

## **Board Dynamics and Financial Reporting Timeliness of Listed Family-owned firms: Evidence from Nigeria**

DOI: <https://doi.org/10.31920/1750-4562/2025/v20n1a12>

**Muyiwa Ezekiel ALADE<sup>a</sup>,**  
**Modupe Rachael GBADAMOSI<sup>b</sup>,**  
**Olabode Olutola AIYESAN<sup>c</sup>,**  
**Ayobaye SALEMCITY<sup>d</sup>, Sunday Olusola OMOJOLA<sup>e</sup>,**  
**Abiodun Abdul-Jaleel AKINWUNMI<sup>f</sup>**

*<sup>a,b,c,d</sup>Department of Accounting, Adekunle Ajasin University, Akungba-Akoko,  
Ondo State, Nigeria.*

*<sup>e</sup>Accounting Programme, College of Management and Social Sciences, Bowen  
University, Iwo, Osun State, Nigeria.*

*<sup>f</sup>Department of Accounting, Babcock University, Ilishan-Remo, Ogun State, Nigeria.*

*<sup>a</sup>[muyiwa.alade@aaau.edu.ng](mailto:muyiwa.alade@aaau.edu.ng), <sup>b</sup>[gbadamosiracheal.m@gmail.com](mailto:gbadamosiracheal.m@gmail.com),*

*<sup>c</sup>[olabode.aiyesan@aaau.edu.ng](mailto:olabode.aiyesan@aaau.edu.ng), <sup>d</sup>[ayobaye.salemcity@aaau.edu.ng](mailto:ayobaye.salemcity@aaau.edu.ng),*

*<sup>e</sup>[olusola.omojola@bowen.edu.ng](mailto:olusola.omojola@bowen.edu.ng), <sup>f</sup>[akinabiiodun@yahoo.com](mailto:akinabiiodun@yahoo.com)*

---

### **Abstract**

The study examines the effect of board dynamics on timeliness of listed family-owned firms in the emerging economy of Nigeria. Specifically, the study investigated the extent to which board independence, size, and gender diversity, affect timeliness of financial reporting of the firms. The secondary data collected, and evaluated, covered a period from 2012 to 2022, and were drawn from 17 listed family-owned firms in Nigeria, out of a population of 39 firms obtained from MachameRatio database. Both descriptive statistics and panel data analyses were performed. The findings revealed that, on the average, issuance of family-owned listed firms' financial reports is delayed. However, board size and board independence have adverse effects on timeliness, while

board gender diversity presents a positive effect, but only statistically significant for board size. The results have policy implications for market regulators, investors and corporate leadership.

**Keywords:** *Board Size, Board Independence, Gender Diversity, Family-Owned, Financial Reporting, Timeliness.*

**JEL codes:** M41

## **1. Introduction**

Timely issuance of annual financial statements of a reporting entity is of importance to all its stakeholders, including capital market regulators. Timely disclosure of financial statements helps to enhance trust among stakeholders. It is also very essential for effective decision-making about the reporting entity, by both shareholders and potential investors. Timely financial reporting is one of the veritable means of discouraging insider dealings (Güleç, 2017). However, delay in disclosure of financial statements is a big concern, at both developed and developing capital markets, as it has resulted to failure of reported earnings of many entities to reflect their actual performance (Lev, 2018).

According to Purbawangsa et al. (2020), the performance of a business entity is a function of its corporate governance structure or intrinsic identities. Although external factors play a significant role, corporate governance structure put in place by the organisations play more critical role in attaining its set objectives (Waris & Haji Din, 2023). Most importantly, some of the factors that are capable of driving financial reporting timeliness include the board dynamics and audit committee characteristics. There is a fiduciary responsibility for the board of directors to ensure that organisation's mission and vision are attained, through appropriate deployment of available resources. Board's functions, which cover governance, accountability, and strategic direction, are critical to the success of a corporate entity.

Delay in financial reporting has resulted to difficulty in trading in shares; serving as a challenge to foreign potential investors (Warrad, 2018). The untimely issuance of financial reports is a great challenge in various stock markets worldwide (Adedeji et al., 2020). It increases the uncertainty surrounding investment decisions, which increases financial risk in the stock market. This, oftentimes, discourages local and international potential investors.

Another issue resulting from delay in the release of financial reports is the manipulation of financial statements by the management (Nurquran, 2023). Based on the findings by Salehi et al. (2020), decision-makers and users incur additional expenses, due to delay in the issuance of accounting reports. Consequently, capital market regulators across the globe have issued policy directives regarding time lags within which listed firms are to issue their annual financial reports for users' consumption (Laeven, 2014). The Nigerian Exchange Group is not left out, as it has made efforts, over the years, to ensure prompt reporting of financial information in Nigeria, by setting deadline for listed companies for annual financial reporting. Despite the regulatory directives, reporting lag still persists (Eze & Nkak, 2020; Gbadamosin & Alade, 2024).

