.

Customer Complaints Disclosure and Earnings Management

Interestingly, many studies argue for more disclosures of customer metrics that reflect firms' performance with its customers and its actions targeting customers. For example, Bello et al (2019) present strong arguments for more disclosures of customers' brand perceptions. Calls for more disclosures of customer complaints and metrics are based on the thesis that more disclosures of customer metrics will lower investors' and analysts' uncertainty about the future financial performance of the firm. With this in mind, management can make more of this disclosures to win investors' confidence and this is an opportunistic behavior. Customers complaint may not wholly be motivated by firm's social standing; it may be used by managers in pursuit of their self-interest. Many researches have shown that managers use CSR as a tool to protect their carriers. One way of achieving this is to use CSR as a shield to hide earnings management (Mohmed et al, 2020).

Audit Committee Diversity

An audit committee plays significant roles in financial reporting by ensuring compliance with regulatory requirements and auditing standards. Audit committee characteristics are suggested to be factors that influence their effectiveness. Corporate governance code requires the presence of gender diversity (both male and female) as members of board committees. In this study, gender diversity refers to the presence of equal women and men in the audit committee. Previous literature suggest that women directors are more conservative, risk averse, high in moral standards and more trustworthy than men, and are less likely to manipulate corporate financial and other disclosures (Amar, 2014, Bello et al, 2019). Audit committees are formed to provide critical oversight of companies' financial reporting process. Particularly, the primary purpose of their formation is to enhance the credibility of audited financial statements. The committees are expected to act independently to resolve conflicts between the management and external auditors. In particular, an audit committee can act as an arbiter between management and the auditors by providing a formal communication channel between the board, management and external auditor (ThankGod & Onukogu, 2018).

Theoretical Framework
There are various theories that explain the effect of social responsibility disclosure on earnings management. For the purpose of this work, the focused is on *stakeholders' theory.*

The Stakeholders' Theory by Freeman (1984)
This theory explains specific corporate actions and activities using a stakeholder agency approach. The theory is concerned with how relationships with stakeholders are managed by companies in terms of acknowledgement, transparency and accountability. The argument advocated by Freeman (1984) is that all stakeholders have the right to be treated reasonably by the organization. According to him, stakeholders comprise any group or individual who can affect or be affected by the achievement of the organization's objectives. These groups or individuals include employees, local communities, customers, suppliers, competitors, banks, investors, governments, non-governmental organizations (NGOs), etc. Some scholars have agreed with his position on the responsibility of the firm to a broader set of stakeholders other than shareholders, while Friedman (2002) has opposed the idea.

More so, this theory proposes an increased level of corporate social responsibility which creates the need for companies to extend corporate planning to include non-traditional stakeholders, in order to adapt to changing social demands. As stakeholders influence becomes crucial for corporate image and comparative advantage, companies manage their stakeholder relationship by providing information often in the form of corporate social responsibility disclosures in annual reports or on their websites. This study is anchored on this theory because it is premised on the notion that stakeholders expect companies to be socially and environmentally responsible so that there is a market premium in improved economic, environmental and social performance which in turn boost shareholders' value and reduce the likelihood of earnings management.

Empirical Review
Li, Kim, Wu and Yu (2019) *examined the influence of corporate social responsibility (CSR) on earnings management. The population of the study was the entire one hundred and sixty-four (164) manufacturing companies quoted on the Indonesian Stock Exchange in 2018, while the study sample size was one hundred and forty-three (143) companies, selected through a purposive sampling method. The data collection method used was the non-participant observation method. The results showed that CSR has a negative significant influence on earnings management.*

In South Korea, Buertey, Sun, Lee and Hang, (2019) investigated the relationship between corporate social responsibility (CSR) and earnings management (EM) and examined whether corporate governance (CG) mechanisms can moderate CSR–EM relation. Fixed-effect regression was used to estimate the coefficients of the variables. The independent variable of the study was a corporate social responsibility score by CSR Hub. The dependent variable of the study was earnings management measured using discretionary accruals. Board Size, Board independence, Institutional ownership and block ownership were taken as the mediating variables. The authors found a significant positive relation between CSR and EM. The authors concluded that the result highlights the managerial opportunistic use of CSR explained within the agency theoretical framework.

Setiawan et al (2019) examined the effect of corporate social responsibility performance on earnings management based on the sample of 6,442 firm-year observations from 2006 to 2014. The dependent variable was corporate social responsibility (CSR), while the independent variables were earning management and family ownership. Using Generalized least square regression, the findings explained that social and environmental performance is positively related with earnings management; firms with a greater socially responsible performance show a higher discretionary behavior by promoting actions that mask the real financial and economic performance of the firm. The results reveal that this positive relation is lower moderated - in family-owned firms, mainly because of the fact that family firms show a greater socially responsible behavior aimed at preserving their socioemotional endowments and are negatively associated with earnings management practices.

