

# Gender Diversity and Firm Value of Listed Deposit Money Banks in Nigeria

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**Abstract** Gender diversity on the board provides legitimacy to the firm in its environment and beyond its immediate environment. It also provides the board with a resource of personalities to aid deliberations and effective decision making. This current study investigates the influence of gender diversity on the firm value of Nigeria's listed deposit money banks. Using the census sample technique, the Ex post-facto research design was employed with a sample of 13 listed Deposit Money Banks (DMB). The article draws secondary data from the annual audited financial statement of the DMB spanning from 2011 to 2020. Data were analyzed using descriptive statistics and panel data regression. The results revealed that gender diversity variables, female board composition, and female board audit committee had a statistically insignificant negative effect on firm value. However, the female Chief Executive Officer (CEO) showed a negative and significant impact on firm value. It implies that there exist weak selection criteria for the female CEO. The study, therefore, recommended that attention be focused on the requirements for the selection, recruitment and appointment of the Female CEO, female board member and female board audit committee members. The listed DMB regulatory bodies ensure the creation of a database of qualified, experienced and competent female personnel from which the banks can leverage for recruitment.

**Keywords** Gender Diversity, Earnings Per Share, Female Board Composition, Female Board Audit Committee, Female CEO

## 1. Introduction

The advocacy for gender diversity on board has increased over the years. The subject of gender diversity has captured the attention of stakeholders, researchers and regulators. Globally, the proportion of women on board and at top management levels has been low. According to a survey performed by the International Labour Organization [20], more than half of the organizations studied have less than 30% female representation on their boards. More than 13% of the organizations sampled have male boards. Several studies have shown that gender diversity has improved the decision-making process of boards. Through their shareholders' proposals and regulatory bodies, different countries have encouraged more gender diversity on the board of companies. Gender diversity, board size, and independent directors are attributes of an effective board to ensure quality financial reporting [33].

Quotas have been legislated for gender diversity on board in some countries, while some countries have only encouraged freewill targets to increase the proportion of female board members. Saona, Muro, San Martin, and Baier-Fuentes [43] stated that the European Commission projected a 40% threshold for listed companies with low gender diversity of non-executive directors on their board, excluding the small and medium scale organization. The first European country and the first country in the world to initiate lawmaking on gender allotment on the board of directors with sanctions for non-compliance with the law was Norway in 2003. Norway reached 40.70% in 2015 with the inclusion of women on the board of directors, thus bridging the gender gap. Other countries, including Spain, France, Italy, Belgium,

and Malaysia, enacted laws allowing women to serve on boards.

Africa is not excluded from the advocacy and awareness of gender diversity. According to the constitution of Kenya, companies can only have two-thirds of their board members be of one gender. Gender diversity was encouraged on their board through freewill measures as required by the Capital Market Acts of 2015, and there was no sanction for non-compliance. According to Ilaboya and Ashafoke [17], the inclusion of a female on the board of directors is viewed by shareholders as a positive move that increases their trust in the company's productivity and can have a significant and positive impact on the value of the stock. Females have 5.8% as chairpersons and 17.4% as board members in a sample investigation of 183 companies in Deloitte Nigeria in 2018 [3].

In Nigeria, gender diversity awareness has grown, and more women are included on the board. In the past, the banking sector board was dominated by men; United Bank for Africa (UBA), in 1984, appointed Bola Kuforiji-Olubi to chair the committee, becoming the first woman to act in that capacity in a bank in Nigeria. The Central Bank of Nigeria required a minimum of 30% inclusion of females on the board of directors of Commercial banks in Nigeria Exchange Group (SEG), and the Nigerian Corporate Governance Code 2018 advocated that public listed companies should consider gender diversity in appointing and filling the board vacancies; however, there were no dictates regarding quotas. Quality decision making can be facilitated through gender diversity on the board, which brings about a broad of expertise and experienced members with various views on strategic matters [17]. The purpose of this study is to investigate the link between gender diversity and the firm value of Nigeria's publicly traded deposit money banks. The research was based on secondary data from annual reports of Nigeria's listed deposit money banks from 2011 to 2020. This study will contribute to the existing gender diversity literature by providing a novel empirical examination of the relationship between board gender diversity and firm value. The study will be helpful to shareholders, regulators, investors, standard setters, stakeholders, policymakers and researchers to aid their decision making.