Interestingly, family-owned businesses have grown in developed and developing markets (Kumar & Dubey, 2022). These are businesses whose structures (ownership or control) and process (involvement in operation) are mainly in the hands of a few individual(s) (Andersson et al., 2017; Birdthistle & Hales, 2023). That is, a business where a group of people, related by blood (i.e. father, mother and children), are involved in ownership and, or management of an entity, thereby influencing its strategy. In Europe, family business is the backbone of the economy, contributing between 40 to 50 percent of employment, and about 64 percent of the US gross domestic products, with remarkable impact on the global economy (Birdthistle & Hales, 2023). According to Miroshnychenko et al. (2021), based on a sample of firms from 43 nations, family-owned businesses show a higher growth rate than non-family-owned counterparts. Birdthistle and Hales (2023) stressed further that family-owned firms create most of the world's wealth, and are very resilient even during the last COVID-19. However, it is an empirical issue that board dynamics is capable of affecting timeliness of financial reporting among listed family-owned firms (Waris & Haji Din, 2023).

Though timeliness of financial reporting is a global concern, it is more worrisome in a developing economy like Nigeria that is characterised by weak institutional environment, subjective rule of law and ineffective governance policies (Obona, 2016; Amorelli & García-Sánchez, 2021). According to the Nigerian Code of Corporate Governance (2018), the role of the board is to exercise supervision, and ensure that management carries out business activities in the best interests of the shareholders, which also include prompt issuance of yearly financial reports. However, financial statement larceny still exists

as an effect of weak board structure within an organisation (Mathuva et al., 2019). Since Waris and Haji Din (2023) found that family ownership negatively affects the effectiveness of board composition in family-owned businesses, this study, therefore, investigates the effect of board dynamics, such as board independence, size, and gender diversity, on the timeliness of financial reporting of family-owned firm in Nigeria. The outcome of the investigation was envisaged to provide policy implication to the management and investors of family-owned firms, and capital market regulators especially in the developing nations.

## **2. Literature review and hypothesis development**

This section presents reviews of relevant and related concepts, theory, and empirical studies.

### ***2.1 Timeliness of financial reporting***

Timeliness is a qualitative characteristic of a financial report, which is frequently considered in assessing the quality of financial information (Aifuwa et al., 2018). Timely financial statements refers to prompt issuance of the annual financial reports of an organisation (Al-Muzaiqer et al., 2018). Recent accounting scandals have boosted demand for quick financial disclosure (Mbobo & Umoren, 2016). Therefore, a financial report is considered to be prompt if the report is presented to users before it loses its usefulness, due to insider trading. Thus, availability of financial and non-financial information to users before its market value declines is referred to as timeliness of financial reports, measured as the number of days after the end of the final year till, when the auditor signs the audited report.

According to Mbobo and Umoren (2016), previous accounting scandals have affected investors' trust in the stock market, resulting to significant reduction in their investment in stock dealings. As a result, capital markets worldwide have made initiatives to change investors' negative views by setting regulations and deadlines for publicly traded firms to follow when submitting periodic financial reports (Laeven, 2014). The time limit set by regulatory agencies varies per region. In the United States of America (USA), it is 55 days; in the United Kingdom (UK), it is 64 days, and in China, it is ninety-two (92) days average reporting lag (Ghafram & Yasmin, 2018). In developing nations,

reporting deadlines vary as well; countries such as Malaysia, Egypt, and Kenya have reporting lag of 103 days, 72 days and 107 days respectively (Raweh, et al., 2019). In Nigeria, listed firms must submit yearly audited financial performance within 90 days, after the firm's financial year-end (Eze & Nkak, 2020). Meanwhile, timely or delay in issuance of corporate financial reports lies majorly in the hands of the constituted board.

## ***2.2 Board Dynamics***

Board dynamics refer to innate peculiarities of the established internal highest governing body of an organisation. It includes, board meeting, size, gender, composition, expertise, education, and ethnicity among others (Alsmady, 2018; Al Azeez et al., 2019; Adedeji et al., 2020). Specifically, the Nigerian Code of Corporate Governance (2018) establishes the presence and composition of the board of directors in every organization. According to Herbert and Durosomo (2019), the board is expected to work in the company's interest, toward attaining its aim and objectives; ensures compliance with the established legislation and other relevant rules governing the business operations. The board's responsibility is to supervise and control the firm, in order to ensure that management team works in the best interests of shareholders, while maintaining the company's success (NCCG, 2018). The Code identifies and recommends various practices of the board, such as the board responsibilities, board meetings and board structure. Thus, board features are expected to impact timely issuance of the financial reports.

### *2.2.1 Board Independence*

The Nigerian Corporate Governance Code (2018) states that, a company's board of directors is considered independent when at least two-thirds of its members are independent, which is, non-executive directors. The code states further that directors who have no interest in the daily activities of the business are referred to as independent directors. It means, these board members are not expected to engage in the company's daily operations. Also, independent members are appointed, based on their track record of efficient management or piloting of other organizations to enviable heights, but do not have insider connections (Alsmady, 2018). Thus, board independence refers to the proportion of independent directors on the board, compared to total

directors. Given the peculiarity of this category of board membership, reporting entities are expected to ensure compliance with regulatory directives, including timely issuance of the financial reports.

