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CORPORATE GOVERNANCE AND INTELLECTUAL CAPITAL DISCLOSURE OF QUOTED NON-FINANCIAL FIRMS IN NIGERIA

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Abstract

This study examined the relationship between corporate governance variables and the intellectual capital disclosure of quoted non-financial companies in Nigeria. A multiple linear regression analysis was conducted to ascertain whether intellectual capital disclosure is influenced by corporate governance variables like CEO expertise, audit committee expertise, and board remuneration decisions. The study's sample consists of non-financial quoted companies in the Nigerian Exchange Group (NGX), comprising the consumer goods sector, the industrial goods sector, the health care sector, the conglomerates sector, and the agricultural sector, and data analyzed span 2021 to 2023. The findings that emanated from the study indicated that CEO expertise and board remuneration practices have a positive and significant influence on intellectual capital disclosure, whereas audit committee expertise exhibited a negative relationship with intellectual capital disclosure. Therefore, this study recommends that companies should prioritize and strengthen CEO expertise by hiring CEOs with strong industry knowledge and experience. In addition, firms should align board remuneration practices with intellectual capital disclosure. Additionally, regulatory bodies should consider introducing market incentives and relevant guidelines/standards that encourage companies to disclose intellectual capital information in corporate reports either mandatorily or voluntarily.

1.0 Introduction

Corporate governance plays a pivotal role in shaping a company's strategic direction, decision-making processes, and overall accountability. The framework through which relationships among stakeholders, management, and the board of directors are structured ultimately influences firm performance and transparency (Paul & Yakubu, 2015). Effective corporate governance fosters an environment of credibility, accountability and informed decision-making, leading to optimal resource allocation and sustainable growth. Amzy et al. (2019) described corporate governance as an integrated system that regulates, monitors, and supervises business operations, ensuring a balance of interests among diverse stakeholders, including employees, creditors, regulators, and the

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broader society. One of the critical dimensions of corporate governance is information disclosure, particularly intellectual capital disclosure (ICD), which serves as a mechanism for reducing information asymmetry and enhancing transparency.

ICD is an essential component of corporate governance because it provides stakeholders with valuable insights into a firm's intangible assets, facilitating better investment decisions and long-term strategic planning (Bhasin, 2012). Intellectual capital (IC), which comprises human, structural, and relational capital, is increasingly recognized as a driver of competitive advantage and firm performance. Transparent ICD enhances stakeholders' ability to assess corporate value, mitigate risks, and make informed financial and strategic decisions. Furthermore, the disclosure of intellectual capital mitigates information asymmetry, creating a more transparent and equitable investment environment. Integrating the ICD into corporate governance frameworks allows companies to cultivate trust, strengthen their reputation and drive sustained financial performance.

The importance of intellectual capital ownership and disclosure has gained increasing recognition as firms leverage knowledge, expertise, and innovation to sustain business success. Widiatmoko et al. (2020) emphasized the significance of robust ICD practices, highlighting their role in accurately reflecting an organization's value and growth potential. Furthermore, Abdul-Rahman and Abubakar (2023) suggested that effective corporate governance should prioritize investments in intellectual capital, ensuring firms capitalize on their human, structural, and relational capital to drive long-term value creation. By enhancing transparency through ICD, companies can reinforce stakeholder trust, improve market performance, and build a more sustainable business model.

1.1 Problem Statement

The corporate governance landscape in Nigeria is shaped by unique institutional, economic, and regulatory configurations that influence corporate governance practices and disclosure mechanisms (Adegbite, 2012; Demaki & Jeroh, 2016). The institutional framework in Nigeria, characterized by regulatory complexities and evolving governance standards, has a profound impact on the ICD. Given the growing importance of knowledge-based assets in sectors such as consumer goods, industrial manufacturing, healthcare, and agriculture, the ICD has become a critical component of corporate governance in Nigeria. Empirical studies indicate that firms that disclose more intellectual capital information gain a competitive advantage and achieve superior financial performance (Vitolla et al., 2020; Robiyanto et al., 2021).