This paper's format is as follows: The second component examines relevant literature and develops a testable hypothesis, while the third section outlines the research plan, including variables, proxies, statistical techniques, model, and sample. In the fourth section, the empirical findings are provided, and the last section concludes with recommendations.

## 2. Literature Review and Hypotheses Development

### 2.1. Gender Diversity

Gender is viewed as the cultural and social structure of duties for men and women. For example, the responsibilities

of men as heads of family, decision-makers, and property owners have been structured historically, culturally and socially and not biologically [25]. The uneven positioning of men and women in society is characterized by expectation, access to resources and power, and division of labour. Hence, defining the experiences of men and women are referred to as gender [36]. Gender is the meaning the societies give to male and female categories.

Warmate, Jaja and Nwaeke [50] stated that the equitable distribution of men and women is gender diversity. It may also comprise non-binary gender categories. The existence of women on the board indicates gender diversity, and it enhances greater board diversity. Imade [19] stated that Board gender diversity is the different personal characteristics of board members, which makes the board different and enhances their effectiveness in providing better solutions. A high level of public disclosure, monitoring, and attendance of board meetings are recorded in a gender diverse board. According to Njoroge [30], previous studies have shown that a gender-diverse board increases ethical and moral perspective in the discussion, improves strategic planning and additional accountability. However, in this study, Gender diversity includes Female board composition, Female Board Audit Committee and Female CEOs.

#### 2.1.1. Firm Value

The market value of the price of securities and the dispersed company's equity is known as firm value [4]. Corporate value is a term connected to a company's performance that can be measured through financial performance. Firm Value is an economic concept that depicts a company's worth. It is the value of a company at a certain point in time. It is, in theory, the sum required to purchase or take over a company entity [45]. This study adopts Earning per share as the proxy for measuring firm value.

Earnings per share (EPS) is the fraction of a company's profit allocated to each share of common stock after taxes and preferred stock dividends. The fraction of a company's earnings distributed to each share of stock is referred to as EPS. Before the acquisition of shares, investors and market participants considered EPS as a crucial metric often used to measure a company's profitability. EPS is an essential indicator of a company's performance, success, share price and firm value [22,35,40]. EPS in this study is described as net Income earned during a reporting period divided by the total number of shares outstanding during the same period.

#### 2.1.2. Female Board Composition and Firm value

Board composition refers to the ratio of executive members to the non-executive members and the directors present on a company's board [48,51]. The provision of new insight and perspective by a gender diverse board is perceived to enhance the company's value, and stakeholders' interest in equity and fairness is adequately represented also the presence of the female director is viewed as being independent [2].

Previous studies from different countries revealed a considerable and favourable link between board gender diversity and corporate performance. According to Darmadi [8] and Magnanelli, Raoli, and Tiscini [24] female representation on the board has a significant and negative association with firm performance. Also, small firms, which are family-owned, tend to have a higher proportion of women members on their board. However, Female Board Composition in this study is measured as the number and percentage of females present on the board of directors.

### 2.1.3. Female CEOs and Firm Value

The CEO's function is to coordinate all the board of directors' activities. The values, cognitive patterns and attitudes of female executives' psychological natures differ from male executives, and this affects their strategic choices, and further determines firm performance [7]. The financial performance is improved with CEOs with experience, expertise, and higher qualification. Also, efficient strategic decisions are taken by board members with expertise in finance, accounting, and economics and the stock market performance is increased [14].

In their study Female CEOs, Returns, and Risk in Spanish Publishing Firms, Martin-ugedo, Minguéz-vera, and Palma-martos [27] discovered a strong and positive association between Female CEOs and returns but no significant effect on risk. Also, Dwilharti and Adhariani [10] exert that Female CEOs have a significant positive impact on a firm's profitability and risk. According to a study conducted in Indonesian listed firms, female CEOs have an insignificant negative impact on firm performance [44]. Female CEOs also have a significant negative association with financial performance in small firms, while large firm performance has a positive and no significant effect on female CEOs. In the same vein Tahir, Ahmad, Syed, and

Qadir [47] study also revealed a negative effect between Female CEOs and firm performance. This study considers Female CEOs to have women occupying the position of CEOs in the deposit money bank in Nigeria.