### *2.2.2 Board size*

Board size refers to the number of directors on the company's board (Alsmady, 2018). For a reporting entity to keep track of its operations, and make strategic choices, board size is crucial. Diverse scholars have differing views about board size. For instance, Bakare et al. (2018) stress that large boards are significantly related to high-quality financial reports. Furthermore, Ahmed and Che-Ahmad (2016) observe that board size is a crucial component of the board to successfully supervise management, and effectively oversee the operation of the company so that the financial report can be released on time, after the financial year ends. According to Baatwah et al. (2016), boards with large members are beneficial to enterprises because of their diverse skills, expertise, and values, which produce effectiveness in making quick decisions, thereby preventing delays in financial reporting.

### *2.2.3 Board gender diversity*

Board gender diversity plays a vital role in helping businesses accomplish their goals. Guldiken et al. (2019) show that committees with multiple female directors are likely to operate differently from committees with all male directors. More creativity and talents are brought to the board of directors by mixed-gender (Ferrary & Déo, 2023). Furthermore, Hurley and Choudhary (2020) asserted that women tend to take fewer risks and maintain traditional roles. According to Alpay (2008) and Al Azeez et al. (2019), having women on a board could improve a company's success. Faccio et al. (2016) also asserted that having women on the board of directors will increase the effectiveness of board control, and that taking more prudent risks enhances timely financial reporting. Therefore, if board gender-diversity offers essential benefits, then, it can provide support that ensures protection of stakeholders' interest, which include timely issuance of the firm's financial reports (Fakhfakh et al., 2016).

## **2.3 Theoretical Review**

### *2.3.1 Agency Theory*

A contract known as an agency relationship is one in which the principal appoints a different individual, known as the agent, to carry out tasks on their behalf (Moloi, 2020). The agent must be allowed to make certain decisions, to accomplish the set goal (Jensen & Meckling, 1976). Agency theory contends that managerial and ownership separation necessitates that shareholders need safeguards when management (agent) priorities differ from the principal's expectations. Agency theory tends to concentrate on how to resolve issues with agents, like asymmetric information brought on by agency disputes. Agents and principals must develop control mechanisms and reporting systems to reduce information asymmetry (Gierlich-Joas et al., 2020). As a result, limiting this challenge can be achieved by timely disclosure of financial information. Based on this theoretical basis, the study hypothesized thus;

*H<sub>0</sub>: There is no significant effect of board dynamics on the timeliness of financial reporting of listed family-owned firms in Nigeria.*

## **2.4 Empirical Review**

Several studies have been carried out to unearth the effect of board features on timeliness of financial reports. For instance, Hassan (2016) examined determinants of delay in the publication of financial reports among selected firms on Palestine Stock Exchange (PSE). The regression result revealed that board size, and issuance of audit report are positively and significantly related. Furthermore, Bakare et al. (2018) examined the effects of board qualities on timely financial report. The data was gathered from the publicly available yearly financial reports of fifteen (15) listed insurance companies in Nigeria. The results, based on multiple regression technique, revealed that board qualities, precisely, the board proportion in number, has positive and significant effect on timely publication of financial information. However, the investigation was limited to listed insurance firms in Nigeria, without a specific focus on listed family-owned firms.

Uwuigbe et al. (2018) investigated the consequences of firm's governance composition on prompt issuance of financial reports of listed

financial institution in Nigeria. Based on the panel data regression, both board size and board independence presented an antithetic relationship with financial report timing. Nevertheless, the employed data covers 2008 to 2015, thereby creating currency concern because the results may not apply to the circumstances at the moment. Alsmady (2018) also analysed the effect of boards' attributes on timely financial statement issuance in an emerging Amman Stock Exchange. The study covered a period from year 2011 to 2015. The findings showed that a board with fewer individuals has antithetic impact, while one with higher members positively controls timely financial reporting.

Warrad (2018) evaluated the degree of relationship between governance triats and reporting lacency among listed Jordanian Banks from the year 2014 to 2016. The OLS regression analysis indicates significant correlation between the publication of financial performance and board proportion (number of board members). However, just like Alsmady (2018), the study was restricted to five years, while the current study considered 11-year period. Moreso, Agbaje and Oladutire (2019) discovered that CEO-duality and board size have positive and significant relationship with prompt issuance of financial reports among listed companies in Nigeria, based on linear regression performed, which corroborates the findings of Hassan (2016). Data were collected from the yearly financial reports of the 20 examined firms from year 2011 to 2015.