The impact of audit committee membership gender diversity on quality of financial reporting of deposit money banks in Nigeria was examined by Adagye (2019). The study was aimed at ascertaining the impact of audit committee membership gender diversity on financial reporting quality of quoted deposit money banks in Nigeria. The population of the study was all the Fifteen (15) quoted deposit money banks on the Nigerian Stock Exchange as at 31st December, 2016 which was narrowed down through a judgmental sampling technique to ten (10). Data relating to financial reporting quality were sourced from the annual reports and accounts of the sampled banks. The study found that gender diversity does not relate to financial reporting quality of Banks in Nigeria.

Lim and Amin (2016) undertook an empirical study on social responsibility and true earnings management of central enterprises. The study used Roychowdury model to measure real earnings management as the dependent variable while corporate social responsibility was measured as a score index. Furthermore, the study was controlled by return on asset, asset-liability ratio, ownership concentration and company size. The study used ordinary least square regression to test the hypotheses. The results showed that there is a negative correlation between the social responsibility of central enterprises and real earnings management. In conclusion, the author submitted that the degree of fulfilling social responsibility of the central enterprises is different, and there are great differences in the degree of real earnings management.

Uwah and Akpan (2019) examined the relationship between creative accounting and investment decisions by shareholders in Nigeria public companies. The survey research design was adopted where 61 professionals comprising chartered accountants, company secretaries, financial consultants/analysts and seasoned academics in the accounting profession constituted the sample size. Five hypotheses at 5% significant level were tested, while correlation and pearson product-moment correlation was used to measure the degree of association between the variables. The findings revealed that creative accounting has significant relationship with investment decision of investors.

In India, Mishra and Malhora (2016) examined the association between the quality of corporate social responsibility disclosure (QCSRD) and both real earnings management (REM) and accruals earnings management (AEM) of Indian listed companies, from 2007 to 2015. QCSRD was measured through a framework, which was developed by the study to capture three dimensions: the quantity of CSR information disclosed; the spread of CSR information disclosed and the usefulness of CSR information. To test the hypotheses, the study used multiple least square regression technique. The study result indicated that the QCSRD is negatively and significantly associated with both AEM and REM. The author concluded that the result is consistent with the moral perspective and assumes that companies with low levels of QCSRD engage more in real or accruals-based earnings management compared to those companies with a higher level of QCSRD.

ThankGod and Onukogu (2018) *investigated the impact of audit committee expertise on earnings management practices of quoted food & beverages manufacturing firms in Nigeria. Secondary data were collected from the annual reports of 15 sampled firms using convenience sampling* *methodology which was mostly dictated by data availability. The study period covered 2006 to 2016. Earnings management was measured by discretionary accruals, using modified Jones (1991) model. Time series data were used to estimate discretionary accrual for each respective sampled firm as at 2016 financial year-end. Ordinary Least Square based regression was then applied on the cross-sectional estimates of the discretionary accruals, taking cross-section of audit committee quality dimensions (i.e. committee expertise, committee size and meeting frequency) as independent variables. Firm size was used as the contextual variable. It was found that committee size was redundant due to constancy of data points.*

Methodology

The research design adopted for this study was ex post facto because the data used were historical and were sourced from the sampled companies' annual report and the Nigeria Stock Exchange Fact book. The population of the study consisted all consumer goods firms listed on the Nigerian Exchange Group market (NGX). As at 31st December, 2020, the total number of listed consumer goods manufacturing companies were eighteen (18). The sample size of sixteen (16) companies were purposively selected based on the availability of data. The data were analysed using ordinary least square technique. The model used in this study was adopted from the work of Buerty et al (2019) and modified to suit this study as follows:

$$Y_{it} = {}_0 + {}_1X_{it} + {}_2M_{it} + {}_3XM_{it} + e_{it}$$

Where:

Y	=	Earnings management
X	=	Social donations disclosure, employee relation disclosure, and customer complaint disclosure
M	=	Audit committee gender diversity
XM	=	Interaction term
0-3	=	coefficients to be determined in the study
"{i}"	=	Cross section (sample companies)
"t"	=	Time frame (2011 to 2020)
e_{it}	=	Stochastic error term

Data Analysis Findings and Discussion

Data Analysis

Descriptive Statistics

Table 4.1: Descriptive Statistics of the Moderating Effect of Audit Committee Gender Diversity on the Relationship Between CSR Disclosure and Earnings Management

Variable	Obs	Mean	Std. Dev.	Min	Max
emgt	158	-.0672595	.2037452	-.985	.698
sdgd	159	.7610063	.4278163	0	1
emyd	159	.9371069	.2435376	0	1
cccd	159	.2704403	.4455907	0	1
acgd	159	12.7866	15.48389	0	60

From table 4.1, it is observed that on the average, information on social donation was about 76% with a standard deviation of 43%, employee relation disclosure was 94% on the average with a standard deviation of 24%, and customer complaints disclosure reported by the sample firms was 27% on the average with a standard deviation of 45%. In the case of the dependent variable, the study shows that earnings management on the average was -0.07 with a standard deviation of

0.20. For the moderating variable, the study found that audit committee gender diversity has a mean of 12 members for the firms under study and a standard deviation of 15.