### 2.1.4. Female Board Audit Committee

Audit Committee oversees, monitors and advises the management of a company on matters relating to internal accounting control systems and their implementation, preparation of financial statements; they also review the financial reporting process, financial information, audit process and internal accounting controls during meetings with the company's managers and auditors [52]. Gender diversity is a subject limited to the board and its subgroups, such as the Audit committee. The distinctive differences between males and females in their abilities, leadership styles, risk-taking behaviour, and ethical consideration make gender diversity a critical issue to consider in the composition of the audit committee. A prior study by Javad and Javad [23] has established the effectiveness of the female in the oversight and monitoring roles of their male counterparts. Also, female inclusion in the audit committee

mitigates the risk of misstatement and the likelihood of financial restatement, which are associated with the audit fee cost.

Mgbame, Boateng and Mgbame [28], in a study conducted on Board Gender Diversity, Audit Committee, and Financial Performance, revealed a positive relationship between females on the audit committee and firm performance. Huang, Yan, Fornaro, and Elshahat [16] investigated market reactions to the gender of audit committee directors in their study Market reactions to the gender of audit committee directors: The selection of a female audit committee member has a robust favourable link with returns in US-traded overseas corporations. In the study on Audit committee qualities, board attributes, and market performance, Omotoye, Adeyemo, Omotoye, Okeme, and Leigh [32] found a significant positive association between audit committee gender diversity and market performance. Carter, D'Souza, Simkins, and Simpson [6] found no significant relationship between gender diversity in board committees and financial performance in their study The Gender and Ethnic Diversity of US Boards and Board Committees and Firm Financial Performance with a sample of US significant corporations. However, the study conducted by Gicheha and Muturi [13] in Kenya discovered an insignificant negative connection between Audit committee diversity and the financial report of the 307 public secondary schools within Muranga County.

## 2.2. The Resource Dependency Theory

The theoretical undermining of this study is the Resource dependence theory, which was propounded by Pfeffer and Salancik [38] in 1978 with the publication: *The External Control of Organizations: A Resource dependence Perspective*. This theory states that the survival and success of an organization are dependent on the resources available in its external environment, and access to and control over these resources is a basis for power. When an organization lacks control over these resources where it operates, this leads to an unwanted situation of imbalance [30]. Therefore, it is necessary for the organization to employ legitimate avenues to acquire and maintain these resources.

Naveed, Voinea, Ali, Rauf and Fratostiteanu [29] opined that the composition of a board with gender diversity would provide the organization with a wide range of prospective resources to represent the interest of all stakeholders in the discharge of their duties. Aladejebi [3], organizational productivity can be increased with a board composed of members of various gender, expertise and cultural background. The board of directors is considered a strategic resource to an organization from its environment to improve its operations. The organization has to access the essential resources by appointment of outsider directors on its board [49]. There is a need for a board with broad and immense resources and leadership skills such as industry knowledge, functional knowledge, geographical knowledge, and financial knowledge needed in a fast-growing, complex

business environment. Formation of policies and strategic decisions is increased with more women on the board who bring in valuable resources, dedication, and different customer relation skills separate from their male colleagues.

The Resource Dependence Theory has been a useful theory for many years. However, it has been criticized, and these centres on the issue of deficiency in extensive testing of the basic concept of the theory, such as resource dependence and power over controlling resources; adequate justification does not exist in the testing of hypotheses why an organization should be considered as a political system instead of an economic and technical system, also the acceptance of the statement that the organization is constrained by its environment and endeavour to manage resource dependencies [9].

According to Hillman, Withers and Collins [15], that support the resource dependence theory, stated that the hypothesis has over the years been instrumental in the explanation of the benefits the board of directors offers the organization, such as legitimacy, channel to information flow, counsel and advice, advantageous access to resources. Resource dependencies can be managed by directors using informal ties. The composition of the board can be changed as the environmental needs change.

This theory is relevant to this study because it outlines possible resources embedded in a gender diverse board and its abilities that help the organization reduce the gap in the assessment and control over the essential external environment resources needed for organizational success and survival management of the interdependence.

### 2.3. Empirical Review

According to Qayyum, Rehman, Shahzad, Khan, Nawaz, Kokkalis, and Sergi [39] researched Board gender diversity and stock price crash risk: Going beyond tokenism, examining the 12 Asia Pacific markets and 1021 listed firms, the study revealed that the stock price crash risk of firms is reduced by gender diversity on board. Fernández-Temprano and Tejerina-Gaite [12] discovered a positive association between age diversity and firm performance. Also, educational diversity revealed a significant and negative impact on supervisory directors in their study types of director, board diversity and firm performance considering the non-financial firm in Spain using Panel data, spanning through 10 years from 2005 to 2015.