In Kenya, Mathuva et al. (2019) investigated how the structure of an entity's corporate governance (CG) systems may influence the timely release of the annual financial report. The study used 543 firm-year observations from 2007 to 2016. The robust finding revealed that board size, meetings and its independence result to longer audit report delay. Unlike Agbaje and Oladutire's (2019) findings, this study identified that board meeting and independence enhance prompt issuance of financial reporting of listed companies in Kenya. Adedeji et al. (2020) analyzed governance attributes and prompt issuance of financial reports in Nigeria. The study employed secondary data from the yearly financial reports of some selected firms. Based on multiple regression, the results indicated a robust relationship between board proportion and timely financial reporting. Despite indifference in the country of study, findings of Mathuva et al. (2019) are in tandem with that of Adedeji et al. (2020).

Eze and Nkak (2020) investigated corporate governance and the timely presentation of financial reports issued by listed businesses in

Nigeria. The study consisted of all publicly traded firms in Nigeria, as of March 31, 2018. The investigation revealed that independence of board members significantly enhances timeliness of companies’ audited reports. However, data employed did not extend beyond 2017 unlike the current study. The consequence of board traits on the timely issuance of financial reports was also examined by Asiriwuwa et al. (2021). The study obtained data from selected fifty listed companies on the Nigerian Exchange Group for a period from 2012 to 2018. The results revealed that timely financial reporting and board financial understanding are positively correlated, but CEO gender, board size, and board independence are negatively correlated with timely financial reporting. Succinctly, it is undeniable, from the reviewed extant studies, that there is a need to focus on family-owned listed firms based on its peculiarity that holders of majority control tend to suppress the interest of other minority shareholders.

**3. Methods**

The study adopted a longitudinal research design as the study covered 11 years. Data for the study were gathered from secondary sources through audited reports of all the listed family-owned firms for 2012 to 2022. The financial data used were drawn through digital information sources, which are MachameRatios and Nigeria stock exchange group. The population consisted of 39 listed family-owned firms in Nigeria, as at the time of this study. Sample size comprises seventeen (17) firms using a purposive sampling technique, by considering firms where an individual has the highest shareholding of at least 5%, highest voting right and fully involve in the management of the firm, so as to validate the influence of family relations. The study adapted a model previously employed by Asiriwuwa et al. (2021). In line with the specific objective of the study, the model used to estimate the effect of corporate board dynamics on timeliness is as stated in equation (3)

$$TIM_{LAGit} = \beta_0 + \beta_1BINit + \beta_2BSZit + \beta_3BGDit + \epsilon_{it} \dots \dots \dots (3)$$

Where:

$TIM_{LAG}$  = Timeliness of Financial Reporting (The number of days between the conclusion of the fiscal year and the signing of the audited financial statements).

$\beta_0$  = Constant;

BIN = Board Independence (Number of non-executive directors/ number of directors).

BSZ = Board Size (The overall number of directors on corporate boards in a given year).

BGD= Board Gender Diversity (Proportion of women on company boards in a given year).

$\beta_1, \beta_2, \beta_3$  = Coefficient of explanatory variables;

$\varepsilon$  = Standard error. Descriptive statistics and Panel Corrected Standard Error regression (PCSE) analyses were carried out.

## **4. Results and discussion**

### ***4.1 Descriptive Statistics***

Descriptive statistics for the independent, as well as dependent variables, are shown in Table 1. Particularly the descriptive statistics indicated that the mean of timeliness of financial reporting (TIM), among listed family-owned firms in Nigeria, was 104.68 days with standard deviation of 73.09. The results suggest that it took almost 105 days for the family-owned firms to get their annual report issued, indicating that the sector defies the 90-day regulatory directive. The maximum and minimum values stood at 538 days and 26 days respectively. This suggest that there are some of the family-owned listed firms in Nigeria that did not issue their financial reports until after about 18 months, while the earliest period within which the reports were issued was 26 days after the financial year end.

For the independent variables, the result revealed that the mean of board independence was 61.25, with the standard division of 13.60, indicating that about 61% of the sampled firms' board members are non-executive directors. This implies that Nigerian listed family-owned firms have more non-executive in the board than executive directors, suggesting that the firms under study almost met the requirement of NCGC (2018) that a company's director is considered independent when at least two-thirds of its members are independent. Furthermore, the

result shows the mean of 7.88 for board size (BSZ) and a standard deviation of 2.24, which indicates that, on average, the board of directors of the firms constitute eight members during the period. Regarding board gender diversity (BGD), the results show that the mean of both gender diversity was 15.08 with a standard division of 11.16. The results show that, on the average, about 15% of members of the board of family-owned businesses in Nigeria are female directors.