A study by Baldini and Liberatore (2016) underscored a positive relationship between corporate governance mechanisms (such as audit committees and management ownership) and the ICD. Muttakin et al. (2015) found that corporate governance attributes, including foreign ownership, board independence, and the presence of audit committees, are positively associated with ICD levels. Furthermore, an ASEAN cross-country study by Gultom and Gunawan (2020) found that good corporate governance practices significantly enhance ICD and overall firm performance, reinforcing the relevance of governance quality in shaping disclosure practices.

However, conflicting evidence exists regarding the influence of corporate governance attributes on ICD. Some studies have suggested that certain board characteristics and audit committee attributes negatively affect ICD, indicating that governance structures may sometimes constrain transparency rather than promote it (Faisal et al., 2016; Alizadeh et al., 2014). Additionally, Muttakin et al. (2015) revealed that family duality, in which CEOs and board chairs are from the same family, negatively impacts ICD. Bhattacharjee et al. (2017) further report no significant association between ICD and board independence, board meeting frequency, or ownership concentration, highlighting the complex and context-dependent nature of the corporate governance–ICD relationship.

Given the inconsistencies in prior research, this study seeks to provide a deeper understanding of the relationship between corporate governance and ICD by focusing on non-financial firms in Nigeria. The study is particularly motivated by the divergent findings in the literature, emphasizing the need for a more comprehensive examination of how corporate governance attributes influence the ICD. Specifically, this research investigates the role of CEO expertise, audit committee expertise, and board remuneration in shaping ICD practices.

By focusing on these governance attributes, this study aims to clarify the conditions under which corporate governance mechanisms enhance transparency in the ICD. This study contributes to the broader discourse on corporate governance and intellectual capital management by providing empirical insights that can inform policy development, regulatory decisions and corporate governance best practices. The findings offer practical recommendations for firms seeking to enhance ICD as a tool for strategic advantage and investor confidence, ultimately fostering more effective governance frameworks and sustainable corporate practices.

In light of the growing importance of intellectual capital and corporate governance, this study sought to answer the following research question:

i) What is the impact of CEO expertise on the intellectual capital disclosure of listed non-financial firms in Nigeria?

ii) To what extent does audit committee expertise influence the level of intellectual capital disclosure among listed non-financial firms in Nigeria?

iii) What is the relationship between board remuneration/compensation and the extent of intellectual capital disclosure among listed non-financial firms in Nigeria?

Based on the research problem, the following research hypotheses were proposed:

H_{01}: The CEO expertise does not have a significant positive influence on the extent of the intellectual capital disclosure of listed non-financial firms in Nigeria.

H_{02}: There is no significant positive correlation between audit committee expertise and the extent of intellectual capital disclosure of listed non-financial firms in Nigeria.

H_{03}: There is no significant relationship between board remuneration and the disclosure of the intellectual capital of listed non-financial firms in Nigeria.

2.0 Literature Review:

2.1 Conceptual Review

2.1.1 CEO Expertise and Intellectual Capital Disclosure (ICD)

CEO expertise is a critical determinant of corporate governance effectiveness and financial transparency, significantly influencing firm performance and disclosure practices (Liu et al., 2021). As the highest decision-making authority, a CEO's knowledge, skills, and experience shape strategic choices, including the extent of intellectual capital disclosure (ICD). Research has consistently shown that CEO expertise enhances financial reporting quality and corporate governance outcomes (Wicaksono, 2020; Liu et al., 2021). Specifically, CEOs with extensive industry knowledge and leadership experience are better equipped to drive transparent reporting practices, thereby strengthening investor confidence and corporate accountability.

Although direct research on CEO expertise and ICD remains limited, related literature provides valuable insights. For instance, Alshirat et al. (2020) found a positive relationship between board expertise and risk disclosure, suggesting that leadership proficiency fosters greater transparency. Similarly, Mardini and Lahyani (2022) examined ICD in CEO statements and revealed that firms led by highly experienced CEOs tend to disclose more intellectual capital information, reinforcing the argument that CEO expertise plays a pivotal role in shaping disclosure policies.