Ilaboya and Ashafoke [17] conducted a study on Board Diversity and Firm Performance in Nigeria, collecting data from all listed banks and applying ordinary least square regression to find a negative and significant link between gender diversity and firm performance from 2010 to 2015. They also found a negative and insignificant link between ethnic and nationality diversity and firm performance from 2010 to 2015. Imade's [19] study on Board gender diversity, non-executive director composition, and corporate

performance assessed 72 listed companies on the Nigerian Stock Exchange and found a strong link between gender diversity and corporate success using ordinary least square regression.

According to Ujunwa, Nwakoby and Ugbam [49], results showed a positive relationship between board nationality, board ethnicity and firm performance in the study of corporate board diversity and firm performance using panel data to analyze data collected from 122 quoted Nigeria firms. Egwakhe, Akpa, and Ajayi [11] studied the board diversity and profitability of Nigerian insurance firms. They used primary data and analyzed it using descriptive statistics and the Pearson Product Moment Correlation Coefficient Technique to find a significant link between board diversity and profitability. Iliyasu, Nasir and Umar [18] considered the manufacturing companies in Nigeria and they found a positive and meaningful relationship between the educational, corporate diversity and performance of manufacturing firms.

İrge and Abubakar [21] examined the board composition and gender diversity of listed companies in Turkey and Nigeria. They discovered no significant difference between board gender diversity and under-representation of female directors in both countries. A study used system GMM panel methodology in gender diversity on corporate boards to reduce information asymmetry in equity markets; it was discovered that board gender diversity was negatively related to stock market information asymmetry in Spain [1].

Gender diversity and company performance were explored by Marinova, Plantenga, and Remery [26]. In this study, which used two-stage least-squares estimation in a sample of 186 publicly traded companies in the Netherlands and Denmark (banks, insurance companies, and football clubs were excluded from their selection), there was no link between board gender diversity and company performance.

Previous investigations have been done on gender diversity. Still, lots of these studies have concentrated on Board Gender Diversity and Firm Performance, Board Gender Diversity and profitability, Corporate Governance and Gender diversity, for example: [12,18,19,42,49] using the listed firms in Spain, Turkey, Nigeria and Kenya. The period covered by these studies leaves a gap to be filled by this current study. Ilaboya and Ashafoke [17] covered the period of 2010 to 2015, Njoroge [26], from 2006 to 2015 and Aladejebi [3] from 2015 to 2019 and reported a negative and significant association with the performance of firms, while Osemwegie and Ugbogbo [34] covered 2009 to 2017, Ogboi, Aderimiki and Enilolobo [31] covered 2011-2015, Oyedokun, Nwaokolobia, and Andah [36] covered 2013 to 2017 and reported a significant effect between gender diversity and corporate performance.

Mixed findings reported by previous studies leave the study on gender diversity inconclusive and call for the need to examine the influence of the representation of female directors on boards, and its subgroup on the value of firms in all the sectors of the economy. However, this study focuses

on the banking sector. Also, Tobin's Q has been used to measure firm value in previous studies [2,5,41,46]. Earnings per share as a measure of firm value is uncommon. Therefore, the study adopted EPS as a proxy for firm value.

The following hypotheses were tested.

H<sub>1</sub>1: The addition of female members to the board of directors will boost the earnings per share of Nigeria's listed deposit money banks.

H<sub>1</sub>2: Hiring a female CEO will boost the earnings per share of Nigeria's listed deposit money banks.

H<sub>1</sub>3: The appointment of a woman to the audit committee will boost the earnings per share of Nigeria's listed deposit money banks.

### 3. Materials and Methods

This study used an *ex post facto* research design, with all of Nigeria's listed deposit money banks as the study's population and a census sample technique. The listed deposit money bank was selected because of the Central Bank of Nigeria's advocacy of 30% female representation on board. Secondary data was collected from the annual report and audited financial statement of the listed deposit money banks, covering the period of 10 years from 2011 to 2020. The justification for the years is that the code of corporate governance (2011) requires all companies listed on the Nigeria Securities and Exchange Commission to provide detailed disclosure of information about the board of directors in the published annual financial statement and visibility for the drive for gender equality. Descriptive Statistics and Panel data regression was used to analyze the data. From Table 1, the proxies for the independent variable Gender diversity are Female board composition, Female board audit committee and Female CEOs.