**Table 1: Descriptive Statistics**

|              | BGD      | BIN      | BSZ      | TIM      |
|--------------|----------|----------|----------|----------|
| Mean         | 15.08305 | 61.24989 | 7.877005 | 104.6828 |
| Maximum      | 42.86000 | 88.89000 | 14.00000 | 538.0000 |
| Minimum      | 0.000000 | 25.00000 | 3.000000 | 26.00000 |
| Std. Dev.    | 11.16379 | 13.60375 | 2.238677 | 73.09765 |
| Skewness     | 0.316036 | 0.053229 | 0.399427 | 3.857611 |
| Jarque-Bera  | 5.352501 | 0.088755 | 5.100968 | 2533.073 |
| Probability  | 0.068821 | 0.956593 | 0.078044 | 0.000000 |
| Observations | 187      | 187      | 187      | 186      |

## 4.2 Test of Variables

### 4.2.1 Data Normality

Ordinary least square regression assumptions include normality of data distribution. In other words, the observations follow a normal (Gaussian) distribution. This study adopts the position of Mendes and Pala (2003), who concluded that Shapiro-Wilk test procedure for normality of data is the most powerful normality test. Therefore, residual normality test was conducted, and the results are shown in Table 2.

As shown in the Table 2, timeliness of financial reporting is not normally distributed since the probability of the z-statistics as reveal by the Shapiro-Wilk test is significant at 1% significant level.

**Table 2: Shapiro-Wilk Test for Normal Data**

| Variable | Obs | W     | V      | Z     | Prob>z |
|----------|-----|-------|--------|-------|--------|
| tim      | 186 | 0.527 | 66.254 | 9.613 | 0.000  |
| bin      | 187 | 0.976 | 3.354  | 2.775 | 0.003  |
| bsz      | 187 | 0.989 | 1.514  | 0.951 | 0.171  |
| bgd      | 187 | 0.970 | 4.257  | 3.322 | 0.000  |

### 4.2.2 Correlation Analysis

With non-normal distribution, which the normality test reveals, alternatives to the Pearson approach might be justified. Correlation was utilized to find out the possible relationship between the dependent, and independent variables presented in this study and the results are as shown in Table 3, which reveal that board independence (-0.098), board size (-0.036), board gender diversity (-0.060) are negatively and weakly related with the dependent variable. The results suggest the absence of multicollinearity.

**Table 3: Spearman's Rank Correlation**

| Variables | (1)    | (2)    | (3)   | (4)   |
|-----------|--------|--------|-------|-------|
| (1) tim   | 1.000  |        |       |       |
| (2) bin   | -0.098 | 1.000  |       |       |
| (3) bsz   | -0.036 | -0.128 | 1.000 |       |
| (4) bgd   | -0.060 | 0.233  | 0.079 | 1.000 |

### 4.2.3 Multicollinearity Test

A robust check of Variance Inflation Factor Test (VIF) was used to validate the absence of multicollinearity. The result of the VIF, as stated in Table 4, revealed absence of multicollinearity, since each of the independent variables present VIF value below 10 rule of thumb.

**Table 4: Variance Inflation Factor Test of Variables**

| Variables | VIF  | 1/VIF |
|-----------|------|-------|
| BSZ       | 1.85 | 0.539 |
| BGD       | 1.57 | 0.638 |
| BIN       | 1.27 | 0.786 |
| Mean VIF  | 1.56 |       |

### 4.3 Regression analysis and hypothesis testing

The specific objective of the study seeks to investigate the effect of board dynamics on timeliness of financial reporting of listed family-owned firms in Nigeria, which informed the stated hypothesis. Therefore, Table 5 shows regression results of the test. In order to enhance reliability of the findings, appropriate linear regression

assumption tests on variables were carried out, so as to make sure that the results represent best linear unbiased estimation.

**Table 5: Extract of regression outputs**

|  | <b>(Pooled)</b>    | <b>(FE)</b>       | <b>(RE)</b>        | <b>(PCSE)</b>      |
|--|--------------------|-------------------|--------------------|--------------------|
| Bsz                                      | -5.572*<br>(-2.32) | -2.133<br>(-0.50) | -4.593<br>(-1.54)  | -5.572*<br>(-2.48) |
| Bin                                      | -0.460<br>(-1.11)  | -0.621<br>(-1.15) | -0.508<br>(-1.11)  | -0.460<br>(-1.41)  |
| Bgd                                      | 0.364<br>(0.73)    | 0.744<br>(1.11)   | 0.493<br>(0.88)    | 0.364<br>(0.71)    |
| _cons                                    | 171.3***<br>(5.24) | 148.3**<br>(3.32) | 164.6***<br>(4.41) | 171.3***<br>(6.23) |
| N  | 186                | 186               | 186                | 186                |
| R <sup>2</sup>                           | 0.033              | 0.018             |                    | 0.033              |
| adj. R <sup>2</sup>                      | 0.017              | -0.095            |                    |                    |
| Prob>F                                   | 0.1098             | 0.3925            |                    | 0.0405             |
| Wald chi2(7)                             |                    | 19514.65          | 4.11               | 8.28               |
| Prob>chi2                                |                    | 0.000             | 0.2503             |                    |
| <i>Modified wald Heteroskedasticity:</i> |                    |                   |                    |                    |
| Chi2(17)                                 |                    |                   |                    | 19514.65           |
| Prob>chi2                                |                    |                   |                    | 0.0000             |
| <i>Breusch &amp; Pagan LM Test:</i>      |                    |                   |                    |                    |
| Chibar2(01)                              |                    |                   |                    | 8.20               |
| Prob>chibar2                             |                    |                   |                    | 0.0021             |
| <i>Hausman:</i>                          |                    |                   |                    |                    |
| Chi2(7)                                  |                    |                   |                    | 0.76               |
| Prob > chi2                              |                    |                   |                    | 0.8592             |
| <i>Wooldridge Autocorrelation Test:</i>  |                    |                   |                    |                    |
| F  |                    |                   |                    | 0.234              |
| Prob>F                                   |                    |                   |                    | 0.6351             |