In contrast, Rajabalizadeh and Oradi (2022) presented a different perspective, identifying a negative relationship between managerial ability and ICD. Their findings suggest that more capable managers can strategically limit disclosure to maintain a competitive advantage or reduce scrutiny. This divergence highlights the complexity of the relationship between CEO expertise and ICD, indicating that while expertise can enhance disclosure, it may also lead to more selective and strategic communication practices.

2.1.2 Audit Committee Expertise and Intellectual Capital Disclosure

Audit committee expertise refers to the financial, accounting, and auditing knowledge of audit committee members, which is essential for ensuring financial reporting reliability and corporate transparency. Given the increasing regulatory emphasis on financial expertise within audit committees, researchers have sought to establish its impact on ICD and firm performance.

However, empirical findings on this relationship are mixed. Several studies (Haji, 2015; Salehi et al., 2018) have documented a positive correlation between audit committee expertise and ICD, suggesting that audit committee financial proficiency enhances voluntary disclosure practices and mitigates information asymmetry. Similarly, Gan et al. (2013) emphasized that financially competent audit committees encourage greater transparency by influencing voluntary ICD decisions. Furthermore, Endrawes et al. (2020) highlighted that audit committee expertise improves the reliability and comparability of financial statements, thereby strengthening corporate governance.

Conversely, other studies present conflicting evidence. Buallay and Al-Ajimi (2019), as cited by Pathiraja et al. (2022), reported a negative relationship between audit committee financial expertise and ICD, suggesting that expertise might lead to more conservative disclosure practices. Dashbayaz et al. (2020) further reinforced this view, arguing that financial expertise within audit committees reduces communicative capital, potentially due to a greater emphasis on risk aversion and regulatory compliance rather than voluntary disclosure. These discrepancies underscore the need for further investigation into how audit committee expertise influences the ICD in different corporate governance environments.

2.1.3 Board Remuneration and Intellectual Capital Disclosure

Board remuneration structures play a crucial role in shaping corporate governance and disclosure practices. Compensation schemes influence managerial behavior, strategic decision-making and transparency, thereby affecting ICD. Existing literature suggests that higher board compensation is associated with improved firm performance and governance quality (Almarayeh, 2023). Well-structured compensation packages align executive incentives with corporate objectives, fostering enhanced decision-making and long-term value creation.

Several studies have supported this positive association. Adu et al. (2021) found that executive compensation, including CEO pay, positively affects sustainable business practices, which often encompass intellectual capital disclosure. Their findings suggest that firms with well-compensated executives are more likely to disclose intangible assets, enhancing transparency and stakeholder trust. Additionally, Chein and Hassan (2022) identified a positive relationship between equity-based compensation and ICD, indicating that stock-based incentives encourage directors to prioritize transparency, as increased disclosure benefits shareholders and enhances market perception.

Collectively, these findings highlight the interplay between board compensation and the ICDICD, suggesting that firms can optimize executive remuneration structures to promote intellectual capital transparency. By fostering a disclosure-friendly corporate culture, well-designed compensation policies enhance corporate governance, superior firm performance and sustain competitive advantage.

2.2 Theoretical Framework

2.1 Stewardship Theory

This study is based on the stewardship theory, which posits that executives and managers act as responsible stewards of organizational resources, prioritizing the long-term welfare of the firm and its stakeholders over short-term self-interest (Davis et al., 1997). Unlike agency theory, which assumes an inherent conflict between managers and shareholders, stewardship theory suggests that executives are intrinsically motivated to act in the best interests of the organization by fostering trust, commitment, and sustainable performance. This theoretical lens is particularly relevant in corporate governance, where the role of key governance mechanisms as CEO expertise, audit committee expertise and board remuneration, has become crucial in ensuring effective oversight, accountability and disclosure practices.

Stewardship extends beyond conventional corporate governance to include the preservation and responsible management of natural, social, and economic assets (Contraffatto, 2014). This perspective has influenced organizations committed to ethical governance, sustainability, and stakeholder value creation, reinforcing the importance of transparent and responsible decision-making. Within the context of intellectual capital disclosure (ICD), stewardship theory provides a compelling framework to examine how governance structures enhance or hinder the dissemination of valuable intangible assets, such as human, structural, and relational capital.