In contrast, the dependent variable is Firm value proxy by Earnings per share. The control variables include Firm size, Board size. The study adapted the model of [22,47,48], and this is anchored on the Resource dependence theory.

#### 3.1. Model Specification

$$EPS = f(FBC, FBAC, FCEO, FS, BS)$$

The linear representation of the model:

$$EPS = \beta_0 + \beta_1 FBC_t + \beta_2 FBAC_t + \beta_3 FCEO_t + \beta_4 FS_t + \beta_5 BS_t + \mu_t$$

Where:

EPS = Earnings per share.

FBC = Female board composition

FBAC = Female board audit Committee

FCEO = Female CEOs

FS = Firm Size

BS = Board Size

$\beta_0$  = the constant

$\beta_1-5$  = the coefficients of the independent variables.

$\mu$  = the error term.

$t$  = time period

Based on literature reviewed and theory, the a priori expectation is:  $\beta_1 > 0$ ,  $\beta_2 > 0$ ,  $\beta_3 > 0$ .

#### 3.2. Ethical Consideration

The data utilized in this study is mainly secondary, and all information about this data can be accessed freely on the internet, news sites, in the companies' financial statements, on the company's website, in public forums, and in databases, and would cause no problems or harm to the company subjects.

**Table 1.** Measurement of variables

S/N	Variable	Description/Measurement	Source
1.	Female Board Composition	The proportion of women on the board of directors to the total number of directors.	Temile, Jatmiko and Hidayat 2018
2.	Female Board Audit Committee	The number of women on the audit committee.	Tahir, Ullah, Ahmad, Syed and Qadir 2021
	Female CEOs	The presence of a female CEO	Tahir, Ullah, Ahmad, Syed and Qadir 2021
	Firm Size	Total Asset	Tahir, Ullah, Ahmad, Syed and Qadir 2021
5.	Board Size	The entire number of board members	Tahir, Ullah, Ahmad, Syed and Qadir 2021
6.	Earnings Per share	Net Income minus dividends on preferences stock divided by average outstanding shares.	Islam, Khan, Choudhury and Adnan 2014

Source: Researcher's compilation 2021

## 4. Data Analysis and Discussion of Findings

### 4.1. Descriptive Statistics

Before the model estimation, understanding the characteristics of the variables used in the study is necessary. The purpose of the study was to gather the defining features of the variables to investigate their distribution, which is crucial to consistency. Earnings per share (EPS) have a standard deviation of 2.868298, indicating slight variation in earnings per share across the firm as the standard deviation is not far from the mean value of 1.695702. EPS ranges from -12.66 to 17.85, with the skewness value that is moderate and highly peaked. Also, the average female member of the audit committee across the firms is 1.603023 ranging between 0 and 5, with standard deviation of 1.513236, implying that the data moderately varies across the firms. The female diversity onboard has an average value of 1.754301, and DMB, with the highest No. of females on its board, has 4 with standard deviation of 1.030782. The average female CEO across listed deposit money banks is .1384615, and DMBs with the highest No. of females as the CEO is 1, which highly varies across the firm with the standard deviation value of .3467199, which is far from the mean. And lastly, from Table 2, firm size has an average value of 9.02224 with standard deviation of .6718572, implying that the size of DMBs highly varies across the sector. It is shown that across the sampled firms, the board size has an average size

of 13 members and firm with the least size have 6 while a firm with the maximum number has 21 members. The standard deviation value indicates that board size highly varies across the listed deposit money banks, with a value of 3.327269. The kurtosis value for price to book ratio, earnings per share, female CEO, and firm size is leptokurtic as it is above the expected value of <3 which indicates an abnormal distribution of data.

### 4.2. Test of Variables

To assess the linear relationship between the dependent and explanatory variables, the study used the Pearson Moment correlation coefficient. The correlation analysis also assisted in recognizing the possibility of multicollinearity among the study variables, which might have a catastrophic effect on the standard error of the variables if present. The result revealed a positive relationship between earnings per share (EPS) and female members in the audit committee. A one-time increase in the number of females on the board will improve earnings per share by 15.73 per cent. Likewise, the relationship between female board members (FDB) and earnings per share is positive. A one-time improvement in female diversity on the board will increase earnings per share among the DMBs by 12.92 per cent. The result also revealed an inverse relationship between female CEOs and earnings per share, as a one-time increase in female CEOs will decrease 26.02 per cent in earnings per share (EPS). However, the relationship between firm size measured by total assets, board size, and earnings per share is positive, showing a value of 0.3533 and 0.0271, respectively.