*t* statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

The Hausman specification test was conducted to compare the estimates of the fixed and random estimators, because of the panel data used; with a null hypothesis of random effect model and an alternative hypothesis of fixed effect. The random effect (RE) result, based on the Hausman test value ( $p = 0.859$ ), was identified as the preferred estimation, But, the autocorrelation test using Wooldridge presents a not significant value ( $p = 0.635$ ), suggesting no serial correlation in the error terms, while the heteroscedaticity test presents significant value ( $p\text{-value} = 0.000$ ), suggesting the presence of heteroscedaticity. Thus, the study could not interpret random effect result, due to identified heteroscedaticity problem, emanating from post-estimation test.

Thus, a robust panel standard corrected error was used, and the result was interpreted. Fitness of the model was confirmed with  $p$ -value less than 0.05 level of significant, although with a very low  $R^2$  of 0.033. This explains that the examined board dynamics could only account for

about 3.3% of systematic variations in the timeliness of financial reporting of listed family-owned firms in Nigeria. Analysis of the Panel Corrected Standard Error (PCSE) regression coefficients revealed that board size  $\{-5.572(0.013)\}$  and board independence  $\{-0.460(0.159)\}$  had adverse effect on the timeliness of financial reporting of listed family-owned firms in Nigeria. In contrast, board gender diversity  $\{0.364(0.478)\}$  presents positive effect, but only statistically significant for board size. Therefore, the results indicate significant influence for board size and insignificant influence for other proxies.

The implication is that, even though the presence of the female gender (as advocated that they can multitask and ensure timely completion of assigned task) was supposed to reduce timeliness of annual reports, the study could not confirm this as inclusion of more female gender will lead to further delay in timeliness of financial reporting. However, increase in board size and board independence of listed family-owned firms have propensity to reduce delay in timeliness of the firms' financial reporting. In addition, listed family-owned firms, with larger board size, publish their financial report on time, when compared with firms with smaller board size. Although, the influence of board independence was not significant, the result established that a high level of board independence of two-third, as contained in the Nigeria Code of Corporate Governance, could reduce delay in the issuance of annual reports among the companies under study, considering the fact that the descriptive statistics revealed a mean of 60 per cent, which is around the requirement of the Nigeria Code of Corporate Governance.

Thus, since the model is statistically significant, the null hypothesis that there is no significant effect of board dynamics on timeliness of financial reporting of listed family-owned firms in Nigeria is denied. Hence, board dynamics present significant effect on timeliness of financial reporting of listed family-owned firms in Nigeria.

This result upholds the findings of Bakare et al. (2018) which disclosed that board size has a favourable and significant impact on timely financial reporting of listed insurance companies in Nigeria. This result is also in tandem with the findings of Mathuva et al., (2019) which revealed that a significant and negative relationship exists between board size and audit report delay of some selected companies in Kenya. However, the finding of the current study is in contrast with Adedeji et al. (2020), who stated that there is significance influence of board independence on timeliness of financial reporting of some selected firms

on the Nigeria exchange group, as at 2018 and that of Eze and Nkak (2020).

## **5. Conclusion**

Specifically, the current study concludes that board dynamic significantly decrease prompt financial reporting of listed family-owned firms in Nigeria, when measured in terms of board size. However, the study also noted that board independence insignificantly reduces the timely publication of financial performance as well, while board gender diversity elongates issuance of financial report. Succinctly, the current study concluded that board dynamics has potency to determine timeliness of financial reporting, even in family-owned and controlled listed firms in Nigeria.

Arsing from the findings, the following recommendations are advanced; listed family-owned firms should ensure that most suitable board composition that can improve timely issuance of financial report is put in place. The practice of having large board members should be encouraged, but with caution so that it does not result to other adverse impact on the firm's performance. Board independence should be encouraged to meet the minimum level of two-third of non-executive members in the listed family-owned firms. Involvement of more female gender in the board is also advocated among the family-owned listed firms to produce the probable benefits of the acclaimed thoroughness and multi-tasking nature.