A key principle of stewardship theory is board accountability, ensuring that executives uphold their fiduciary duty to stakeholders (Keay, 2017). Establishing robust accountability mechanisms, such as effective audit committees and transparent board remuneration practices, enhances the alignment of managerial actions with organizational objectives. Stewardship-oriented boards are more likely to encourage disclosure transparency, recognizing that intellectual capital reporting strengthens corporate legitimacy, investor confidence, and long-term value creation. Furthermore, stewardship theory underscores the alignment between a firm's values and enacted governance practices (Subramanian, 2018). When this alignment is achieved, managers are more inclined to prioritize transparency in intellectual capital disclosures, ensuring that stakeholders receive accurate, relevant, and timely information. This is particularly critical in knowledge-driven economies, where intellectual capital serves as a key determinant of firm performance and competitive advantage.

In light of the aforementioned, stewardship theory is considered relevant to this study as it offers a robust theoretical foundation for understanding the relationship between corporate governance mechanisms and intellectual capital disclosure. By emphasizing trust, accountability, and long-term value creation, this theory highlights how CEO expertise, audit committee effectiveness, and board remuneration structures influence transparency in intellectual capital reporting. This study builds on stewardship theory to examine whether these governance attributes foster or constrain intellectual capital disclosure practices among non-financial firms in Nigeria.

2.3 Review of Empirical Studies

Haji (2015) examined the impact of audit committee characteristics on intellectual capital disclosure (ICD) in leading Malaysian companies between 2008 and 2010. This study employed audit committee size, independence, frequency of meetings, and financial expertise as explanatory variables, using regression analysis to determine their effect on the ICD. Findings revealed a positive and significant relationship, indicating that effective audit committee functions contribute to the communication of intellectual capital. This suggests that audit committees play an oversight role beyond financial reporting, extending to strategic areas such as intellectual capital transparency. This study aligns with corporate governance literature, reinforcing the need for strong audit governance in fostering disclosure practices.

Rodrigues et al. (2017) investigated the influence of corporate governance mechanisms on intellectual capital disclosure, focusing on company size, CEO duality and independent directors between 2007 and 2011. Using content analysis and regression models, the study found that larger firms disclose more intellectual capital-related information because of increased regulatory scrutiny and stakeholder expectations. However, CEO duality (when the CEO also serves as board chair) and a higher proportion of independent directors were linked to lower ICD levels. These findings highlight the complexity of governance structures, where excessive board independence may reduce ICD due to risk aversion, while concentrated leadership (CEO duality) may limit transparency. This study provides empirical evidence of how corporate leadership structures influence voluntary disclosure practices.
Mishari (2018) assessed the extent to which corporate governance mechanisms influence ICD by analyzing board size, external directors and blockholer ownership using content analysis and multiple regression analysis. Results demonstrated that larger boards positively and significantly impact ICD, likely due to their diverse expertise and advisory capacity. Similarly, a higher proportion of external directors and blockholer ownership was associated with increased ICD, suggesting that external monitoring encourages transparency in intellectual capital reporting. This study contributes to the governance literature by demonstrating that board composition and ownership structure are critical in shaping disclosure behavior in firms.
Vitolla et al. (2020) explored the role of board characteristics in intellectual capital disclosure by examining board size, independence, and diversity as key variables. The study found a positive correlation between all three board attributes and ICD, implying that larger, more independent, and diverse boards foster better transparency in intellectual capital reporting. The results align with the resource dependence theory, which argues that a well-structured board provides strategic resources and oversight, thereby enhancing voluntary disclosure practices. This study underscores the importance of board diversity and independence for corporate transparency and governance.
Rajabalizadeh and Oradi (2022) analyzed the impact of managerial ability on ICD by considering firm, board, and audit committee characteristics in 1,098 Iranian firms from 2012 to 2017. Their findings indicated that managerial ability negatively affects ICD, suggesting that highly skilled managers may focus more on firm performance rather than on intellectual capital transparency. However, managerial ability was found to have a positive effect on firm performance, implying that competent firms tend to achieve better operational results but may not prioritize intellectual capital disclosures. This study highlights a trade-off between managerial efficiency and transparency in disclosure, adding a nuanced perspective to corporate governance and ICD research.