**Table 2.** Descriptive Statistics

Variables	Obs	Mean	Std. Dev	Min	Max	Skewness	Kurtosis
EPS	130	1.695702	2.868298	-12.66	17.85	1.18682	14.94157
FAC	130	1.603023	15.13236	0	5	.6137231	2.495305
FDB	130	1.754301	10.30782	0	4.54545	.294308	2.652868
FCEO	130	.1384615	.3467199	0	1	2.093546	5.382937
FS	130	9.02224	.6718572	7.0779	9.9385	-1.538662	5.314648
BS	130	13.44615	3.327269	6	21	.0052746	2.289965

Researcher's Computation (2021)

**Table 3.** Correlation Analysis of Study Variables

EPS	FBAC	FBC	FCEO	FS	BS	
EPS	1.0000					
FBAC	0.1573	1.0000				
FBC	0.1292	0.2679	1.0000			
FCEO	-0.2602	-0.3032	0.0104	1.0000		
FS	0.3533	0.4062	0.2412	-0.6418	1.0000	
BS	-0.0271	0.3998	0.1435	-0.4571	0.4284	1.0000

Source: Researchers' Computation (2021)

### 4.3. Gender Diversity and Earnings per Share of Listed Deposit Money Banks in Nigeria

To determine the effect of gender diversity on earnings per share valuation of deposit money banks in Nigeria, the multicollinearity test was used to confirm the validity of the premise that no two or more explanatory variables are highly linked, which means that none of them can accurately predict the other variable linearly. Variance Inflation Factor (VIF) value was used to investigate the relationship between the variables to determine their independence. Based on the evidence, it is possible to conclude that there is no difficulty with multicollinearity. This is because all of the variables' VIF values are less than ten and all of the variables' tolerance levels are more than 0.10. (rule of thumb).

The heteroskedasticity test was conducted to check the validity of the homoscedasticity assumption that variance in the residuals is constant as the absence of homoscedasticity violates the linear regression assumption and may lead to a wrong inference. The Breusch-Pagan/Cook-Weisberg test was used to test for heteroscedasticity, and the result showed a probability value of 0.0000, indicating the presence of a heteroscedasticity problem. The regression findings were subjected to a second test in which panel corrected standard error regression was used to address the heteroscedasticity issue and ensure that the regression results were suitable for analysis. The study tested the data for auto-correlation using Wooldridge test for autocorrelation in panel data. The outcome shows the probability of 0.4541, which is insignificant, indicating that there is no problem of Auto-correlation.

Table 4 shows the regression outcome of how gender diversity affects earnings per share of Nigerian listed deposit money banks after achieving the criteria for a Best

Linear Unbias Estimate (BLUE). The Hausman specification test yielded a p-value of 0.0010, statistically significant at 5%. As a result, the change in unique features among entities is presumed to be systematic and fixed among the independent variables included in the model, and the fixed effect model will be interpreted accordingly. The correlation coefficient and P-Value are used as the basis of opinion. The R-square of 0.3450 indicates that the independent variables in the model jointly explain 34.50 per cent of the variation in the dependent variable, with the error term capturing extraneous variables. The model's P-value is 0.0000, indicating that it is statistically significant at 5%. The result further shows that the female board audit committee (FBAC) has a coefficient of  $-0.0135075$ , which is statistically insignificant at 5 per cent, as indicated by a p-value of 0.418. The implication is that the presence of females on a firm audit committee has an inverse relationship with earnings per share (EPS). It does not improve the returns of shareholders on their investment. Furthermore, female board composition (FBC) has a negative and insignificant effect on earnings per share of deposit money banks listed on NSE, having a coefficient of  $-0.0040551$  and p-value of 0.882, indicating that having more female directors on the board influences earnings per share negatively, however, the effect is not significant and very minimal. The result also revealed that having female CEO has a negative and significant impact on EPS of deposit money banks, showing a coefficient of  $-8.952804$  and P-value of 0.000, which indicates that the fact that the CEO of the firm is a female will negatively influence the earnings on the ordinary share of the company depending on board size and firms size. The implication is that DMBs with female directors will spend more because they want to meet up with expectations, thereby negatively reducing the earnings accrued to the unit of ordinary shares in the firms.