The conclusion and implications of the study have practical significance. It offers guidance to listed family-owned firms in developing economies on improving their financial reporting timeliness, based on the observed effects of board components. Capital market regulators should ensure improved oversight function over family-owned listed firms. The outcome of the study also suggests that further empirical investigation, that focuses on family-owned listed firms, in other developing economies, should be conducted to validate the findings of the current study. However, limitations of the study centre on its focus on listed family-owned firms in Nigeria, sample size, and the attention on board dynamics only, without either comparison between nations or inclusion of the control variables, and other corporate governance dynamics.

## References

- Adedeji, B.S., Ong, T.S., Uzir, M.U.H., & Abdul Hamid, A.B. (2020), "Corporate governance and performance of medium-sized firms in Nigeria: does sustainability initiative matter?" *Corporate Governance: The International Journal of Business in Society* vol. 20 no. 3 pp: 401-427.
- Andersson, F.W., Johansson, D., Karlsson, J., Lodefalk, M., & Poldahl, A. (2017), "The characteristics and performance of family firms: Exploiting information on ownership, governance and kinship using total population data. Working paper, No. 1/2017, Örebro University School of Business, Örebro.
- Agbaje, W.H., & Oladutire, O.E. (2019), "Corporate governance and timeliness of financial reporting" *Journal of Economic and Development Studies* vol. 7 no. 1 pp: 42-61.
- Ahmed, M.I., & Che-Ahmad, A. (2016), "Effects of corporate governance characteristics on audit report lags" *International Journal of Economics and Financial Issues* vol. 6 no. 1 pp: 159-164.
- Aifuwa, H.O., Embele, K., & Saidu, M. (2018), "Ethical accounting practices and financial reporting" *International Journal of Multidisciplinary Research* vol. 4 no. 12 pp: 31-44.
- Al Azeez, H.A.R., Sukoharsono, E.G., & Andayani, W. (2019), "The impact of board characteristics on earnings management in the international oil and gas corporations" *Academy of Accounting and Financial Studies Journal* vol. 23 no. 1 pp: 1-26.
- Alsmady, A.A. (2018), "The effect of board of directors' characteristics and ownership type on the timeliness of financial reports" *International Journal of Business and Management* vol. 13 no. 6 pp: 276-287.
- Al-Muzaiqer, A.H., Ahmad, M., & Hamid, F.A. (2018), "Timeliness of financial reporting and audit committee effectiveness: Evidence from UAE" *UNIMAS Review of Accounting and Finance* vol. 1 no. 1 pp: 99-112.
- Alpay, G., Bodur, M., Yılmaz, C., Çetinkaya, S., & Arıkan, L. (2008), "Performance implications of institutionalization process in family-owned businesses: Evidence from an emerging economy" *Journal of World Business* vol. 43 no. 4 pp: 435-448.
- Amorelli, M.F., & García-Sánchez, I. M. (2021), "Trends in the dynamic evolution of board gender diversity and corporate social

- responsibility” *Corporate Social Responsibility and Environmental Management* vol. 28 no. 2 pp: 537-554.
- Asiriwa, O., Adeyemi, S.B., Uwuigbe, O.R., Uwuigbe, U., Ozordi, E., Erin, O., & Omoike, O. (2021), “Do board characteristics affect financial reporting timeliness? An empirical analysis” *International Journal of Financial Research* vol. 12 no. 4 pp: 191-201.
- Baatwah, S.R., Zalailah, S., & Ahmad, N. (2016), “Audit committee financial expertise and financial reporting timeliness in emerging market: Does audit committee chair matter?” Available at: <https://www.researchgate.net/publication/319260869>.
- Bakare, O.U., Taofiq, A., & Jimoh, J.A. (2018), “Effect of board characteristics on timeliness of financial reporting of listed insurance firms in Nigeria” *Online Journal of Arts, Management and Social Sciences* vol. 3 no. 1 pp: 126-136.
- Birdthistle, N., & Hales, R. (2023), “The meaning of being a family business in the 21<sup>st</sup> century. An online book chapter. Doi:10.1108/978-1-80455-840-920231002
- Eze, P. G., & Nkak, P. E. (2020), “Corporate governance and timeliness of audited reports of quoted companies in Nigeria” *International Journal of Business and Management Invention* vol. 9 no. 1 pp: 38-46.
- Faccio, M., Marchica, M. T., & Mura, R. (2016), “CEO gender, corporate risk-taking, and the efficiency of capital allocation” *Journal of Corporate Finance* vol. 39 pp: 193–209.
- Fakhfakh, S. I., & Jarboui, A. (2016), “Audit reports timeliness: Empirical evidence from Tunisia” *Cogent Business & Management* vol. 3 no. 1 pp: 67- 80.
- Ferrary, M., & Déo, S. (2023). Gender diversity and firm performance: when diversity at middle management and staff levels matter. *The International Journal of Human Resource Management*, 34(14), 2797-2831.
- Gbadamosin, R. M., & Alade, M. E. (2024), “Auditors’ characteristics and timeliness of listed family-owned firms in Nigeria” *Journal of Accounting and Management Information Systems* vol. 23 no. 1 pp: 215-236.
- Gierlich-Joas, M., Hess, T., & Neuburger, R. (2020), “More self-organization, more control—or even both? Inverse transparency as a digital leadership concept” *Business Research* vol. 13 pp: 921-947.
- Guldiken, O., Mallon, M. R., Fainshmidt, S., Judge, W. Q., & Clark, C. E. (2019), “Beyond tokenism: How strategic leaders influence more