Table 4.2: Spearman Rank Correlation of the Moderating Effect of Audit Committee Gender Diversity on the Relationship Between CSR Disclosure and Earnings Management

	emgt	sdgd	emyd	cccd	acgd
emgt	1.0000				
sdgd	0.0525	1.0000			
emyd	0.1264	0.4441	1.0000		
cccd	0.0849	0.0045	0.1515	1.0000	
acgd	-0.0583	0.1858	0.1922	0.3274	1.0000

Table 4.2 reveals that the association between employee relation disclosure and customer complaint disclosure is found to be positive as well as the correlation between social donations disclosure and earnings management. Overall, table 4.1 shows that the correlation coefficients among the variables of interest are less than 0.8, which is the limit or cut off correlation point commonly suggested by prior studies after which the consequence of multicollinearity is suspected (Gujarati 2003).

Regression Analyses

The study employed the OLS regression analysis to analyze the cause-effect relationships between the dependent and independent variables, as well as to test the hypotheses, because the results showed that there is no heteroskedasticity. The OLS pooled results obtained is presented and discussed below.

Table 4.3: OLS Regression of the Moderating Effect of Audit Committee Gender Diversity on the Relationship Between CSR Disclosure and Earnings Management

emgt	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
sdgd	.0023831	.0534902	0.04	0.965	-.1033142	.1080805
emyd	.0838898	.0856598	4.98	0.000	-.0853751	.2531547
cccd	.0492527	.0549432	0.90	0.371	-.0593157	.1578212
acgd	-.0031529	.0127911	-0.25	0.806	-.0284282	.0221224
sdgdacgd	.0042697	.0032027	6.77	0.000	-.0020589	.0105983
emydacgd	-.0027807	.0132076	-5.02	0.000	-.028879	.0233176
cccdacgd	.0017405	.0022969	2.03	0.049	-.0027983	.0062793
_cons	-.1458267	.0710758	-2.05	0.042	-.2862734	-.0053801

FStats: 111.09 (0.0000); R-Squared: 0.4486; Hettest: 0.13 (0.7170)

From table 4.3, it is observed that the R-squared of the OLS pooled regression (0.4486) indicates that about 45% of the systematic variations in earnings management in the pooled consumer goods firms, over the period of interest was jointly explained by the independent variables in the model. The unexplained part of earnings management could be attributed to the exclusion of other independent variables that can impact on earnings management but were excluded because they are outside the scope of this study, however, they have been captured in the error term. The F-statistic value of 111.09 and its associated P-value of 0.0000 show that the OLS regression model overall is statistically significant at 5% level, this means that the regression model is valid and can be used for statistical inference.

Test of hypotheses

Hypotheses 1

H_{01}: Audit committee gender diversity has no significant moderating effect on the relationship between social donation disclosures and earnings management of quoted consumer goods firms in Nigeria.

The result obtained from the OLS regression shows that audit committee gender diversity has a positive and significant moderating effect on the relationship between social donation disclosure and earnings management. This is revealed as (SDGDACGD; Coef. 0.00 and Prob. 0.000). Following the result, it is revealed that audit committee gender diversity significantly moderates the relationship between social donation and earnings management of quoted consumer goods firms in Nigeria. Hence, the null hypothesis was rejected.

Hypotheses 2:

H_{02}: Audit committee gender diversity has no significant moderating effect on the relationship between employee relation disclosures and earnings management of quoted consumer goods firms in Nigeria.

The result obtained from the OLS regression shows that audit committee gender diversity has a negative and significant moderating effect on the relationship between employee disclosure and earnings management. This is revealed as (EMYDACGD; Coef. -0.00 and Prob. 0.000). Following the result, it is revealed that audit committee gender diversity significantly moderates the relationship between employee disclosure and earnings management of quoted consumer goods firms in Nigeria. Hence, the null hypothesis rejected**.**

Hypotheses 3:

$H_{03:}$ Audit committee gender diversity has no significant moderating effect on the relationship between customer complaint disclosure and earnings management of quoted consumer goods firms in Nigeria.