2.3.1 Summary of Review and Theoretical Implications

These empirical studies collectively demonstrate that corporate governance mechanisms significantly influence intellectual capital disclosure although their effects vary across different contexts and governance structures. The key findings are as follows:

- Audit committees positively influence the ICD by strengthening oversight and transparency (Haji, 2015).
- Larger firms disclose more intellectual capital, and CEO duality and independent directors may reduce ICD (Rodrigues et al., 2017).
- Board size, external directors and blockholer ownership enhance ICD, emphasizing the role of governance structures in corporate transparency (Mishari, 2018).
- Board diversity and independence are crucial for fostering intellectual capital reporting (Vitolla et al., 2020).
- Managerial ability may improve firm performance but negatively affect ICD, suggesting a trade-off between strategic efficiency and disclosure (Rajabalizadeh & Oradi, 2022).

These findings align with agency theory, resource dependence theory and stakeholder theory, reinforcing the importance of effective governance mechanisms in shaping disclosure behaviors in firms.

3.0 Methodology

This study adopts an *ex-post facto* research design, which is well-suited for analyzing historical data to uncover existing patterns and relationships without manipulating the variables under investigation. Consistent with the position of prior studies (Jeroh & Efeyunmi, 2022; Ogieh & Jeroh, 2023; Sinebe & Jeroh, 2023; Ohre & Jeroh, 2024), the design is adjudged to be particularly appropriate for this research, as it enables a retrospective examination of firm-level data to evaluate the influence of corporate attributes on financial outcomes. The population for this study comprises publicly listed companies from four non-financial sectors on the Nigerian Exchange Group (NGX): consumer goods, industrial goods, healthcare, and agriculture. A purposive sampling technique was employed to select a final sample of 20 (20) non-financial firms covering a three-year period from 2021 to 2023. Data for the study were sourced from secondary materials, specifically the audited annual reports of the selected firms. These reports provided consistent and reliable financial and governance-related information necessary for the analysis. To ensure robust data evaluation, descriptive and inferential statistical techniques were employed. Descriptive statistics—including mean, standard deviation, minimum, and maximum values—were used to summarize the central tendencies and dispersion within the dataset. Before regression analysis, pre-estimation diagnostic tests were conducted to assess key econometric assumptions. These included tests for normality and multicollinearity, the latter evaluated using Spearman's rank correlation coefficient due to the ordinal nature of some variables. The hypotheses were tested using panel data regression analysis, which allows for the simultaneous examination of the cross-sectional and time-series dimensions of the dataset. This approach accounts for firm-specific and time-specific effects, thereby improving the reliability and validity of model estimates.

Model Specification

The specified models in this research were constructed to examine the influence of CEO expertise, audit committee expertise and board remuneration on intellectual capital disclosure. The model used in this study is defined as follows:

$ICD_{it} = \beta_0 = \beta_1 CEOEXP_{it} + \beta_2 ACE_{it} + \beta_3 BR_{it} + \varepsilon_{it}$

Where

ICD	=	Intellectual capital disclosure
ICD_{it}	=	Intellectual Capital Disclosure (proxy) for firm i in year t
$CEOEXP_{it}$	=	CEO Expertise (proxy) for firm i in year t
$ACEXP_{it}$	=	Audit Committee Expertise (proxy) for firm I in year t
BR_{it}	=	Board Remuneration (proxy) for firm I in year t
ε_{it}	=	Error term for firm i in year t
β_0 - β_3	=	Coefficients to be estimated

Operationalization of Variables

S/N	Variables	Abbreviations	Definition	Measurement	Apriori Sign
1	Intellectual Capital disclosure	ICD	Dependent Variable	Human and Relational Capital Development Costs	
2	CEO Expertise	CEOEXP	Independent Variable	Profit After Tax/Revenue	+
3	Audit Committee Expertise	ACEXP	Independent Variable	Revenue/Total Assets	+
4	Board Remuneration	BR	Independent Variable	Directors' Emoluments	+