- meaningful gender diversity on boards of directors” *Strategic Management Journal* vol. 40 no. 12 pp: 2024-2046.
- Güleç, Ö. F. (2017), “Timeliness of corporate reporting in developing economies: Evidence from Turkey” *Journal of Accounting and Management Information Systems* vol. 16 no. 3 pp: 219-239.
- Hassan, N. T. & Abdulhakim, M. A. (2014), “Corporate characteristics, corporate governance and timeliness of corporate internet reporting: Evidence from Saudi listed companies” *Journal of accounting and auditing* vol. 2 pp: 1-29.
- Herbert, E. B., & Durosomo, I. O. (2019), “Articulating the locus of company secretary in corporate governance in Nigeria” *Business Law Review* vol. 40 no. 6 pp: 67- 89.
- Hurley, D., & Choudhary, A. (2020), “Role of gender and corporate risk taking” *Corporate Governance: The International Journal of Business in Society* vol. 20 no. 3 pp: 383 -399.
- Jensen, M., & Meckling, W. (1976), “Theory of the firm, managerial behavior, agency cost and corporate governance” *Journal of Financial Economics* vol 3. Pp: 305-360.
- Kumar, R. K., & Dubey, A. K. (2022), “Family-owned enterprises and their role in entrepreneurial development: A bibliometric and content analysis of the literature” *Journal of Asia Business Studies*, vol. 16 no. 5 pp: 802-832.
- Laeven, M. L. (2014), The development of local capital markets: rationale and challenges. *IMF Working paper WP/14/234*.
- Lev, B. (2018). The deteriorating usefulness of financial report information and how to reverse it. *Accounting and Business Research*, vol. 48 no. 5 pp: 465-493.
- Mathuva, D. M., Tauringana, V., & Owino, F. J. O. (2019), “Corporate governance and the timeliness of audited financial statements: The case of Kenyan listed firms” *Journal of Accounting in Emerging Economies* vol. 9 no. 4 pp: 473-501.
- Mbobo, M. E., & Umoren, A. O. (2016), “The influence of audit committee attributes on the quality of financial reporting: Evidence from Nigerian banks” *International Journal of Economics, Commerce and Management* vol. 4 no. 7 pp: 116-141.
- Mendes, M., & Pala, A. (2003), “Type I error rate and power of three normality tests” *Pakistan Journal of Information and Technology* vol. 2 no. 2 pp: 135-139.

- Miroshnychenko, I., Massis, A., Miller, D., & Barontini, R. (2021), "Family business growth around the world" *Entrepreneurship Theory and Practice* vol. 45 no. 4 pp: 682-708.
- Moloi, T., Marwala, T., Moloi, T., & Marwala, T. (2020). The agency theory. *Artificial Intelligence in Economics and Finance Theories*, 95-102.
- Nurquran, P. D. (2023), "The way financial distress affects financial reporting delay" *Jurnal Manajemen Teori dan Terapan* vol. 16 no. 1 pp: 81-94.
- Obona, E. E. (2016), "Effective Implementation of Public Policies in Nigeria: Issues And Challenges." *African Journal of Politics and Administrative Studies*, vol. 9 no. 1, pp: 122-141.
- Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2020), "Corporate governance, corporate profitability toward corporate social responsibility disclosure and corporate value (comparative study in Indonesia, China and India stock exchange in 2013-2016)" *Social Responsibility Journal* vol. 16 no. 7 pp: 983-999.
- Raweh, N. A., Kamardin, H., & Malik, M. (2019), "Audit committee characteristics and audit report lag: Evidence from Oman" *International Journal of Accounting and Financial Reporting* vol. 9 no. 1 pp: 152-169.
- Salehi, M., Lari Dasht Bayaz, M., Mohammadi, S., Adibian, M. S., & Fahimifard, S. H. (2020), "Auditors' response to readability of financial statement notes" *Asian Review of Accounting* vol. 28 no. 3 pp: 463-480.
- Uwuigbe, U., Felix, E.D., Uwuigbe, O.R., Teddy, O., & Irene, F. (2018), "Corporate governance and quality of financial statement: A study of listed Nigerian banks" *Journal of Banks and Banks System* vol. 13 no. 3 pp: 12-23.
- Waris, M., & Haji Din, B. (2023), "Impact of corporate governance and ownership concentrations on timeliness of financial reporting in Pakistan" *Cogent Business & Management* vol. 10 no. 1 pp: 216-235.
- Warrad, L. H. (2018), "The extent to which the corporate governance characteristics have affected the audit report lag in Jordanian banks" *International Journal of Business and Management* vol. 13 no. 12 pp: 81-92.