The result obtained from the OLS regression shows that audit committee gender diversity has a positive and significant moderating effect on the relationship between customer complaints disclosure and earnings management. This is revealed as (CCCDACGD; Coef. 0.00 and Prob. 0.000). Following the result, it is revealed that audit committee gender diversity significantly moderates the relationship between customer complaints and earnings management of quoted consumer goods firms in Nigeria. Hence, the null hypothesis rejected.

Discussion of Findings

Based on the outcome of our analysis, the result revealed mixed evidences suggesting that the role of audit committee gender diversity depends upon the social donation channell through which corporate managers carry out their manipulative activities. This finding is consistent with those of ThankGod and Onukogu (2018), who found inconsistent results across three different proxies of CSR. Empirical evidence from this study revealed that audit committee gender diversity significantly influences earnings management practices of corporate managers. The findings corroborate that of Buetey et al. (2019), who found a neutral relationship between the proportion of women directors seating on the audit committee board and earnings management. They argued that men and women may have the same ethical beliefs towards earnings management. Although female directors may be more ethical than their male counterparts, the former just could not influence the rest of the committee members.

For the variable of employee relation disclosure, the study found a negative moderating role of audit committee gender diversity on the relationship between earnings management and employee relation disclosure. This study is consistent with the findings of Lim et al (2019) who documented that gender-mixed groups show better performance than single gender groups. Were women to be more ethical than men, female audit committee members are more likely to believe that earnings management is unethical thus would seek to influence the committee so that a majority of the audit committee directors will choose to act against earnings management practices. In terms of customer complaints disclosure, it was revealed that audit committee gender diversity significantly moderates the relationship between customer complaints and earnings management of quoted consumer goods firms in Nigeria.

Conclusion and Recommendations

Eliminating earnings management maybe somehow impracticable. However improving the quality of disclosures in the financial statements and compliance with corporate governance practices are the means to reducing earnings management to the barest minimum. This is because high quality disclosures help investors to evaluate financial statements, thereby reducing their susceptibility to behavioural biases and reduces managers incentives to exploit poor corporate governance and market inefficiencies. In line with the the findings of this study, it was concluded that more gender diversified audit committee boards have the capacity to weaken the opportunistic behavoiurs of such managers.

The study therefore recommended that efforts by stakeholders to promote the disclosure of CSR activities should be pursued alongside institutional monitoring mechanisms such as audit committee boards that are unbiased against female members. This effort would ensure that managers opportunistic tendencies do not override the ethical and legitimate purpose of CSR initiatives.

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APPENDIX A: STATA Output

```
    Variable |        Obs        Mean    Std. Dev.       Min        Max
-------------+---------------------------------------------------------
        emgt |        158   -.0672595    .2037452      -.985       .698
        sdgd |        159    .7610063    .4278163          0          1
        emyd |        159    .9371069    .2435376          0          1
        cccd |        159    .2704403    .4455907          0          1
        acgd |        159     12.7866    15.48389          0         60
```

```
             |     emgt     sdgd     emyd     cccd     acgd
-------------+---------------------------------------------
        emgt |   1.0000
        sdgd |   0.0525   1.0000
        emyd |   0.1264   0.4441   1.0000
        cccd |   0.0849   0.0045   0.1515   1.0000
        acgd |  -0.0583   0.1858   0.1922   0.3274   1.0000
```

```
      Source |       SS           df       MS      Number of obs   =       157
-------------+----------------------------------   F(7, 149)       =    111.09
       Model |  .307658962         7   .04395128   Prob > F        =    0.0000
    Residual |  6.02170305       149  .040414114   R-squared       =    0.4486
-------------+----------------------------------   Adj R-squared   =    0.4339
       Total |  6.32936201       156  .040572833   Root MSE        =    .20103

------------------------------------------------------------------------------
        emgt |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
        sdgd |   .0023831   .0534902     0.04   0.965    -.1033142    .1080805
        emyd |   .0838898   .0856598     4.98   0.000    -.0853751    .2531547
        cccd |   .0492527   .0549432     0.90   0.371    -.0593157    .1578212
        acgd |  -.0031529   .0127911    -0.25   0.806    -.0284282    .0221224
    sdgdacgd |   .0042697   .0032027     6.77   0.000    -.0020589    .0105983
    emydacgd |  -.0027807   .0132076    -5.02   0.000     -.028879    .0233176
    cccdacgd |   .0017405   .0022969     2.03   0.049    -.0027983    .0062793
       _cons |  -.1458267   .0710758    -2.05   0.042    -.2862734   -.0053801
```

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
         Ho: Constant variance
         Variables: fitted values of emgt

         chi2(1)      =     0.13
         Prob > chi2  =   0.7170
```