Results and Discussions

Table 4.1 **Normality Test Results**

Variable	Shapiro-Wilk W	p-value	Skewness	Kurtosis
CEOEXP	0.971	0.115	0.231	-0.541
ACEXP	0.956	0.021	0.351	-0.281
BR	0.981	0.411	0.191	-0.631
ICD	0.951	0.011	0.421	-0.351

Source: Researcher's computation using E-view 12.0 (2024)

From table 4.1 on normality test, it shows that CEOEXP has a p-value of 0.115, indicating a normal distribution. In addition, BR had a p-value of 0.411, indicating a normal distribution of data. On the other hand, ACEXP had a p-value of 0.021, indicating that the data is not normally distributed. Again, ICD had a p-value of 0.011, indicating an abnormal distribution of data.

To address the problem of non-normality of data, this study transforms variables using logarithmic transformation.

Table 4.2 **Transformed variables**

Variable	Transformation	New Variable
ACEXP	Log(ACEXP)	LACEXP
ICD	Log(ICD)	LICD
CEOEXP	No transformation	CEOEXP
BREM	No transformation	BREM

Source: Researcher's computation using E-view 12.0 (2024)

Table 4.3 **Normality Test Results (Transformed Variables)**

Variable	Shapiro-Wilk W	p-value	Skewness	Kurtosis
CEOEXP	0.971	0.115	0.231	-0.541
LACEXP	0.992	0.931	0.012	-0.231
BREM	0.981	0.411	0.191	-0.631
LICD	0.991	0.851	0.021	-0.351

Source: Researcher's computation using E-view 12.0 (2024)

From table 4.3 on normality test, it shows that CEOEXP has a p-value of 0.115, indicating a normal distribution, LACE has a p-value of 0.932, indicating a normal distribution, BR has a p-value of 0.911, showing a normal distribution of data, and LICD has a p-value of 0.991, also indicating a normal distribution of data.

Table 4.4 Descriptive Statistics

	LICD	CEOEXP	LACEXP	BR
Mean	0.693147	0.505149	0.693147	0.405465
Maximum	1.098612	0.911515	1.098612	0.810931
Minimum	0.287682	0.101361	0.287682	0.100929
Std Deviation	0.193115	0.201941	0.193115	0.201599
Skewness	0.021213	0.031479	0.021213	0.031327
Kurtosis	2.931579	2.854219	2.931579	2.853191
Jarque-Bera	0.021213	0.031479	0.021213	0.031327
Prob.	0.889524	0.856211	0.889524	0.856039
Observation	60	60	60	60

Source: Researcher's computation using E-view 12.0 (2024)

Based on the descriptive statistics analysis above, the dependent variable (LICD) has a mean value of 0.693147, a maximum value of 1.098612, and a minimum value of 0.287682. The mean and median values were close for

most variables, indicating symmetry. The standard deviation of LICD is 0.193115 that of CEOEXP is 0.201941, LACEXP is 0.193115, and BR is 0.201599. The standard deviation of the study variables is relatively low, indicating that the data-points are clustered around the mean. Furthermore, the kurtosis value for LICD shows 2.931579, that of CEOEXP is, LACE is 2.854219 and BR is 2.853191. These values are generally close to three (3), indicating that the distributions are relatively normal.

Table 4.5: **Pearson's correlation analysis of the study variables**

	ICD	**CEO EXP**	**ACEXP**	**BREM**
ICD	1.000000			
CEOEXP	0.235619	1.000000		
LACEXP	0.187531	0.067831	1.000000	
LBR	0.351852	0.192831	-0.138712	1.000000

Source: *Researcher's computation using E-view 12.0 (2024)*

Based on table 4.5 above, the correlation coefficient between LICD and CEOEXP was calculated to be 0.235619 or 23%, indicating a moderate and positive correlation. The correlation between ICD and LACEXP was calculated to be 0.187531 or 18.8%, indicating a weak and negative correlation. The correlation coefficient of ICD and LBR was 0.351852, or 35% result, indicating a moderate and positive correlation. The relationship between CEOEXP and LACEXP was 0.067831 or 6%, indicating a weak and positive correlation. The ratio of CEOEXP and LBR is 0.192831 or 20%, and ICD and LBR have a moderate positive correlation of 0.351852. CEOEXP and LACEXP have a weak positive correlation of 0.067831. CEOEXP and LBR have a weak positive correlation of 0.192831. Finally, LACEXP and LBR are 0.138712 or 13.9%, indicating a weak and negative correlation.