**Table 4.** Regression Results

Het-corrected						
EPS	Coef.	Std. Err.	Z	P>z	[95%Conf.	Interval]
FAC	-.0135075	.0166666	-0.81	0.418	-.0461734	.0191584
FDB	-.0040551	.0274307	-0.15	0.882	-.0578183	.0497081
FCEO	-8.952804	1.790715	-5.00	0.000	-12.46254	-5.443066
FS	3.957057	.8025634	4.93	0.000	2.384062	5.530053
BS	-.2180466	.1070167	-2.04	0.042	-.4277954	-.0082977
_cons	-30.8386	7.406005	-4.16	0.000	-45.3541	-16.3231
Number of Obs = 130						
R-squared = 0.3450						
Wald chi2(1) = 51.25						
Prob > chi2 = 0.0000						
Tolerance Value = 1.20						
Breusch-Pagan test for heteroskedasticity chi2(1) = 11.33; Prob > chi2 = 0.0008						
Auto-correlation test = F( 1, 12) = 0.612; Prob > F = 0.4541						
Hausman specification Test = chi2(5) = 25.36    chi2(5) = 25.36						

From the regression results, the capital market environment in Nigeria has not developed to the extent of supporting females in the leadership, which has made their presence have little positive influence on the value of firms in which they are committed to.

The finding of Magnanelli, et al. [24]; and Oyerogba and Ogunbade [37] support the results of this study which showed a negative association between firm value and female representation on the board of directors. The findings of this study contradict the previous research by Syamsudin, Erna and Sajidah [46], who looked into gender diversity and firm value on the boards of public manufacturing companies in Indonesia and found a favourable and significant link between board diversity and corporate worth. Also, Ayman, Jalal, Mostafa and Irfan [5] in Kuwait studied the impact of Board Gender Diversity on Firm Value and discovered a positive and significant association between the female board of directors. The findings of this study support the conclusions of Satriyo and Harymawan [44]; and Tahir et al., [47], which show a negative and significant link between Female CEOs and firm value, whereas the findings of Martin-ugedo, et al., [27]; and Dwilharti and Adhariani [10] in Spain and Indonesia show a positive and significant link between Female CEOs and firm performance. In Kenya, Gicheha and Muturi [13] found a negative and insignificant link between audit committee gender diversity and financial reports, supporting the findings of this study, whereas Mgbame, et al., [28]; and Omotoye, et al., [32] found a significant and positive link between audit committee gender diversity and market performance, contradicting the findings of this study.

From the results, the negative and significant relationship between female CEO and firm value may be a function of the leadership style and risk-averse attitude of the female, which may lead to less investment in specific investment opportunities they ought to have maximized. It could also imply a weak selection or appointment criteria for female CEO. Therefore, regulatory authorities should revise the policy on standards for appointment of female board composition, female audit committee members, and female CEO because the inclusion of female members of companies' boards legitimises the firm in a world clamouring for gender diversity.

## 5. Conclusion and Recommendations

From 2011 to 2020, the study looked at the association between gender diversity and the firm value of Nigerian deposit money banks listed on the Nigerian Exchange Group. The study also investigated whether the female board composition, female CEOs and Female board audit committee will influence the value of the deposit money banks in Nigeria. The study revealed a negative relationship between gender diversity and earnings per share, showing that female board composition and female

board audit committee have an insignificant negative effect on firm value. However, a negative and significant relationship was found between female CEOs and earnings per share, implying that the presence of a female CEO may cause a decrease in earnings per share. As a result of these findings, the study suggests that the bank's internal culture needs to inculcate protective policies to help curtail biased attitudes against gender diversity within the firm to enable the maximization of the benefits of gender diversity on the board and its subgroup. Attention should be focused on the appointment criteria of female CEO, female directors and female audit committee members, prioritizing competence, knowledge and experience. Although the requirements for appointment of directors are the same for both males and females, CBN can set a quota for the recruitment to permit adequate consideration for female participation and representation. The regulatory bodies of the banks should create a database of qualified females that will serve as a pool of resources which banks can leverage for recruitment. The study suggests that further research should consider other sectors in Nigeria and other variables to measure firm value and gender diversity.

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