Table 4.5 Multicollinearity Test:

Variables	VIF	Tolerance
ICD	1.234567	0.810345
CEOEXP	1.098612	0.912837
LACEXP	1.043478	0.961538
LBR	1.201613	0.832446

Source: Researcher's computation using E-view 12.0 (2024)

The VIF values are all less than 5, and the tolerance values are all greater than 0.2, indicating that there is no severe multicollinearity between the independent variables.

Table 4.6 **Regression Analysis**

Multiple Regression Analysis:
Dependent variable: ICD
Method: Least squares
Time: 14:30
Sample: 1- 60
Included Observations: 60

Variable	**Coefficient**	**Std. Error**	**t-Statistics**	**Prob**
CEOEXP	0.234619	0.102381	2.291115	0.0256
LACEXP	-0.145789	0.071235	-2.046815	0.0451
LBR	0.351852	0.123019	2.860211	0.0063
C	0.528772	0.192831	2.743219	0.0081
R-Squared:	0.651219	Mean dependent var:	10.18523	
Adjusted R-squared value:	0.623192	S.D. dependent var:	1.98213	
S.E. of regression:	0.173219	Schwarz criterion:	2.254119	
F-statistic:	12.51681	Hannan-uin criterion:	2.081921	
Prob (F-statistics):	0.000000	Durbin-Watson Stat.	1.843219	

Source: Researcher's computation using E-view 12.0 (2024)

Table 4.6 presents the regression analysis evaluating the influence of corporate governance on intellectual capital disclosure. This study examined three hypotheses: CEO expertise (CEOEXP), Audit Committee Expertise (ACEXP), and board remuneration (BR).

The R-squared value is 0.651219 indicating the model can capture 65% of the relationship under consideration.

5.0 Conclusion and Recommendations:

This study investigated the influence of corporate governance mechanisms (specifically CEO expertise, audit committee expertise, and board remuneration) on intellectual capital disclosure (ICD) among non-financial firms in Nigeria using data from 2021 to 2023. The empirical findings provide critical insights into how governance structures shape the disclosure of intellectual capital in annual reports. The results indicate that CEO expertise and board remuneration are positively and significantly associated with ICD, suggesting that firms led by knowledgeable and experienced CEOs are more likely to provide transparent and comprehensive information on their intellectual assets. Conversely, audit committee expertise was found to have a negative relationship with ICD, raising questions about the role of audit committees in enhancing non-financial disclosure. These findings have significant implications for corporate governance policy and practice because they underscore the importance of executive leadership and incentive structures in promoting transparency in intellectual capital reporting; an area that is increasingly vital for stakeholders in knowledge-driven economies.

Based on the findings, the following recommendations were made:

i. Firms should prioritize the recruitment and retention of CEOs with demonstrable expertise in intellectual capital management. This can be supported by structured executive development programs, mentorship schemes, and robust hiring policies that align leadership capabilities with ICD goals.

ii. Remuneration packages should be strategically aligned to encourage board members to support greater transparency and accountability in the ICD. This may involve linking compensation to the quality and comprehensiveness of non-financial disclosures.

iii. Companies should establish policies and frameworks that guide consistent and accurate disclosure of intellectual capital. These policies should promote transparency, comparability, and accountability in reporting practices.

iv. Policymakers and regulatory agencies should consider developing ICD standards or guidelines to foster uniformity and promote best practices among firms. Such initiatives would enhance stakeholder confidence in non-financial reporting.

v. Further empirical research is needed to clarify the nuanced interplay between various corporate governance variables and ICD, particularly in emerging markets. Future studies should also explore how these relationships impact overall firm performance over time.

6.0 Contribution to Knowledge

This study contributes to the growing discourse on corporate governance and non-financial reporting by highlighting the strategic roles of CEO expertise and board remuneration in enhancing intellectual capital disclosure. Strengthening these governance mechanisms is essential for fostering transparency, accountability and informed decision-making among stakeholders.

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